



KHYBER PAKHTUNKHWA

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GOVERNMENT OF THE KHYBER PAKHTUNKHWA
EXCISE, TAXATION AND NARCOTIC CONTROL DEPARTMENT

NOTIFICATION

Peshawar Dated, the 12th December, 2022.

No. So (T&N) 4-12/2/2020: In exercise of the powers conferred by clause (e) of sub-section (2) of section 57 of the Khyber Pakhtunkhwa Control of Narcotic Substances Act, 2019 (Khyber Pakhtunkhwa Act No. XXXI of 2019), read with section 42 thereof, and the Supreme Court of Pakistan notification issued in this behalf, the Government of Khyber Pakhtunkhwa is pleased to make the following rules, namely:

**The Khyber Pakhtunkhwa Frozen and Forfeited Assets
(Management, Maintenance and Disposal) Rules, 2021.**

Chapter-I
Preliminary

1. **Short title and commencement.**--- (1) These rules may be called the Khyber Pakhtunkhwa Forfeited and Confiscated Drug Assets (Administration, Management, Maintenance and Disposal) Rules, 2021.

(2) These rules shall come into force at once.

2. **Definitions.**--- (1) In these rules, unless there is anything repugnant in the subject or context,-

- (a) "Act" means the Khyber Pakhtunkhwa Control of Narcotic Substances Act, 2019 (Khyber Pakhtunkhwa Act No. XXXI of 2019);
- (b) "Administrator" means any officer, appointed by Government undersub-section (1) of section 42 of the Act;

- (c) "Auction Committee" means the Auction Committee, constituted under rule 24 of these rules;
 - (d) "auctioneer" means the Directorate General or the office of Regional Police Officer, as the case may be, with in the Province, which shall auction the asset;
 - (e) "bid" means the price, offered at an auction, by a bidder;
 - (f) "bidder" means the person, who gives a bid;
 - (g) "Form" means a Form appended to these rules; and
 - (h) "godown" means a godown, designated under rule 4 of these rules, where frozen and forfeited assets are kept in safe custody under the supervision of Administrator, for disposal under the Act and these rules.
- (2) Words and expressions, used but not defined under these rules, shall have the same meanings as are assigned to them under the Act.

Chapter-II

Assistance to the Administrator, Designation and Selection of Godowns, and Receipt and Management of Property

3. **Assistance to the Administrator.**---The Director General or the Regional Police Officer, in their respective capacity or parameters, provide, from time to time, such members of staff and other persons as they deem fit to assist the Administrator in exercise of his powers and performance of his duties under these rules.

4. **Godown.**---(1) Subject to the approval of Government, the Administrator shall designate as many godowns as may be necessary for the storage of assets forfeited or confiscated assets to Government under the Act and received by him for management, maintenance and disposal.

(2) The Director or District Police Officer, as the case may be, upon the recommendation of the Administrator, shall select godown, for the purposes of keeping the frozen and forfeited assets in safe custody under sub-rule (1), keeping in view the security condition of the godown, its storage capacity and nature of assets and other relevant factors.

(3) Each designated godown shall have a godown keeper and a godown in-charge to assist the Administrator.

5. **Proper accounting of properties.**---The Administrator shall, at the time of receiving the assets, ensure proper identification of such assets, with reference to its particulars mentioned in the seizure or, as the case may be, the forfeiture order, made under the Act.
6. **Godown register.**---The Administrator shall cause a register, to be maintained as per **Form-I**, for recording entries in respect of assets, other than the assets, referred to in rule 7 of these rules.
7. **Godown register for valuables.**---The Administrator shall cause a register, to be maintained as per **Form II**, for recording entries in respect of assets, i.e gold and gold jewelry, diamonds, including rough and uncut diamonds, precious and semi-precious stones other than diamonds, hereinafter referred to as "valuables".
8. **Storage of assets.**---(1) The Administrator shall ensure that the packages, containing valuables, are kept in the godown in an iron safe and vault, under double lock system, whereof one key shall remain with the godown keeper and the other to be retained by the godown in-charge.
- (2) Valuables, as mentioned in rule 7, shall preferably be kept in the State Bank of Pakistan or in National Bank of Pakistan. The deposit or withdrawal of such valuables shall be allowed on joint signatures of two officers of Gazetted rank, duly notified by the Director General or the Regional Police Officer, as the case may be.
- (3) The packages, referred to in sub-rules (1) and (2), shall be stored systematically, inquiry-wise, case-wise, serial-wise, year-wise and with proper identification marks to facilitate their re-checking and inspection.
- (4) Pakistani and foreign currency shall be deposited in a designated PLS account in National Bank of Pakistan.
9. **Management of immovable assets.**---The Administrator may authorize any member of staff or other persons, to take possession of immovable assets, in respect of which an order of freezing and forfeiture has been made, under the Act.
10. **Occupation of immovable assets.**--- (1) Where any property is in possession of a lessee or a tenant or any other management and against such property a forfeiture order under the Act has been made, the Administrator may, with the approval of the Department or Police Establishment, through the Director General or Regional Police Officer, as the case may be, allow the lessee or tenant or any other management of property to continue to be in occupation of such property in accordance with such terms and conditions which existed on the date of passing a forfeiture order under the Act.
- (2) Subject to rule 11, where possession of any vacant property, forfeited under the Act, is taken under rule 9 by the Administrator or any member of staff or other persons authorized by the Administrator, the Administrator may, with the approval of the Secretary of

the Department or Inspector General of Police, Khyber Pakhtunkhwa, through the Director General or Regional Police Officer, as the case may be, rent out or give on lease or on contract or for Government official use on rent such property for agricultural or residential, commercial or any other appropriate purposes, according to the nature of such property and in accordance with such terms and conditions to be reduced into writing, till such property is declared not liable to be forfeited under the Act and ordered by the Special Court to be returned to its owner or till disposal of such property under these rules after forfeiture of such property under the Act.

(3) Where any property is forfeited under the Act and possession of such property is taken by the Administrator or any member of staff or other persons authorized by the Administrator, the Administrator may, with the approval of the Secretary or Inspector General of Police, Khyber Pakhtunkhwa, through the Director General or Regional Police Officer, as the case may be, rent out or give on lease or on contract or for Government official use on rent to other Government Departments or handover to the Department without rent such property for agricultural, residential, commercial or any other appropriate purposes, according to the nature of such property and in accordance with such terms and conditions to be reduced into writing, till disposal of such property under these rules by auction or otherwise.

(4) The income, derived from such property or assets, shall be kept in the National Bank of Pakistan in a designated PLS account.

11. **Return of assets.**—Where any assets or property is declared not liable to be forfeited under the Act, the Administrator shall, within the time fixed by the Special Court or in the absence of such fixation of time, within reasonable time, return to the person such property or asset and the income derived therefrom after deducting such expenses, if any, which were incurred under his administrative control on the maintenance and management of the property or asset.

12. **Record of assets or property.**— The Administrator shall maintain record of landed property or buildings, etc. in the manner as may be specified in **Form III**.

13. **Storage of assets other than valuables.**—(1) Moveable assets, other than valuables, shall be stored in almirahs and racks.

(2) Each almirah and rack shall have a stock card, indicating the case number and full description of the assets, stored therein.

14. **Placement of stock cards.**— The godown in-charge shall ensure that the racks or almirahs or any other thing used for storage of assets display stock card, indicating the inquiry number or case number and full description of the assets stored therein.

15. **Opening and re-sealing of the packages.**—(1) Where any package is to be opened for any reason, the same shall be opened in presence of the owner or his authorized agent and the concerned godown in-charge after obtaining the orders of Administrator.

(2) The packages shall be re-sealed immediately after achieving the purpose, for which such packages were opened, in presence of the owner or his authorized agent and the concerned godown in-charge.

(3) At the time of re-sealing, the owner or his authorized agent and the concerned godown in-charge shall affix their seals.

16. **Maintenance of forfeited or confiscated conveyances.**---Conveyances shall be properly kept in godown.

Chapter-III Disposal of Assets.

17. **Disposal of livestock, perishables, etc.**---(1) Subject to sub-rule (2) and the sale proceeds, being credited to the Provincial Exchequer, the committee, to be nominated by the Director General or Regional Police Officer, as the case may be, in consultation with the Administrator, shall dispose of the livestock and assets which are perishable in nature or prone to decay, in the manner as deemed fit.

(2) The proceeds, so received, shall be deposited in a designated PLS account in National Bank of Pakistan:

Provided that in the case,-

- (a) if the Special Court declares such property or asset not liable to be forfeited or confiscated under the Act, the Administrator shall, within reasonable time, return the subject sale proceeds, so deposited, along with profit, if any, to its owner; or
- (b) if the Special Court forfeits or confiscates such property or asset, the proceeds, so deposited, shall be transferred to Government Exchequer.

18. **Disposal of valuables.**---A committee, to be nominated by the Director General of Regional Police Officer, with the approval of Director General or Regional Police Officer, as the case may be, and subject to the sale proceeds, being credited to the Provincial Exchequer, in consultation with the Administrator, shall dispose of the valuables, mentioned below in the following manner, namely:

- (a) the valuables, such as gold, gold jewelry, silver and silver jewelry, shall be deposited in Government Exchequer;
- (b) rough and uncut diamonds shall be sold either by auction or tender to the import licence holders against debit of their licences;

- (c) cut and polished diamonds shall be sold by auction or tender with the specific condition that such diamonds shall be exported;
- (d) rough and uncut precious and semi-precious stones, other than diamonds, shall be sold by auction or tender to holder of import licences against debit of their licences, in the internal market; and
- (e) cut and polished precious and semi-precious stones, other than diamonds shall be sold internally, by auction or by tender.

19. Disposal of currency.--- Pakistani and foreign currency, on the finality of the case, shall be deposited in Government Exchequer.

20. Disposal of other assets.---(1) Assets other than those referred to in rules 17 to 19 shall be disposed of by public auction.

(2) Subject to the relevant provision of any law relating to the acquisition or disposal of immovable property and also subject to the sale proceeds being credited to Government's Exchequer, the property shall be disposed of by public auction by the Auction Committee:

Provided that if such property could not be disposed of through public auction, it may be sold out to any Government Department through negotiations by the committee, to be nominated by the Director General or Regional Police Officer, as the case may be, in consultation with the Administrator and such sale shall be subject to the approval of Government.

21. Disposal of conveyances.---Conveyances, other than those involved in transportation of Narcotic, so forfeited or confiscated, shall be sold by public auction or tender, by a committee, to be nominated by the Director General or Regional Police Officer, as the case may be, in consultation with the Administrator.

22. Current value of forfeited or confiscated property.---The Administrator shall get assessment of average value of the forfeited or confiscated property, which may be taken as final reserve price from the following, namely:

- (a) Revenue and Estate Department of Government;
- (b) Government Development Authorities, Housing Societies or any other concerned Government authority controlling the housing schemes; and
- (c) three licence-holder real estate agents or property dealers of the respective areas where the property is situated through ascertainment of prevailing market value.

23. **Recommendations for auction of property.**---(1)The Administrator shall forward the case and recommendations for auction of properties, required to be auctioned, to the Assets Investigation Branch of Narcotics Control Wing or relevant wing of the Police Establishment, for approval of the Director General or Regional Police Officer, as the case may be.

(2) The Administrator shall notify the occupant or last owner, if other than accused or his relative, to file any bona-fide objection with lawful documents or proof.

24. **Composition of Auction Committee at the level of Department.**---For the purposes of rule 26 of these rules, read with rule 20 thereof, there shall be an Auction Committee at the level of the Department, which shall consist of the following officers, namely:

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| (a) Director General; | Chairman |
| (b) Director; | Member |
| (c) Director Revenue; | Member |
| (d) the Administrator; | Member |
| (e) Deputy Secretary (Admin) of the Department; | Member |
| (f) Excise and Taxation Officer (Counter Narcotics Operations); | Member-cum-Secretary |
| (g) a representative of Department of Government, not below the rank of BPS-17; and | Member |
| (h) a representative of Administration Department of Government, not below the rank of BPS-17. | Member |

25. **Composition of Auction Committee at the level of Police Establishment.**--- For the purposes of rule 26 of these rules, read with rule 20 thereof, there shall be an Auction Committee at the level of Police Department, which shall consist of the following officers, namely:

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| (a) Regional Police Officer; | Chairman |
| (b) a representative of Police Establishment, not below the rank of BPS-19; | Member |

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| (c) a representative of Police Establishment, not below the rank of BPS-18; | Member |
| (d) Administrator; | Member |
| (e) Deputy Secretary (Admin) of the Home and Tribal Affairs Department of Government; | Member |
| (f) a representative of the Home and Tribal Affairs Department, not below the rank of BPS-17; | Member |
| (g) a representative of Department of Government, not below the rank of BPS-17; and | Member |
| (h) a representative of Administration Department of Government, not below the rank of BPS-17. | Member |

26. **Functions of Auction Committee.**---The Chairman of the Auction Committee, on receipt of clearance from the Secretary of the Department or Inspector General of Police, Khyber Pakhtunkhwa, as the case may be, shall cause the following requirements to be fulfilled, namely:

- (a) a detailed inventory schedule of each property and details of property offered to be auctioned; and
- (b) a list of properties to be auctioned indicating the following, namely:
 - (i) description of property as per municipal, revenue or other relevant record;
 - (ii) area and details of property or properties to be auctioned;
 - (iii) covered area, details of construction i.e. nature of construction, size of accommodation, details of machinery, equipment, fixtures, installation or stores, its previous and present use and income derived or being derived from the property;
 - (iv) status of properties i.e. residential, commercial, industrial, etc;
 - (v) average market price;
 - (vi) average reserve price;

- (vii) reserve price at which the property to be auctioned;
- (viii) remarks;
- (ix) signature of the Chairman and Members of the Auction Committee;
and
- (x) due notice to the last owners of these properties at least fifteen days in advance to the date of auction.

27. Advertisement of public auction notice.---The public auction notice shall be advertised in at least three leading English language, one Urdu language and one local language newspapers, preferably local Sunday issue, at least fifteen days in advance for moveable property and thirty days in advance for immovable property, prior to the date of auction specifying therein-

- (a) date, time and place of auction in block letters;
- (b) the general description of properties to be auctioned; and
- (c) access to properties for inspection by interested parties, peoples and bidders, at least seven days prior to the date of auction.

28. Qualification for bidder.---A person, other than the personnel of Narcotics Control Wing or Regional Police Officer, as the case may be, may participate in the auction by way of open bid, if he,

- (a) holds a valid CNIC and submits an attested photocopy thereof;
- (b) has not been disqualified by Government to participate in auction; and
- (c) abides by the terms and conditions of the auction.

29. Manner of auction or bidding.---(1) Before the start of auction or bidding, the Chairman, Auction Committee shall announce the description, other details and reserve price of the property.

- (2) The auctioneer shall describe the procedure and condition prior to the start of auction.
- (3) All auctions shall be on the principle of "as is and where is" basis.
- (4) The first bid shall not be less than twenty percent (20%) of the reserve price notified before or at the time of auction.

(5) The bid amounts, the names of the highest and second highest bidders and attested photocopies of National Identity Card as well as National Tax Number of the successful bidder shall be recorded, kept and maintained on file for that particular property.

30. **Earnest money:**-Twenty five percent (25%) of the amount of the highest bid, given at an auction, shall be paid by the bidder in each case as earnest money, immediately after the fall of the hammer, failing which the bid shall be cancelled and the property or the asset may be sold to the second highest bidder and in case he fails to pay the earnest money, the property or asset may be re-auctioned.

31. **Payment of balance amount.**---The balance of the amount of bid shall be paid by the successful bidder, in favour of Provincial Exchequer, within a period of seven days, excluding holidays, for the final acceptance of the bid, failing which the earnest money i.e. twenty five per cent, deposited by the bidder shall be forfeited and deposited in the Provincial Exchequer and the property shall be sold in the next scheduled auction. Expenditures incurred on next auction shall also be borne by the successful bidder, who has earlier failed to deposit the earnest money. Moreover, expenditure of re-auction, if it exceeds the earnest money, shall be recovered from the defaulter.

32. **Transfer of possession order.**---(1) The Director General or Regional Police Officer, as the case may be, on receipt of the whole amount of the bid, shall issue possession order along with physical possession of property containing the following information namely:

- (a) name and National Identity Card of successful bidder;
- (b) description of property;
- (c) date and place of the auction;
- (d) price at which property to the successful bidder is sold.
- (e) the successful bidder shall present the possession order issued to him to the concerned custodian of property deputed for the purpose; and
- (f) the custodian shall hand over the possession of property with the approval of the Administrator.

(2) The Administrator shall execute the registration and transfer of proprietary rights of property, auctioned in favour of the successful bidder, through Sub-Registrar, Revenue and Estate Department of Government, Development Authority, the Department and other concerned authorities.

(3) All charges, incurred on the execution of registration and transfer of proprietary rights in favour of the successful bidders, shall be borne by the bidders.

33. Powers to cancel auction.---Notwithstanding anything hereinbefore contained, the Director General with the approval of the Secretary or the Regional Police Officer with the approval of Inspector General of Police, Khyber Pakhtunkhwa, as the same may be, may cancel the whole proceedings of an auction after assigning reasons.

34. Disposal of forfeited bank deposits.---In case of forfeited bank deposits, when forfeited under the Act, the full amount shall be credited in favour of Government Exchequer.

35. Furnishing reports and returns.---The Administrator shall furnish a quarterly statement to the Director General through the Director for submission to the Department or the Regional Police Officer for submission to the Police Establishment, indicating the value of the assets, received and disposed of, and the closing balance of all assets kept in the godowns and banks.

Chapter-IV **Periodical Record and Inspections**

36. Periodical reports.---The godown in-charge shall submit, every month, a report to the Administrator with regard to the assets received or disposed of during that period.

37. Periodical inspection.---The Director or a representative of the Regional Police Officer, as the case may be, and the Administrator, with a view to ensuring safety, security, proper accounting and management of all assets in the godowns, may conduct physical inspection and verification with the help of such officers and experts as they think fit on biannually basis.

38. Record of receipt and disposal.---The Administrator shall maintain a record of receipt and disposal of all assets, received and disposed of under these rules, and shall also maintain an account of all income received and expenditure incurred on receipt, management and disposal of such assets.

39. Repeal.---The Frozen or Forfeited Drug Assets (Administration, Management, Maintenance and Disposal) Rules, 2001, to the extent of Province of Khyber Pakhtunkhwa, are hereby repealed.

FORM-I

(see rule 6)

**GODOWN REGISTER OF ASSESS OTHER THAN
ASSETS MENTIONED IN RULE 7**

1. Godown entry S. No.
2. Narcotics Drugs and Psychotropic Substances Crime No.
3. Description of asset in the sealed packages/containers.
4. No. of packages/containers.
5. Quantity (packages/container wise).
6. Name(s) and address (es) of accused.
7. Name with official designation and address of freezing/seizing/depositing officer.
8. Facsimile of the seal put on the packages/containers by the freezing officer/seizing officer/depositing officer.
9. Date and time of deposit.
10. Particulars of exit and re-entry for exhibiting to competent authority/court.
11. Date and time of removal for disposal.
12. Disposal particulars.
13. Certificate of disposal including price payment particulars and credit to the Fund.
14. Remarks of the Inspecting Officer(s).

FORM-II

(see rule 7)

GODOWN REGISTER OF ASSETS MENTIONED AT RULE 7

1. Godwon entry S. No.
2. Narcotics drugs and Psychotropic Substances Crime No.
3. Description of the valuables in packages/containers.
4. No of packages/containers (item wise).
5. Condition of seal at the time of entry.
6. Quantity (package/container-wise).
7. Name(s) and address (es) of accused.
8. Name with official designation and address of freezing / seizing / depositing officer.
9. Facsimile of the seal put on the packages / containers by the freezing / seizing / depositing officer.
10. Date and time of deposit.
11. Particulars not exit and re-entry for exhibiting to Competent Authority court.
12. Date and time of removal for disposal.
13. Disposal particulars.
14. Certificate of disposal including price payment particulars and credit to the National Fund for control of Drugs Abuse.
15. Remarks of the Inspecting Officer(s).

FORM-III
(see rule 12)
RECORD FOR LANDED AND BUILDING PROPERTY

1.	2.	3.	4.	5.	6.	7.	8.	9.
S.No.	Crime No.	Particular of the last Owner(s).	Location.	Description as per Municipal revenue or other relevant records.	Area in case of Land.	Value.	Monthly/ annual income.	Remarks.

SECRETARY,
GOVERNMENT OF THE KHYBER PAKHTUNKHWA
EXCISE, TAXATION AND NARCOTIC CONTROL DEPARTMENT

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