A Critical Analysis of Charity Laws in Pakistan and its nexus with Terror Funding

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Abstract:
The objective of this research is to elucidate the historical context of Pakistan's charitable laws. This paper studies and contrasts the various laws in Pakistan governing the management of charitable organizations. Additionally, it explores the relationship between Charitable Funds and terrorism sponsorship. This Research examines the recently enacted law, The Punjab Charities Ordinance 2018, which was enacted by the Province of Punjab. This paper thoroughly analyzes the key elements of the newly enacted statute and contrasts it to the repealed one by defining the basic structural distinction between the two. Finally, the research makes some recommendations for improving the overall situation.

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1. Introduction

The term "charity" refers to an organization formed to assist and generate funds for persons in need. The collection of organizations seen as the target of fundraising or donations. Typically, volunteer assistance is provided in the form of money to individuals in need (Oxford Dictionary of English). In old English it refers to a "Christian love of one's neighbors," and this definition remained synonymous with charity until at least the early twentieth century ("Oxford dictionary of english," 2010).

The notion of charity dates all the way back to the dawn of humankind. All major faiths emphasize the importance of charity and educate their adherents to assist other poor human beings. In Islam, the terms "Zakat and Sadaqa" refer directly to charity, and Zakat is mandatory for all Muslims. Christianity places a premium on charitable service, however it is not mandatory for Christians. In Judaism, the term "Tzekakah" refers to charitable giving. In Hinduism, Buddhism, and Jainism, charitable acts are referred to as "Dana" or "Daan."

2. Importance of Charity in Islam

Islam defines several distinct types of generosity, the two most significant of which are Sadaqa and zakat i.e. obligatory charity and voluntarily charity. Zakat is a predetermined, regulated percentage of one's surplus money (over and above the bare essentials of life) that must be donated to the needy and those in need. Sadaqa can take various forms, including a smile, good advise, money, or assistance with the construction of a home or masjid.

"Your smile for your brother is charity," the Prophet Muhammad (SAW) remarked. “Your removal of stones, thorns, and bones from people's walkways is a charitable act. Your counseling of a lost individual is a charitable act” (Al-Bukhari).
Another Hadith emphasizes the value of every part of a person's body conducting charitable acts:

“A charity is due for each joint in each person on each day the sun rises: to act justly between two people is a charity; to assist a man with his mount by lifting him onto it or hoisting up his belongings is a charity; a kind word is a charity; and removing a dangerous object from the road is a charity” (Al-Bukhari).

3. Pakistani Philanthropy and Charity

Pakistan now has over 65,000 registered nonprofit charitable organizations of various types, with an additional approximately 30,000 organizations that are not registered, totaling approximately 45,000 active organizations. Within the sector, there is much diversity, but there is also a growing divide between larger NGOs and smaller community-based groups. In recent years, the business sector has been much more involved in social development. Additionally, the government's Pakistan Poverty Reduction Strategy Paper recognizes the nonprofit sector's role in social development and poverty alleviation (Sidel, 2008).

Corporate philanthropy is more prevalent than individual philanthropy around the world, although in Pakistan, individual gifts outnumber corporate donations. Individual philanthropy is very hard to quantify accurately owing to a variety of causes, however corporate donations may be quantified due to paperwork and record keeping.

According to one survey of Corporate Philanthropy about Private Limited, listed and unlisted companies it was found that overall donations by Public Limited Companies climbed more than 32fold from 2000 to 2016, according to the research. Research shows that 51% of all PLCs are involved in charitable and related endeavors. There are about 23% of unlisted public and 26% of unlisted private corporations that are actively involved in charitable endeavors According to the results of the poll, the top 25 corporations account for around 80% of publicly traded companies, 8% of publicly unlisted companies, and 93 percent of privately listed companies. Oil and Gas Exploration is the most generous sub-sector, donating an estimated 608 million Pakistani Rupees. Public Limited Companies have donated 7.31 billion Pakistani Rupees to charity, an all-time record (A Survey of Public Listed, Unlisted and Private Limited Companies 2016).

According to a report by the Pakistan Centre of Philanthropy (PCP), 'The condition of individual philanthropy in Pakistan, 2016', yearly donations totaled Rs240 billion in 2014, although zakat contributed just 11 percent. When it comes to motivation, the survey identified compassion as the primary motivator of philanthropy in Pakistan, rather than faith. According to the report, the overall prediction of giving includes the monetized worth of in-kind gifts and volunteer time in addition to monetary donations. Thus, it is no coincidence that some of the country's largest and most renowned philanthropic organizations, including the Edhi Foundation, the Sindh Institute of Urology and Transplantation (SIUT), the Shaukat Khanum Cancer Hospital, The Citizen Foundation, and the Aman Foundation, are based here. They provide essential services (Subohi, 2017).

Pakistan surged 14 places in the 2017 World Giving Index, moving into the top ten most charitable nations, despite a diminishing trend in global giving across continents. The seventh edition, published by Aid foundation and based on Global Poll of Gallup respondents, put the country 78th in 2017, up from 92nd previous year. Pakistan scored 47%, 31%, and 12% on the index, which is based on a country's citizens' readiness to donate money, assist a stranger, and give time to help others. As a result, it is ranked fifth in contributing money and seventh in assisting a stranger. According to the report, the rate of monetary donations and stranger assistance decreased by roughly 2%, while volunteering decreased by 1%. However, generosity in poor nations, particularly in Africa, was perceived to be increasing (Anonymous, 2018).
4. **Research Methodology**

The study employs a qualitative research methodology. This study collects data from primary and secondary sources. Primary Data sources include the legislature's original statutes pertaining to the subject at hand. Secondary data sources include newspaper articles and studies conducted by other researchers on the subject, as well as reports produced by non-governmental organizations.

This research use the Document Analyses approach. This research examines new legislation, i.e. The Punjab Charities Ordinance 2018 is contrasted to the statute that was repealed, namely 1953 Charitable Funds (Collection Regulations).

4.1. **Research Objectives**

The study is being done to accomplish the following objectives:

- To elucidate the historical context of Pakistan's charitable laws
- To review and analyze the Punjab Charities Ordinance 2018, which was just promulgated.
- To provide a comparison between the Punjab Charities Ordinance 2018 and the defunct Charitable Funds (Regulation of Collection) 1953 Act.
- To examine why Pakistan's severe rules governing charities are required.
- To gain a better understanding of how charitable funds are utilized to finance terrorism and sectarianism in Pakistan.

4.2. **Historical Context**

In this region of the world, charity and philanthropy are deeply ingrained. People in the subcontinent are more motivated toward generosity and charity as a result of the teachings of many faiths. Apart from religious precepts, people in this region of the globe see charitable activity as a source of respect and social standing. Charity and charity have a long and illustrious history. In this region of the world, Hinduism was the predominant religion (which constitutes Pakistan today). Hinduism, like all other religions, promotes compassion and philanthropy. After the arrival of Islam to the subcontinent, philanthropic activities grew exponentially as a result of Islam's specific emphasis on charity and the philanthropic realm. Every Muslim has a religious obligation to contribute to the well-being of the impoverished. Ancient cultural principles of generosity and Islamic teachings strengthened and encouraged individuals to engage in philanthropy and charitable activities.

4.3. **Charitable Endowments Act 1890**

It was the first written legislation adopted in the British-controlled Subcontinent to govern and administer charitable fund collecting. According to the Act's preamble, its primary goal is to provide procedures for vesting and administering property held in trust for charitable purposes.

According to section 2 of the Charitable Funds (Regulation of Collection) Act 1953, "Charitable Purpose" includes "assistance to the poor, education, medical relief, and the advancement of any other object of general public utility, but does not include a purpose solely related to religious teaching or worship."

Section 3 established that the Federal Government may designate a "Treasurer of Charitable Endowments" for the country, and the Provincial Government may likewise appoint a "Treasurer of Charitable Endowments" for that particular Province.

It was necessary to inform the government under the Charity Endowments Act 1890 if property was being given away for charity purposes, and the government would then transfer ownership to the Treasurer of Charitable Endowments. Instead of giving the Treasurer full ownership and control of a property, vesting it in his name did not indicate that he would accept responsibility for the property's management and administration. Organizing all of these properties for charitable purposes was the major goal of the entire process.
Additionally, a scheme for the administration of any such property was required to be submitted to the office of the Treasurer of Charitable Endowments. The treasurer was required to maintain a separate account for any item entrusted to him, but he was not permitted to interfere with the administration of any such property.

According to section 9 of the "Charitable Endowments Act 1890" 1890), "a Treasurer of Charitable Endowments shall cause to be published annually in the official Gazette, at such time as the Government may direct, a list of all properties vested in him under this Act and abstracts of all accounts kept by him."

We have reviewed and scrutinized every significant aspect of the Charitable Endowments Act 1890. To summarize, the British Ruler established the Charitable Endowments Act 1890 to control charitable properties in India. The Act was not broad in scope and did not address all issues of charitable properties. The sole purpose of the Charity Endowments Act 1890 was to register all charitable properties with the Government in order for it to keep track of them for administrative purposes. Nonetheless, the enactment of that Act was a significant first step in the establishment of rules governing charities in the subcontinent.

4.4. The Charitable Funds (Collecting Regulations) Act 1953

The Charitable Funds (Regulation of Collection) Act 1953 was enacted on 3 November 1953 to control the regulation, administration, accounting, and collection of charitable contributions. Preventing fraud in these aforementioned areas is likewise a primary goal of that statute.

The Charitable Funds (Regulation of Collection) Act 1953 was a Federal Act that applied to the "Whole Province of West Pakistan (At that time Punjab, Sindh, NWFP & Balochistan were one administrative unit known as West Pakistan). Punjab Province enacted the law in 1974, after the Punjab Laws (Adaptation) Order, 1974."

According to section 2(c) of the Charitable Funds (Regulation of Collection) Act 1953, "a Charitable Fund is defined as any fund consisting of charitable donations, whether in cash or kind, made I for the benefit of an individual, a family, or a group of persons related to one another or connected for some purpose, when the aggregate of donations collected or to be collected in any year exceeds or is likely to exceed in value five thousand rupees".

This legislation established a Sanctioning Authority, and section 5 required that anybody collecting a charitable fund have written approval from the Sanctioning Authority. The Sanctioning Authority was entitled to deny collection sanction if the goal of collection was deemed immoral or detrimental to public policy. Additionally, it may permit fund collection under certain conditions that it deems appropriate. Section 5 authorized the Sanctioning Authority to provide a certificate to an individual who is legally permitted to collect funds for charitable purposes.

According to section 6 of the Charitable Amounts (Regulation of Collection) Act 1953, "it was the fund collector's responsibility to keep an accurate account and record of the funds collected. All charity funds shall have their accounts audited and reported to the licensing authority. The Sanctioning Authority was empowered to re-audit or check the charitable fund's accounts at any time".

Section 7 barred the use of charity funds for any purpose or intention other than the one for which they were gathered. Similarly, no charity fund in the custody of any person authorized to retain it may be transferred to another person unless with the Sanctioning Authority's written authorization or according to a court order.

The Appellate Authority was formed under Section 10 of the Charitable Funds (Regulation of Collection) Act 1953. "Any person who is dissatisfied with any order made or direction given by the Sanctioning Authority, or with the Sanctioning Authority's refusal to make or give any order, may appeal to the appellate authority within thirty days of the order,
direction, or refusal, and the appellate authority may then make such order as it deems fit in accordance with this Act."

Section 12 imposes a penalty on individuals who infringe or violate any provision of this Act, which may include imprisonment in any category for a duration of up to six months, a fine, or both.

Section 13 provides that an offense penalized by this Act is cognizable, bailable, and non-compoundable. Another significant component of the repealed Act was the need that the violation obtain the authorization of the District Magistrate before being prosecuted. Under the statute, the offence was to be tried by a Magistrate of First Class.

The Philanthropic Contributions (Regulation of Collecting) Act 1953, in its whole, was a commendable attempt to regulate, manage, and simplify the collection of funds for charitable purposes. However, that Act had a number of flaws and limitations. To begin, there is little or no deterrent effect on violators because the punishment is not severe. Although it permitted for imprisonment of up to six months, few people who violated the Act were sentenced to incarceration since it was left to the judge's discretion. Similarly, that Act made no provision for a minimum fine. Another weakness of that law was the classification of some offenses as bailable, which implies that a person can obtain bail immediately upon arrest, reducing the deterrent effect. Finally, the Act is not detailed or exhaustive, as it contains several grey areas or ambiguities.

4.5. The Punjab Charities Ordinance 2018

It is good to know that the Punjab provincial government has written a big piece of legislation to make sure that charities and other groups are properly regulated in these times when they are under more and more scrutiny and inspection. Make sure that all fund-raising activities are legal and transparent, and that money doesn't end up in the hands of people or groups who aren't honest. The Punjab Charities Ordinance, which was passed in response to many problems with the work of non-governmental organizations, is meant to cover money and goods that are raised for charitable purposes by an individual or group that isn't a charity (Anonymous, 2018).

On 26th January 2018, the Punjab Government enacted the Punjab Charities Ordinance 2018 to govern charitable matters and to replace the 65-year-old Charitable Funds (Regulation of Collection) Act 1953.

The Punjab Charities Ordinance 2018’s preamble states, "It is required to create adequate rules for the registration, administration, and control of charities, fund-raising appeals, and collecting of charitable money for charities and other institutions; and, for other reasons."

4.6. Charitable Funds and Charitable Purposes: A Comprehensive Definition

This legislation comprehensively defines the phrases "charitable fund" and "charitable purpose." According to section 2 (b) of the Punjab Charities Ordinance 2018, a "Charitable Fund" is defined as "money and goods gathered for a short period of time for charitable purposes by an individual or organization that is not recognized as a charity."

According to section 2 9 (c) of the Punjab Charities Ordinance 2018, a charitable purpose is defined as "the purpose for which;"

i. Poverty prevention and alleviation
ii. Education and learning promotion
iii. Health and life-saving services
iv. Development of communities,
v. Arts, culture, and heritage promotion
vi. Activities promoting human rights, conflict resolution, and reconciliation
vii. Religious and racial harmony promotion
viii. Promotion of tolerance and diversity
ix. Environmental preservation and enhancement
x. Assistance to persons in need due to their youth, age, bad health, or handicap
xi. Any other purpose determined by the Commission’’

4.7. Incorporation of the Charity Commission

The Punjab Charities Ordinance 2018's most significant characteristic is that it established a commission known as the Charitable Commission for the purpose of supervising and administering all charitable operations.

Section 3 establishes the Commission and specifies its membership. The Commission should have a minimum of three and a maximum of five members. The Government should designate Commissioners who are well-known for their honesty, knowledge, experience, and eminence in the fields of law, administration, or social work. The Government has the authority to nominate Commissioners from among active or retired public workers, retired judges, and members of the commercial sector.

The government shall choose one of the Commissioners as the Commission's Chairperson, who shall be accountable for the Commission's proper fulfillment of its mandate. Similarly, the Government, in collaboration with the Commission, must nominate the Chief Executive Officer of the Commission, who shall be responsible for the Commission's day-to-day administration.

The Punjab Charities Ordinance 2018 provides for the registration of charitable organizations.

The Punjab Charities Ordinance 2018 establishes a thorough and exhaustive framework for registering charities. Section 12 of the Ordinance requires all charities to register with the Commission. A charity that is not registered is unable to collect donations or solicit contributions for charitable purposes.

Where a charity's operations span the whole Province of Punjab or two or more districts, the Charity Commission shall be the registering body. If a charity is restricted to a single district, the Deputy Commissioner shall be the registration authority; if the charity is restricted to a single Tehsil, the Assistant Commissioner shall be the registering authority (Section 18).

According to section 14 of the Punjab Charities Ordinance 2018, "the Commission must keep a Register of Charities in the manner and for the duration specified by the Commission." The Register should contain the following information: (a) the name of each registered charity; and (b) such further particulars and information about each such charity as may be specified or determined by the Commission."

To register, the charity/organization must give information about its aims, sources of revenue, and type of expenditures, as well as other critical papers. The Registering Authority may deny registration if it believes the applicant's aims are incompatible with the purpose or for any other justifiable reason (Section 15).

Additionally, the Ordinance states that the Register of Charities is a Public Document that is always accessible to public examination. Additionally, the Commission is required to post it on its website in order to raise public knowledge about the work and behavior of charities (Section 16).

The Commission may terminate a charity's registration if the organization or association is not pursuing any charitable purpose or if the charity commits a major breach of the Ordinance's requirements.

4.8. Commission's Functions

The Punjab Charities Ordinance 2018 states in section 6 that "the Commission shall conduct the following functions:
Current Trends in Law and Society 1(1), 2021

a) Preserve public trust and confidence in charitable organizations
b) Establish charitable organizations
c) Defend charitable organizations and their beneficiaries
d) Ensure that charities and promoters adhere to their legal requirements while exerting control and management over charity funds administration.
e) Provide appropriate guidance to charities and their trustees
f) Ensure that charitable donations are used effectively
g) Establish a process for effectively monitoring and holding charities, promoters, collectors, and recipients accountable.
h) Inquire into the business of a charity or benevolent fund, if required.
i) Modify or revoke the deputy commissioner's authorization for collecting
j) Recieve and evaluate an organization's or fund's yearly audit report
k) Conduct or procure the conduct of a special audit of a charitable organization or fund
l) Give such guidance to the Deputy Commissioners and Assistant Commissioners as may be required to ensure the proper performance of the ordinance's responsibilities.
m) Carry out any other related duties as assigned by the Government

4.9. Commission’s Authority

The following are the authorities conferred to the Charity Commission by this new law:

The Commission is empowered (section 7) “to obtain any record, data, or information pertaining to a charity, a charity trustee, a charity's beneficiaries, a charitable fund, or a corporate entity's charitable expenditure. Additionally, the Commission has the authority to verify any charity's financial records”.

Additionally, the commission has the authority “to appoint a charity trustee or office-bearer when a charity fails to dismiss a trustee in specific situations (if trustee has been convicted of an offence involving moral turpitude, dishonesty or deception, if trustee has been adjudged bankrupt, the conduct of trustee is detrimental to the cause of charity”.

Section 9 allows the Commission to conduct an investigation into a charity's operations in order to determine if charitable contributions have been misapplied or misused. The commission may initiate an investigation on its own initiative, at the request of the government, or in response to a complaint from any person. If the commission determines after an investigation that an offense has been committed, it may submit the matter to the Government for further action in line with the law.

Another significant responsibility vested in the Commission by the Act is the Commission's duty as a registration authority. Every charity must register with the Commission. Section 18 states that the Commission is the registration authority, the Deputy Commissioner is the registering authority at the District level, and the Assistant Commissioner is the registering authority at the Tehsil level.

The Punjab Charities Ordinance 2018 also vests the Commission with the authority to function as the Sanctioning Authority. According to section 19 of the Act, "the Commission may sanction the collection of charitable funds if the collection is proposed to be made from the entire Punjab or from two or more districts or for a period exceeding twelve months." At the district and tehsil levels, Deputy Commissioners and Assistant Commissioners are empowered to act as Sanctioning Authorities on behalf of the Commission. Without previous written clearance from the Sanctioning Authority, no one may collect any type of fund. The Sanctioning Authority may deny or permit fund collection under specified conditions. Any individual whose application is accepted by the Sanctioning Authority shall be issued a certificate.

Additionally, the Commission is empowered to conduct periodic evaluations of charities in order to assess the trustees' performance. The Commission has the authority to suspend or terminate a charity's registration or to levy a fine of up to one million rupees on the charity if it is satisfied that the charity has failed to comply with its duties following an assessment or audit. Section 30 authorizes the Commission to require that a charity's finances be audited
or re-audited at the expense of the organization by a specified auditor. Additionally, it has the authority to inspect the finances of charitable organizations.

The Commission is also entitled to compound an offense under this Act, but such compounding shall be subject to an administrative penalty of not less than 25,000 rupees.

4.10. The Sanctioning Authority and Its Powers

The Sanctioning Authority has the authority to authorize the collecting of charity money. The Commission, as the sanctioning authority, proposes to collect funds from the entire Punjab Province or from two or more districts. The Deputy Commissioner is the sanctioning authority for payments collected from a certain District. The Assistant Commissioner is the Sanctioning Authority for charity money collection from certain Tehsils (Section 19).

Prior to initiating any money collection, any individual or promoter of charity must obtain written approval from the Sanctioning Authority. The Sanctioning Authority may deny collection sanction if it is dissatisfied with the appropriate custody or management of monies. Additionally, it may permit the collecting of payments under specific circumstances. If the Sanctioning Authority permits the collection, it must provide a Certificate (Section 20).

4.11. Charities' Responsibilities and Obligations Under the Act

According to section 26 of the Punjab Charities Ordinance 2018, "A trustee of a charity should;

a) Adhere to the terms and circumstances of the governing instrument establishing the charity trustee with the appropriate authorities.

b) Collaborate with other charities working in the particular domain in order to make a concerted effort to accomplish the Ordinance's aims and targets.

c) Notify the Commission immediately of any changes to the charity's constitutive document.

According to section 27 of the Punjab Charities Ordinance 2018, "a charity trustee is accountable for the following:

a) Managing the charity's assets

b) Safeguarding, investing, and utilizing the philanthropic fund

c) Ensuring that charity monies are not diverted from the stated purpose

d) Ensuring that charitable funds or property are not misappropriated or allowed to lapse into oblivion due to mismanagement or for any other cause.

e) The sale, lease, or other disposition of charitable property, as well as the insurance of charitable property

f) Preventing unwarranted encumbrances on the charity's property"

Additionally, it is the trustee's responsibility to guarantee that appropriate accounting records are kept for the charity. The accounting record should accurately represent the charity's financial condition, including entries for all funds received and spend, as well as data of assets and liabilities. Additionally, it is the trustee's responsibility to prepare an annual statement of accounts. If a charity gets more than fifty thousand rupees in any given month, it should deposit the funds in a designated bank account and notify the sanctioning body with details on the bank account (Section 28).

4.12. Penalties for violations of the Punjab Charities Ordinance 2018

Section 32 imposes severe penalties on individuals who breach the Ordinance's requirements. According to section 32 (2) of the Punjab Charities Ordinance 2018, "Any person who violates any provision of the Ordinance or the rules, or any order made, direction given, or condition imposed pursuant to the Ordinance, shall be punished by imprisonment for a term not exceeding six months but not less than fifteen days, and a fine not less than twenty-five thousand rupees nor more than one hundred thousand rupees".
The discretionary powers of judges are limited by this Ordinance, since even a judge cannot impose a fine of less than twenty-five thousand rupees or a sentence of less than fifteen days imprisonment.

4.13. Offenses that are both cognizable and non-bailable with a Summary Trial Procedure

Additionally, this Ordinance established that the nature of the offense is non-bailable and cognizable. This means that the accused must apply for bail in court following the filing of the FIR. Additionally, a Summary Trial procedure is provided for the prosecution of offenses punishable under this Ordinance. Summary Trials have a streamlined approach and, as a result of fewer formalities, cases can be determined in a few of days. Section 35 also empowers the court to seize or reclaim any funds improperly obtained or misapplied in violation of the Ordinance.

4.14. Revisions and Appeals under the Punjab Charities Ordinance 2018

The Government shall notify the Appellate Committee, which shall consist of the Chairperson and any additional members of the Commission. Any individual aggrieved by a Commission instruction or order may appeal to the Appellate Committee within 30 days after the order. The Government, pursuant to section 41, has the authority to revise any decision or direction of the Commission on the application of an aggrieved party or on its own initiative.

4.15. Comparison between The Charitable Funds (Regulation of Collection) Act 1953 and the Punjab Charities Ordinance 2018

The Punjab Charities Ordinance 2018 is a significant step forward, and the Punjab Government deserves praise for implementing this law despite stiff resistance from some religious extreme organizations. The Charitable Funds (Regulation of Collection) Act 1953 was a legislation that has outlived its usefulness about 65 years after it was passed.

The following are few significant aspects that distinguish the new law from the now-defunct Charitable Funds (Regulation of Collection) Act 1953:

- When comparing the repealed legislation (The Charitable Funds (Regulation of Collection) Act 1953) to the newly issued law (The Punjab Charities Ordinance 2018), it is clear that the new law is far more comprehensive and extensive, covering all elements of Charities.
- A critical provision of the new law is the formation of a Charities Commission with specific roles, authorities, and processes. Such a provision was not included in the repealed law.
- Another enhancement to the newly enacted law is the inclusion of stricter penalties in comparison to the repealed law. Judges' discretionary powers were curtailed by the new law, and the legislature established a minimum fine and imprisonment period that were not specified in the repealed law.
- Under the current legislation, the nature of the offense is not bailable; it was bailable under the repealed statute. Additionally, the new legislation establishes a summary trial procedure in place of the long regular trial procedure provided under the repealed statute.
- The new legislation has an appropriate method for registering charities, whereas the old statute did not provide such a procedure.

4.16. Terrorism and Charitable Funding

Charitable giving and gifts are a boon to any culture. It is impossible for the state to care for all of its population, particularly in developing nations like Pakistan. Thus, charity plays a critical part in any society's well-being. However, it can be abused for negative and selfish ends, particularly by misguided religious elements. Pakistan is likewise confronted with the similar issue of charity money. People used to give without considering the eventual destination of their money, allowing religious radicals and outlawed organizations to raise donations in the name of charity. To sever the link between terrorism and charity, the Pakistani government implemented new legislation.
After overcoming challenges and objections from associated religious groups, the Punjab government has finally approved the Punjab Charities Ordinance, which for the first time in the province's history controls non-profit organizations and charities. The regulation was created to control charitable organizations and their fundraising operations and fundraisers (Intkhab Hanif, 2018).

On Friday, the cabinet's legislative subcommittee adopted a long-awaited draft of the Organizations Act, which would govern all charities and prevent their exploitation, especially for subversive or terrorist goals. According to government sources acquainted with the approval, the law's purpose is to bolster the National Action Plan and address any systemic gaps. It is uncertain if the proposed legislation will be presented immediately by ordinance or will be tabled for approval in the assembly (Intkhab Hanif, 2017).

5. Conclusion

According to this study, Pakistan has one of the world's largest charitable and donation sectors. Additionally, it examines the historical roots of Pakistan's Charity Culture. The Newly Promulgated Punjab Charities Ordinance 2018 was analyzed and compared to the previously repealed law. The comparison demonstrates that the newly enacted law is thorough and responsive to contemporary needs. It discussed the positive aspects and distinguishing characteristics of The Punjab Charities Ordinance 2018 and demonstrated that this law has the potential to rein in the misuse of charity funds in Pakistan.

5.1. Suggestions

The Study recommends the following:

- All other provinces of Pakistan should be required to amend their current outdated legislation in accordance with The Punjab Charities Ordinance 2018.
- Government agencies must demonstrate a commitment to effective implementation. It has been noticed that even well-written pieces of legislation are rendered ineffective without appropriate execution. Provincial and federal governments alike must strengthen the present systems for enforcing these rules.
- It is necessary to initiate a public awareness campaign among the general public. Ordinary people frequently donate money blindly in the name of religion, which facilitates the work of extremists and negative elements. The government should launch a media effort to educate the public about the connection between charity funding and terrorism.
- The government should strengthen the state departments responsible for charitable work, such as the Zakat Department. The general public lacks trust in government agencies due to widespread corruption and mismanagement within these agencies. It is vital to build public trust in government departments in order to prevent financial mismanagement.

References