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Country's first-ever TDRC begins operations



Pakistan's first-ever functioning Trade Dispute Resolution Commission (TDRC) has formally begun operations under the chairmanship of Umar Dad Afridi.

This marks the first time since the passage of the Trade Dispute Resolution Act, 2022 that the Commission has been fully appointed and operationalised with a defined roadmap. Addressing newly inducted members, Commerce Minister Jam Kamal Khan said the TDRC would “transform how trade disputes are resolved in Pakistan” by offering a neutral, efficient, and transparent mechanism for both domestic and international stakeholders.

The five members of the Commission include Chairman Umar Dad Afridi, Javed Iqbal Khan, Muhammad Hamood-ur-Rauf, Muhammad Rauf Khan, and Riffat Inam Butt.

The Minister announced immediate measures to ensure the Commission's functionality—such as securing office space, finalizing service and financial rules, launching an online complaint portal, and initiating a nationwide awareness campaign. He added that the Executive Director General of the Trade Dispute Resolution Organization (TDRO) would extend full support to the Commission.

Speaking on behalf of their colleagues, Chairman Umar Dad Afridi and Member Riffat Inam Butt welcomed the directives and pledged to deliver on the man-date.

They noted that operationalisation of the Commission would set new standards of transparency and professionalism in dispute settlement, thereby strengthening business confidence and Pakistan's credibility as a fair trading partner.

Attracting Foreign Direct Investment (FDI) and boosting exports, they stressed, requires efficient dispute resolution. Yet for decades, Pakistan relied on the outdated Imports & Exports (Control) Act, 1950—a British-era law that confined trade disputes to costly and time-consuming litigation.

This inefficiency has long undermined Pakistan's global rankings. The World Bank's Ease of Doing Business Index ranked Pakistan 156th out of 190 countries in contract enforcement, while in its new Business Ready Index, Pakistan scored just 42 in trade dispute resolution—among the lowest worldwide.

Although the United Nations introduced a modern, cost-effective Alternative Dispute Resolution (ADR) framework in 1958 through the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards—which Pakistan ratified in 1959—the country failed for decades to align domestic law with these principles.

That gap was finally addressed when Parliament unanimously passed the Trade Dispute Resolution Act in a joint session on August 7, 2023.

The TDRC will operate without burdening the national exchequer, as it is designed to be self-sustaining through court fees, including foreign exchange inflows from international traders filing claims against Pakistani counterparts.

With its establishment, Pakistan's dispute resolution system is now aligned with the global framework under the UN Commission on International Trade Law (UNCITRAL), which has 172 member states.

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