

## CHAPTER – XII

### VALUATION

#### 41. VALUATION OF SECOND HAND MACHINERY.

The assessable value of second hand machinery shall be determined in accordance with the following principles, namely:--

If the original price of such machinery is available then the original price will be depreciated by 7.15% per each year of the age of such machinery, reaching a maximum depreciation of 50% of the original price in seven years to arrive at the F.O.B. value.

If the original price is not available, and if the price of the latest model of such machinery is available, then, the price of the latest model will be depreciated by 10% per each year for the first three years and 5% per each year for the remaining four years, of the age of the second-hand machinery reaching a maximum depreciation 50% in value of the latest model to arrive at the F.O.B. value of the second-hand machinery.

In other words, a seven-year-old machine will get the maximum concession of 50% free of its original price from the price of its latest model in case the original price is not available.

If both the original price and the price of the latest model are available, then, the higher FOB value will be taken for assessment.

If both these prices are not available then the FOB value will be appraised on the basis of the following factors, namely:--

- (a) Type of machinery.
- (b) Condition of machinery.
- (c) Country of origin/manufacture, and
- (d) Evidence of value of new, re-conditioned and old
- (e) machinery, available with the customs authorities;
  - i) if, such machinery is reconditioned, then 10% of the FOB value determined on the basis of the above principles will be added to arrive at the FOB value for assessment; and
  - ii) assessable value shall consist of the FOB value, as determined in accordance with the principles mentioned above plus freight, insurance, commission (if any) and 1 % landing charges.

#### Conditions :

- (i) The importer will provide information regarding the year of manufacture, country of origin, make and model number of the machinery and its original price.

- (ii) No depreciation shall be allowed for age above 7 years from the year of manufacture of such machinery.

**Explanation :**

'Original price' means the normal selling price of the manufacturer of such machinery when it was originally manufactured.

**42. INSURANCE CHARGES AS PART OF CIF VALUE OF IMPORTS FOR PURPOSES OF ASSESSMENT OF DUTIES AND TAXES.**

According to sub-section 2(a) of section 25 of the Customs Act, 1969, customs value of imported goods is to be determined after making compulsory adjustments to the price actually paid or payable, determined as per sequential methods of valuation. The cost of insurance which is one of such adjustments is required to be added to the price actually paid or payable for the imported goods, if not already included in the price. The addition to the price actually paid or payable is to be made on the basis of objective and quantifiable data.

2. In view of the legal position given in para 1 above, CBR is of the view that in cases where actual insurance memos are issued by the insurance companies, the actual amount paid may be accepted as the cost of insurance. In cases where valid evidence of actual amount of insurance paid is not available, the insurance cost may be added in accordance with the import tariff schedule (insurance rates) issued by Insurance Corporation of Pakistan for determination of customs value under section 25 of the Customs Act, 1969.

3. Field formations are required to compute the insurance charges of imported goods accordingly.

**43. LANDING AND UNLOADING CHARGES**

Landing or unloading charges as are actually incurred are includible in the value for import purposes. Since landing or unloading charges are normally included in the wharfage dues recovered from the importers, a flat rate of 1% should be applied to the total of the invoiced amount, the insurance charges and the cost of freight if evidence is lacking in regard to the actual amount charged. Any "No charge certificate" issued by an agency other than the competent authority would not be acceptable. No conventional addition need be made in the case of air freight where no such charge is actually incurred.

**44. EXERCISE OF POWERS UNDER SECTIONS 32 AND 202 OF THE CUSTOMS ACT, 1969 BY OFFICERS OF CUSTOMS VALUATION DEPARTMENT.**

In order to expeditiously settle pending cases of Valuation by the Customs Valuation Department, Central Board of Revenue has issued Notifications vide S.R.O. 203(I)/95, dated 14th March, 1995 which declare Assistant Controllers, Deputy Controllers and the Controller, Valuation Department as the authorised officers under

Section 32 of the Customs Act for the purpose of taking action for the recovery of the Government dues. It has been decided that in post importation cases the officers of Valuation Department would initiate action for recovery of Government dues.

2. The appropriate officer of the Customs Valuation Department on post importation based evidence available in Valuation Department may issue a Show Cause Notice under Section 32 of the Customs Act, 1969 giving full details of the cases such as evidential invoice. Test Report or other evidences contradicting the value declared. After considering the arguments and evidences provided by the importer in his support and after giving an opportunity to him to be heard in person the officer issuing the Show Cause Notice should decide the cases judiciously and appropriately.

3. If the importer is not satisfied with the orders passed or decision taken by an officer of the Valuation Department he may file an appeal before the Appellate Tribunal as provided under the relevant provisions of the Customs Act, 1969.

4. Action for recovery of Government dues should consequently be taken as provided in Section 202 of the Customs Act, 1969, in cases initiated by the Valuation Department.

4. Advice in respect of cases of provisional assessment under Section 81 of the Customs Act, 1969 or in case referred to the Valuation Department as G.D. cases should continue to be rendered by the Valuation Department in usual manner to the Custom House.

## **CHAPTER – XIII**

### **EXPORTS**

#### **45. PROCEDURE FOR THE IMPLEMENTATION OF DTRE RULES:**

Under the Duty & Tax Remission for Exporters (DTRE) scheme (Rules 296-307 of SRO 450(I)/2001 dated 18-06-2001), the following procedures are laid down for the guidance of Collectors of Customs, Sales Tax and Central Excise.

##### **(i) Application Approval:**

1. The Approving Collector shall establish a DTRE approvals section under an Assistant Collector/Deputy Collector.
2. DTRE application forms (Appendix 1 of Sub-Chapter 7 of Chapter XII of SRO 450(I)/2001 dated 18.06.2001) shall be submitted in triplicate to an Assistant Collector/Deputy Collector, who will immediately verify that all the sections have been duly completed and that the required documentation is attached. He will then issue an application form receipt to the applicant in the attached format (Annexure-1). If the application is defective it shall be returned with an explanation note in the attached format (Annexure-2)
3. The Assistant/Deputy Collector shall then carry out a scrutiny of the application form and the supporting documents as follows:
  - a. To verify the nature of the application i.e. direct exporter (manufacturer-com-exporter or commercial exporter) operating under rule 297(1), 297(2), 297(3) or 297(4) or indirect exporter operating under rules 297(1) and 297(2).
  - b. To verify the contents of the export contract for applications made under rules 297(1), 297(2) and 297(3).
  - c. To verify compliance with pre-qualification requirements regarding export performance for application under rule 297(4).
  - d. To take note of the relationship between the estimated input to output ratios declared in Section (f) of the application form and to verify their consistency directly in relation to the description of the

production process (including estimated wastage elements) as set out in Section (e) of the same form. Where an application is made by an indirect exporter, the validation of Sections (f) and (e) of his application form should be undertaken independently of the corresponding section already submitted by the direct exporter in his own application.

- e. To verify the PCT headings of the input goods along with the applicable tax and duty rate.
  - f. To verify all other documentary requirements as specified in the attached Approver's Checklist (Annexure -3).
4. All complaint applications shall be entered in a DTRE Application Register, specifying the date of receipt the exporter registration number and the PCT Chapter heading of the intended exports.
  5. The Assistant Collector/Deputy Collector shall forward the application form along with accompanying documents to the designated Additional Collector with his recommendations. The designated Additional Collector should be notified to all Collectors (Customs ) and to the DSAO, along with a specimen of his signature and stamp.
  6. The Additional Collector may approve or reject the application.
  7. On approval, the Assistant / Deputy Collector shall stamp the application forms accordingly with the approval number and issue the following to the applicant along with a copy of the application:
    - a) DTRE acceptance letter in the attached format (Annexure -4). For the purpose of security bonding, an indirect exporter shall be treated as a manufacturer-cum-exporter under rule 297 (2).
    - b) An account sheet for imports in the attached format (Annexure-5)
  8. Rejected applicants shall be informed immediately in writing together with a detailed explanation. The applicant can refer rejected applications to the Approving Collector for review. The Collector shall decide the matter within three days of receipt of such a review application.
  9. The Assistant Collector/Deputy Collector shall ensure that the approval code number is entered against the applicant's export registration number in a separate DTRE Approvals Register. Along with export PCT heading, the anticipated quantity and value and the total value of the duties and taxes requested for suspension and the type of the security required against liability for these duties and taxes.
  10. The approval code number shall have 11 characters in the following order:
    - a) Three character geographical code of the Collectorate.
    - b) Two digit month number.

- c) Two digit number
  - d) Four digit approval sequence number.
11. The Collector shall ensure that the final approval or rejection letter is issued to the applicant within ten calendar days after submission of the duly completed DTRE application forms.
  12. The DTRE approval number, validity period, exporter name and registration number, the approved input quantity and type of security required against duty and tax liability shall be distributed to all Collectors of Customs, Central Excise and Sales Tax for information in the prescribed format (Annexure-6). The third copy of the approved application form along with a copy of the acceptance letter shall be forwarded to the Duty Suspension Audit Office (DSAO) which has been established to supervise the utilization of duty and tax suspension for all imported and domestic source inputs under the DTRE and other duty suspension rules.
  13. The DSAO shall maintain a computerized record of all DTRE approvals.

**(iii) Import Clearance:**

14. The applicant shall enter the SRO reference and the DTRE approval number on the

bill of entry at the time of clearance of imported goods.

15. The appraising officer of the relevant group shall record the quantity of imported input goods in the relevant account sheet and calculate the outstanding balance.
16. The applicant shall submit an indemnity bond to the Customs Collectorate in respect of the duties and taxes suspended as specified under annexure-6.
17. Immediately after clearance, the appraising officer shall inform the DSAO on the prescribed form (Annexure-7) as to the quantities and values cleared for import, their PCT headings and the date and reference number of the Bill of Entry.

**(iii) Domestic Supplies:**

18. Goods sold from domestic suppliers to a direct or indirect exporter under the DTRE rules are eligible for zero rating for all indirect taxes. Prior to making the first purchase of such goods, the exporter/indirect exporter is required to submit to the DSAO a security bond as specified under Annexure 6 sufficient to cover the actual taxable values of the goods purchased.

19. To claim the input tax adjustment, a domestic supplier (who is not registered for this purpose as an indirect exporter) shall provide a copy of each invoice directly to the DSAO along with a declaration in duplicate in the prescribed form (Annexure-8) duly endorsed by the exporter concerned. Where relevant the domestic supplier shall also attach a copy of AR3.
20. After verification of the exporter's approval number the PCT heading and the quantitative outstanding balances, the DSAO shall endorse the declaration made by the domestic supplier and return one copy to him within three days for the purpose of claiming input tax adjustment. The DSAO shall also endorse and return the AR3 if any.
21. Should the DSAO refuse to endorse the declaration made by the domestic supplier in whole or in part, it shall so inform him within three days with its reasons on the prescribed form (Annexure-9).
22. In case of non-endorsement under Para 21, the DSAO shall issue a Show Cause notice to the exporter within three days on the prescribed form (Annexure-10).
23. The DSAO shall immediately update in exporter records.
- (iv) Export:**
24. The applicant shall enter the SRO reference and DTRE approval number on all relevant bills of export (shipping bills).
25. Immediately after clearance, the appraising officer shall inform the DSAO on the prescribed form (Annexure-11) as to the quantities and values cleared for export, their PCT headings and the date and reference number of the shipping bill.
26. Each approval under DTRE rules shall be audited by the DSAO within a maximum of 3 months from the expiry of the utilization period or of receipt of the exporter's reconciliation statement (Appendix 2 of Sub-Chapter 7 of Chapter XII of SRO 450) whichever is the earlier.
27. The DSAO shall provide a copy of the validated audit report to the exporter concerned and collect any outstanding taxes and duties. In case the applicant does not agree to payment or the DSAO has reason to believe that the exporter has made a false statement and is guilty of an offence under Section 32 of the Customs Act, 1969 the DSAO may forward the contravention case to the concerned adjudicating authority for necessary action under the provisions of the Customs act, 1969.

**Annexure-1**

**GOVERNMENT OF PAKISTAN  
COLLECTORATE OF \_\_\_\_\_**

TO, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sir

Subject:       **Receipt of DTRE Application**

This is to confirm that your duly completed application for the procurement of duty and tax free input goods solely for use in exports under the DTRE rules (Rules 296-307 SRO 450(I)/2001) have been received by this office on \_\_\_\_\_.

You should expect a response on your application from this office by \_\_\_\_\_

Signed:

Assistant Collector of Customs

Annexure-2

**GOVERNMENT OF PAKISTAN**  
**COLLECTORATE OF \_\_\_\_\_**

TO, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Subject:       Return of Incomplete DTRE Application

This is to inform you that the above application has been returned for the following reasons:

\_\_\_\_\_

\_\_\_\_\_

Signed:

Assistant /Deputy Collector

Annexure-3

**Duty and Tax Remission for Export Rules, 2001**  
**APPROVER’S CHECK LIST**

As a first step, the Customs approvers will check the application form (Appendix 1 of Sub-Chapter 7 of Chapter XII of SRO 450(I)/2001) to ensure that the exporters have filled out all the entries in the form . If there are any unfilled boxes, the form will not be processed further.



. The second step is to compare the information mentioned the documents attached with the corresponding entries made in the application form . Any inaccurate information will be returned to correction by the exporter before further processing. The documents that should be provided with the approval application form are listed below:

A. **Documents required from first time applicants**

- 1. Copy of the company’s incorporation certificate
- 2. Copy of CCI&E registration
- 3. Exporters national tax number certificate/evidence

B. **Documents required at the time of each application**

- 4. A firm export contract between the exporter and foreign customer for an application under rule 297(2) or 297(3).
- 5. Also for application under rule 297 (1) only, a copy of the Performa Invoice between the applicant and his foreign and domestic materials suppliers is required. This is to provide an indication of the value and quantity of goods to be imported and used in the manufacturing for export.
- 6. For applications 297(1) and rule 297(4) , copies of the relevant Shipping Bills (Bill of Export) relating to the same PCT Chapter heading are required over a period of two years dating back from the date of application.
- 7. For both rule 297(1) and rule 297(4) applications, worksheets are required indicating the method and calculations involved in arriving at the stated input to output ratios. It should be noted that the worksheets submitted by commercial exporter need only reflect his general knowledge of the production process for the items which he intends to export as the actual usage of materials will be accounted for by the indirect exporter within the overall allowance given to the commercial exporter.
- 8. Where relevant a copy of Agreement between direct and indirect exporters.

**Annexure - 4**

**GOVERNMENT OF PAKISTAN**  
**COLLECTORATE OF \_\_\_\_\_**  
\_\_\_\_\_

C.NO: \_\_\_\_\_

Date: \_\_\_\_\_

To.  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sir

**SUBJECT: DTRE Application:- Approval No.**

1. Please refer your application dated: \_\_\_\_\_
2. You are hereby informed that approval is granted to you for the procurement of duty and tax suspended input goods solely for use in exports as specified in the Duty & Tax Remission for Exporters (DTRE) application form. The approval is non-transferable under any circumstances, except to indirect exporters under rule 297 (5) of Chapter XII, Sub-Chapter 7 of SRO 450(I)/2001.
3. The DTRE approval number above must be entered on all relevant Bills of Entry and Shipping Bills and also on all invoices subject to Sales Tax, Central Excise Duty and Withholding Tax.
4. The attached account sheets for imports and domestic purchases shall be submitted to the appropriate officer for duty suspended /zero rated clearance.
5. You are required to submit a reconciliation statement on the proper form (Appendix II of Chapter XII, sub-Chapter 7 of SRO 450(I)/2001) to the Duty Suspension Audit Office (DSAO), Central Board of Revenue, upon completion of the intended exports and in any case not later than \_\_\_\_\_. Failure to submit a properly completed reconciliation statement on time shall result in an automatic fine equivalent to 2 percent of all duties and taxes stated in Section (d) of the above application form. The fine will be imposed irrespective of the actual amount of duty and tax free purchases.
6. Clearance of duty suspended import goods under this approval shall be permitted by the Customs Collector against a valid security covering all tax and duty liabilities on such imports. Security against all suspended tax liabilities on purchases of domestic goods as specified in Section (d) of the above application form must be deposited with the DSAO prior to first purchase, whether this is for all or part of the amount approved, and should be sufficient to cover the actual taxable values of the goods purchased. The type of the security required for both imports and domestic purchases is as specified hereunder.

☐ Insurance policy    ☐ Indemnity bond    ☐ Post dated cheque    ☐ Bank guarantee

Signed (Name)  
(Rank)  
for (Name)  
Additional collector of

Annexure-5

**GOVERNMENT OF PAKISTAN**  
**DTRE ACCOUNT SHEET (Imported input goods)**

Exporter’s Name & Registration No. \_\_\_\_\_ DTRE approval No. \_\_\_\_\_  
Date of Approval \_\_\_\_\_ Type of Security Bond required \_\_\_\_\_  
Description of input good: \_\_\_\_\_ PCT Heading of input good: \_\_\_\_\_  
Quantity allowed in words and numbers: \_\_\_\_\_

Sr. No.	Bill of Entry Reference	Date	Quantity	Balance	Authorized Signature & Stamp

Description of input good: \_\_\_\_\_ PCT Heading of input good: \_\_\_\_\_  
Quantity allowed in words and numbers \_\_\_\_\_

Sr. No.	Bill of Entry Reference	Date	Quantity	Balance	Authorized Signature & Stamp

Note: Additional sheets can be attached if necessary to accommodate additional items (PCT Headings) and /or imports.

Annexure-6

**GOVERNMENT OF PAKISTAN**  
**COLLECTORATE OF \_\_\_\_\_**  
\_\_\_\_\_

To All Collectors of Customs, Central Excise and Sales Tax

**Subject: Notification of DTRE Approvals**

Approval No. \_\_\_\_\_ Expiry Date \_\_\_\_\_ Type of Security Bond required \_\_\_\_\_  
Exporter Name \_\_\_\_\_ Exporter Reg. No. \_\_\_\_\_

PCT Heading	Approved Quantity	PCT Heading	Approved Quantity.

Signed:  
Assistant/Deputy Collector  
Annexure-7

**GOVERNMENT OF PAKISTAN**  
**COLLECTORATE OF \_\_\_\_\_**  
\_\_\_\_\_

To DSAO Dated: \_\_\_\_\_

**Subject: Clearance Notification of DTRE Approvals Imports**

Approval No. \_\_\_\_\_ Exporter Name \_\_\_\_\_  
Exporter Reg. No. \_\_\_\_\_ Bill of Entry Reference: \_\_\_\_\_  
Date Cleared: \_\_\_\_\_

PCT Heading	Import Quantity	Approved Value

Signed:

GOVERNMENT OF PAKISTAN

Sale of Zero Rated Goods to an Exporter Registered Under DTRE Rules

DTRE Approval No. \_\_\_\_\_ Date of Approval: \_\_\_\_\_ Exporter’s Name: \_\_\_\_\_ Domestic Supplier’s Name and Sales Tax No. \_\_\_\_\_ Domestic invoice reference: \_\_\_\_\_ Date of Invoice \_\_\_\_\_

Description of input	PCT Heading of input good	Quantity	Value in Pak. Rs.	Exporter’s Authorized Signature and Stamp.

Copy of invoice and relevant AR3 to be attached.

GOVERNMENT OF PAKISTAN  
DUTY SUSPENSION AUDIT OFFICE (DSAO) \_\_\_\_\_

To. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Subject\:  
Notification of Invalid Claim for Input Tax Adjustment:  
(DTRE Approval No.)

This is to inform you that your application for input tax adjustment in respect of the DTRE approval number has been disallowed for the following reasons.

\_\_\_\_\_  
\_\_\_\_\_  
Signed:  
Assistant/Deputy Collector

GOVERNMENT OF PAKISTAN  
DUTY SUSPENSION AUDIT OFFICE (DSAO) \_\_\_\_\_

To. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Subject: Show Cause Notice for Notification of Invalid Claim for Input Tax Adjustment (DTRE Approval No. \_\_\_\_\_)

This is to inform you that an invalid claim for input tax adjustment endorsed by your company has been submitted to this office by \_\_\_\_\_ dated \_\_\_\_\_ In

respect of your DTRE approval number \_\_\_\_\_ A copy of the claim is attached along with the notice of invalidity. You are now directed to show cause within 10 days why disciplinary action should not be taken against you.  
If no response is received within the stipulated time, the matter shall be decided exparte on its merits.

Signed for DSAO:  
( \_\_\_\_\_ )

Annexure-11

**GOVERNMENT OF PAKISTAN**  
**COLLECTORATE OF \_\_\_\_\_**  
\_\_\_\_\_

To DSAO Dated \_\_\_\_\_

**Subject: Clearance Notification of DTRE Approvals Exports**

Approval No. \_\_\_\_\_ Exporte Name \_\_\_\_\_  
Exporter Reg No \_\_\_\_\_ Bill of Export Reference: \_\_\_\_\_  
Date Cleared: \_\_\_\_\_

PCT Heading	Export Quantity

Signed:  
Appraiser

**46. PROCEDURE FOR REMOVAL OF RAW-MATERIALS FOR THE MANUFACTURE OF GOODS BY MANUFACTURER- CUM-EXPORTERS FROM THE PUBLIC BONDED WAREHOUSES WITHOUT PAYMENT OF CUSTOM DUTIES ETC.**

In order to facilitate the manufacturer-cum-exporters of exported goods the provisions of section 99. 100 and 104 of the Customs Act, 1969 relating to bonded warehouses have been amended in the Finance Act. 1999. The Central Board of Revenue is pleased to prescribe the following procedure to carry out the purposes of these amendments :--

- (i) for sub-paragraph 1, the following shall be substituted:  
“1. An intending exporter i.e. any person or firm registered under the Sales Tax Act, 1990, as a manufacture-cum-exporter and a license under the Central Excise Act, 1944(I of 1944), having a export order/contract in

his favour for the supply of goods to a foreign buyer, shall be entitled to procure duty and taxes free input goods from a bonded warehouse appointed under section 12 or licensed under section 13 of the Customs Act, 1969 (IV of 1969), hereinafter called Bonded Warehouse; for use in further manufacture of goods meant for export.”

- (ii) In sub-para 2 to 15, and appendices thereof, the words “ **Bonded Warehouse**”, occurring, shall be substituted with the words “**Bonded Warehouse**”.

2. He shall apply to the Collector/ Additional Collector under whose jurisdiction the public bonded warehouse is located in the prescribed format (Appendix-I) also containing written consent of the owner of goods, specifying the goods required by him along with an application for issuance of an analysis certificate as prescribed in Appendix-II showing the input/output ratio of input goods vis-a-vis the finished goods along with wastage:

Provided that in case of finished goods in respect of which input/output ratio as referred to above has already been determined and Form 'S' issued by the Board or an Analysis Certificate under rule 2(b) of S.R.O. 1140(1)/97, dated the 6th November, 1997 has been issued, there determination of this input/output ratio will not be undertaken by the concerned Collector .

3. The application as specified in para 2 above will be accompanied by an indemnity bond along with a post-dated cheque binding himself for abiding by the required conditions and payment of government dues and penalties in case of default as specified in Appendix-III for the leviable amount of duties and taxes.

4. After the determination of the input/output ratio as specified in para 2 (above), the Collector/ Additional Collector may allow the exporter to procure goods from the Public Bonded Warehouse without payment of duties and taxes.

5. Under these rules, the Collector/Additional Collector may allow removal from more than one Public Bonded Warehouse. A separate application and procedure as prescribed in para 2 will be followed in respect of each Public Bonded Warehouse.

6. In case when such removal of goods is allowed to an exporter under the rules, name and the address of exporter alongwith other particulars together with claim under this Customs General Order shall also be mentioned on all the copies of the ex-bond bill of entry.

7. The owner of the Public Bonded Warehouse will maintain a certified copy of bill of entry of such removal made to exporters together with a master register in the format prescribed at Appendix-IV.

8. The owner of the Public Bonded Warehouse shall furnish a copy of records of all sales made to each exporter to Collector/ Additional Collector in the form of a return under his seal and signature duly verified by the Customs Officer in charge of the Public Bonded Warehouse on a quarterly basis.

9. The exporter shall maintain the record of goods manufactured and exported in the form as prescribed in Appendix- V.

10. The export of finished goods shall be made against the bill of export prepared by the exporter .
11. The bill of export filed under para 10 shall be endorsed "Export made partially/wholly from goods procured from Public Bonded Warehouse".
12. Export of goods manufactured under these rules shall not be permissible to any country by land routes.
13. The goods procured from the public bonded warehouse will be consumed by the exporter and, the manufactured good exported, within a period of six months from the date the goods are cleared from the public bonded warehouse:
- Provided that, this period may be further extended for another six months by the Collector/ Additional Collector having jurisdiction, and upon an application to this effect having been received from the exporter showing sufficient cause for this extension. If the goods are not exported within the stipulated period, the indemnity bond along with the post-dated cheque shall be enforced or encashed by the Collector/ Additional Collector by availing the provisions of section 202 of the Customs Act, 1969 (IV of 1969), besides any penal action at his discretion.
14. Export under this procedure shall be deemed to have been made as required in rule-6 on the realization of foreign exchange as shown on Bank Credit Advice issued in accordance with Annexure-A to the State Bank of Pakistan's Circular No.64, dated the 25th August, 1993, or as per provisions as prescribed.
15. The indemnity bond along with the post-dated cheque will only be discharged after the conditions as specified in the foregoing para 14 have been fulfilled.

APPENDIX-I

APPLICATION FOR PROCUREMENT OF GOODS FROM  
PUBLIC BONDED WAREHOUSES

Collector of Customs \_\_\_\_\_ Collectorate of  
Customs \_\_\_\_\_

I/We, M/s." \_\_\_\_\_

(S. T .Registration No. ) intend to procure the following goods from Public Bonded Warehouse

namely (PWL No.) for the manufacture and consequent export by our concern of finished goods namely\_\_\_\_\_

Description	Quantity	Value in Rs. (per item)	Total Value	Rate of duty and taxes
(1)	(2)	(3)	(4)	(5)
Total amount of duty and taxes involved			Nature of further processing required	
(6)			(7)	

Consent of owner of goods  
Name \_\_\_\_\_  
N.I.C. No. (along with photo copy)  
  
Countersignature of the Public Bonded  
Warehousee  
Name \_\_\_\_\_  
of Customs Officer Incharge of  
N.I.C. No. \_\_\_\_\_

Name \_\_\_\_\_  
Verified by me  
Name \_\_\_\_\_  
Designation \_\_\_\_\_  
Signature \_\_\_\_\_

Warehouse.

**APPENDIX-II**

**COLLECTORATE OF CUSTOMS \_\_\_\_\_  
ANALYSIS CERTIFICATE**

No. \_\_\_\_\_ Date \_\_\_\_\_

1. Name of manufacturer-cum-  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

exporter with address with  
S.T. Registration No. and  
also CTI number; (if any).
2. Address of the public bonded  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

warehouse from which goods  
are sought to be procured.
3. Detailed specifications of the  
\_\_\_\_\_  
\_\_\_\_\_

finished goods to be manufactured
4. Details of the goods to be  
\_\_\_\_\_  
\_\_\_\_\_

used for the manufacture of  
the finished goods.

S.No.	Goods	Per Unit requirement	Wastage
(1)	(2)	(3)	(4)

- (i)
- (ii)
- (iii)
- (iv)
- (v)
- (vi)
- (vii)
- (viii)
- (ix)

5. Average cost of input goods \_\_\_\_\_



- 6. Average incidence of duties \_\_\_\_\_ and taxes.
- 7. Average FOB value of \_\_\_\_\_ finished goods.
- 8. Any special instruction \_\_\_\_\_

Prepared by :

Signature and seal

Countersigned by :

Collector/Additional  
Collector of Customs

Public bonded warehouse  
Licence No. \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_

SIGNATURE OF EXPORTER  
  
BUSINESS ADDRESS  
\_\_\_\_\_  
Date \_\_\_\_\_  
Serial No. \_\_\_\_\_

APPENDIX - III

ON APPROPRIATE STAMPED NON-JUDICIAL,  
PAPER

INDEMNITY BOND

This deed or indemnity is made on the \_\_\_\_\_ day of \_\_\_\_\_ between M/s. \_\_\_\_\_ who have registered office at \_\_\_\_\_ (hereinafter called "the exporters" which means and includes their successors, administrators, executors assignees) of the one part, and President of Pakistan through Collector/ Additional Collector of Customs \_\_\_\_\_ (hereinafter called the Collector/ Additional Collector of Customs") of the other part:

WHEREAS, the Collector of Customs/ Additional Collector of Customs has in accordance with its decision contained. in the procedure for the removal of raw materials for the manufacture of goods by manufacturer-cum-exporter from the Public Bonded Warehouse Rules for Exporters, 1999, has allowed to procure goods from the Public Bonded Warehouse, namely:--

- (i) observe rules, procedures and instructions that may prescribed in respect of manufacture and export in terms the aforesaid rules;
- (ii) maintain detailed accounts as prescribed in respect manufacture and export of goods, etc. ;
- (iii) pay on demand all duties, taxes, repayment, rebates c refunds, not levied or paid under the rules, on procurement of goods which are not accounted to satisfaction of the Collector/ Additional Collector of Custom and to pay any penalties imposed by the Collector/ Additional Collector of Customs/adjudicating officer for violation these rules or the Acts;
- (iv) abide by such further conditions imposed by the Collector Customs as may be necessary for the purposes identification and accounting of input goods used in manufacture of goods;
- (v) keep the manufacturing facilities open for inspection by Customs officer; .

- (vi) hand over the procured goods which are not consumed within the stipulated period for disposal as per rules; and
- (vii) hand over the manufactured goods not cleared for export or home consumption within the stipulated period for disposal as per rules.

**NOW, THESE PRESENTS WITNESS** that in pursuance of this BOND the exporters M/s.\_\_\_\_\_ hereby agree to indemnify the said Collector of Customs for loss of revenue to the extent of Rs.\_\_\_\_\_ (Rupees\_\_\_\_\_) and also against costs and expenses which may be incurred by the Collector Additional Collector of Customs in recovery of the above amount of revenue.

It is further, agreed that the above amount may be recovered as an arrears of land revenue under sub-section (2) of section 202 of the Customs Act, 1969 (IV of 1969), if the manufacturers fail to abide by any condition laid down in the aforesaid rules;

IN WITNESS WHEREOF the parties hereto have here into put their hands and seals the day above written.

- (1) M/s. \_\_\_\_\_  
(address)
- (2) (name and permanent address) for and  
on behalf of the President.

WITNESSES

- I. \_\_\_\_\_  
(Signature, name, designation, full address and N.I.C. No.)
  - 2. \_\_\_\_\_  
(Signature, name, designation, full address and N.I.C. No.)
- Note. (1) The witnesses should be government servants in BPS 16 or above, or Oath Commissioner, Notary Public or an Officer of a scheduled Bank.
- (2) This Bond should be based upon proper collateral security in the shape of NIT units, Defence Saving Certificates, Khas Deposit Certificates, Bearer Bonds and such other securities which banks generally accept for extending credit.

**APPENDIX-IV**

**RECORD OF IMPORTED GOODS OF REMOVAL TO EXPORTERS FROM  
PUBLIC BONDED WAREHOUSE**  
**Registration No. of the**

Public Bonded Warehouse

Opening and closing balance of imported input	B/E : No. and date	IG M No.	Quantity item-wise	Value item-wise weight-wise	Rate of duty on each item	Assessed duty for each item	Other taxes	Total duty assessed	Goods removed for manufacture of finished	Balance

goods.									goods by exporte r	
1	2	3	4	5	6	7	8	9	10	11
As on 1 <sup>st</sup> day of the quarter. In the last day of the quarter										

First and third copy : For Exporter  Second copy : For Collectorate of Customs Fourth Copy : For the Licensee of Public Bonded Warehouse	Signature _____ of _____ Licensee
	Name _____
	Name _____ & _____ Signature _____ of _____
	Customs Officer _____ Incharge _____ PBW  Date _____

APPENDIX-V											
Openin g and closing balance	Quantity of each raw material received	Name of Public Bonded Ware house from which receiv ed	B/E No. & date and IGM No. & date	Input/ output ratio	Quantity of goods manufact ured	Time limit for export of manufa ctured goods	Goods exported on which date S/B No. & date E From No. & date, if not exported, has extension been obtained?	Qty. of factor y rejects	Detail s of manuf acture d goods remov al	Balance quantity of input goods	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
As on 1 <sup>st</sup> day of the quarter In the last day of the quarter											

Signature \_\_\_\_\_

Name \_\_\_\_\_

& \_\_\_\_\_

Designation \_\_\_\_\_

N.I.C. No. \_\_\_\_\_

**47. CONDONATION OF DELAYS IN FILING EXPORT REBATE CLAIMS.**

In order to remove the hardships being faced by the exporters on account of condonation of delay in filing the duty drawback claims, the CBR is pleased to order that:--

- (i) for the purpose of counting delay in filing rebate claim, it shall continue to be counted after 210 days of the date of shipment/exportation (M.R. date) till the date of filing of the claim;
- (ii) delay in the filing of duly drawback claims on account of late receipt of sale proceeds shall stand condoned in the cases of claims filed within 180 days from the date of realization (given on the BCA/Annexure-A) notwithstanding the period of delay;
- (iii) the delay in filing duty drawback claim after 210 days of the date of exportation (Mate Receipt date) and after 180 days of the realization of the foreign exchange shall be condoned by the offices of the Collectorate within their respective jurisdiction of sanctioning of claims prescribed. While seeking condonation, the exporter will have to justify that the delay was beyond his control; and
- (iv) in such cases where the claim is rejected being time barred, the concerned officer would issue an appealable order enabling the exporters to file an appeal under section 193 of the Customs Act, 1969.

**48. REBATE ON REMITTANCE IN PAK RUPEES.**

The Audit has raised an objection that under section 12 of the Foreign Exchange Regulation Act, 1947, read with CBR's C. No. 3(67)-SS(CR)/85, dated 2nd October, 1988 and even number dated 13th June, 1988, the repatriation of sales proceed in foreign exchange is a basic requirement for each exporter and no rebate is admissible where sale proceeds of the exported goods is realized in Pak rupees.

2. In this regard para 6 of Chapter 12 of Exchange Control Manual is reproduced as under:--

"Full export value of the goods exported from Pakistan and declared to the Customs Authorities should be received in an approved manner as embodied in the State Bank's Notification No. FE. 5/72-SB dated 27th December, 1972 within a period of four months from the date of shipment/posting as the case may be, through an Authorised Dealer either in convertible foreign currency in which the Authorised Dealer maintains accounts or in U.S dollar or in Pakistan Rupees resident bank account. However, where the terms of sale irrevocable letter of credit provide for payment on 120 days issuance from the date of shipment/posting, it shall be permissible for the exporter to repatriate the export proceeds within 135 days from the date of shipment/posting. Prior approval of the

State Bank should be obtained before arranging for payment in any manner other than than indicated above. "

3. In view of above the CBR clarifies that the rebate is admissible in similar cases where export proceeds are received in Pakistan from abroad in Pak rupee provided that these are remitted from a Pak rupee non-resident account.

**49. APPROVAL OF CLAIMS FOR EXPORT REBATE.**

The powers to allow export rebate, after due process of law, due observance of the rules made, and due compliance with the valid instructions issued, thereunder, exercisable at various levels in a Collectorate, are subject to the monetary limits specified below:--

S.No	Designation of the Authority	Maximum Monetary Limit
(1)	Principal Appraiser/Superintendent	Not exceeding Rs. 25,000/-
(2)	Assistant Collector (BPS-17).	Not exceeding Rs. 2,00,000/-
(3)	Assistant Collector (BPS-18).	Not exceeding Rs.3,00,000/-
(4)	Deputy Collector.	Not exceeding Rs. 10,00,000/-
(5)	Collector.	No limit.

**50. PROCEDURE FOR EXPEDITIOUS CLEARANCE OF THE VEHICLE AT THE TIME OF IMPORTATION FOR USE IN EXPORT PROCESSING ZONES ALLOWED VIDE CBR U.O. NO. 1980-81-CUS-EX/5 (17), DATED 11TH APRIL, 1982.**

In pursuance of exemption from the payment of whole of Customs Duty and Sales Tax

granted on the goods imported into and exported from the Export Processing Zone under SRO 881(1)/80, dated 23rd August, 1980 and special permission granted to the industrial undertakings established in the Export Processing Zone for duty free import of vehicles for handling and transportation of the goods outside the limits of Export Processing Zone and further the duty free import of a car for office use not exceeding 1600 CC engine capacity and a vehicle for transport of labour by each industrial undertaking contained in the CBR U. O. No. 1980-81 Cus. Ex/5 (17) dated 11th April, 1982. The following procedure is prescribed for expeditious clearance of the vehicles at the time of importation.

2. While filing the B/E for free clearance of vehicles under purview of the above orders the importing industrial undertaking shall produce a certificate from the Export Processing Zone Authority concerned along with full particulars of each vehicle to the effect that:--

- (i) the vehicle was within the scope of prescribed exemption, and
- (ii) the Export Processing Zone Authority concerned undertook to ensure that the vehicle shall be used exclusively for the purpose for which it had been imported and that the same shall not be sold transferred and disposed of without prior permission from the Chief Controller of Imports & Exports

and the Central Board of Revenue and on payment of taxes leviable thereon for which the authority concerned was responsible. Provided that the vehicles imported by Zone investors would be allowed to be disposed off after five years of their import and usage and on leviable duties on the depreciated value of the vehicles as allowed to privileged persons.

On filing of the B/E with the certificate and other related documents, duty free clearance of the vehicle shall be expeditiously allowed after completion of formalities.

3. A copy of the certificate issued by the EPZ authority referred to in para above shall be endorsed to the Secretary (Customs), Central Board of Revenue, Islamabad for information and record.
4. A master register shall be maintained by the group concerned in the Custom House, Karachi to account for the importation and subsequent disposal of such vehicles in the enclosed proforma (Annex) Separate pages will be allotted to individual industrial undertakings who import such vehicles.
5. The EPZ authority concerned shall also maintain a register on the proforma referred to in the above para as a permanent record. All imports of vehicles meant for handling and transportation of the goods as well as the import of car for office use and a vehicles for transport of labour shall be entered in the said ledger, Serial Number of the entry in the register shall be shown on the triplicate copy of the Bill of Entry and to the vehicle under the serial number EPZ No. This serial number will be displayed on a plate number to be affixed on each such vehicle. This will facilitate the physical check of the vehicle imported by the individual industrial undertakings.
6. Triplicate copy of the Bill of Entry shall be retained by the EPZ authority concerned and shall be maintained as a permanent record along with the register prescribed above.

LEDGER

Name of vehicle	Model No.	Engine No.	No of Chassis	Date	IGM No.	Index No.	Country whence consigned	Name of the Firm	Rate of Customs Duty
1	2	3	4	5	6	7	8	9	10

Rate of Sales Tax	Other Taxes	Export Shipping Bill No.	Authority for local sale	Value assessed	Amount of Customs Duty paid	Amount of Sales Tax paid	Amount of other taxes paid	Cash No.	Remarks
11	12	13	14	15	16	17	18	19	20

**51. PROCEDURE FOR PAYMENT OF DUTY DRAWBACK (CLAIM PAYMENT) RULES, 1998 (SRO 905(I)/98 DATED 12.8.1998 (NOW SUB CHAPTER 2 OF CHAPTER XII OF SRO.450(I)/2001, DATED 18.6.2001)**

In order to expedite repayment of duty drawback and to ensure quick disposal of such claims, an amendment in the budget 2000-2001 has been made in Duty Drawback vide Customs Rules, 2001 dated 18.6.2001) adding sub-rule (4) in rule 4 of SRO.905(I)/98 dated 12.08.1998 (now sub chapter 2 of chapter XII of SRO.450(I)/2001, dated 18.6.2001) which provides repayment of the 70% of the claimed amount within 24 hours subject to submission of complete claim comments. The rest of 30% would be paid within 30 days after thorough scrutiny of the claim and necessary verifications.

2. The following instructions are issued to ensure the timely payment of such duty drawback claims for strict compliance by all concerned:

- (i) The claim filed under sub-rule(4) of Rule 4 of Duty Drawback (Claim Payment) Rules, 1998 Customs Rules, 2001 , dated 18.6.2001 shall bear the following endorsement on top corner of the claim.

“Duty Drawback claim under sub-rule (4) of Rule 4 of SRO 905(I)/98 dated 12.8.1998 (now sub chapter 2 of chapter XII of SRO.450(I)/2001, dated 18.6.2001) by M/s \_\_\_\_\_”

- (ii) Duty drawback claim filed under sub-rule (4) of rule 4 of Duty Drawback (Claim Payment) Rules, 1998 Customs Rule, 2001 shall be supported by documents such as:
  - (a) Quadruplicate copy of bill of export/shipping bill containing customs examination report, mate receipts and bearing complete postal address of exporter and National Tax Number.
  - (b) Bank Credit Advice.-\_\_in case of non-submission of bank credit advice, a bank guarantee shall be submitted in lieu thereof. In absence of either the bank credit advice or bank guarantee, bank attested copy of L.C shall be submitted in case of exports made against letter of credit.
  - (c) Airways bill, Bill of Lading.
  - (d) Customs certified invoice.
  - (e) Packing list (if any).
  - (f) Calculation sheet.
  - (g) Proformas of rebate payment orders.
- (iii) Claim so filed shall be sanctioned provisionally for payment of 70% of the amount claimed within 24 hours of its filing.
- (iv) the balance amount found admissible after thorough processing and scrutiny of these claims shall be paid within 30 days of the filing of the claim and the sanction shall be finalized.

- (v) All duty drawback claims so filed shall be subjected to normal scrutiny required in such cases after the provisional sanction indicated at (ii) above. No aspect of the scrutiny and examination of these claims shall be neglected on the pretext of expeditious disposal.
- (vi) In all cases where a laboratory test is required, the Customs Laboratory shall ensure that test reports are sent in serial order on first come first served basis. In case the number of items samples to be tested are very large the concerned Custom House Collectorate may seek assistance of PCSIR or any other laboratory of the Federal government. The dispatch and receipt of the samples collected at export end for onward transmission to the laboratory/Rebate Section will be the responsibility of the Customs authorities and not the exporter.
- (vii) In all the categories of duty drawback claims it may be ensured that claims found in order are paid serially To ensure that no claim is left out without proper justifications, a register for recording the dates of receipt and disposal of claims shall be maintained by the Section. The Collector shall personally check the register fortnightly. In case of any deviation the rebate section concerned must indicate the reasons thereof.
- (viii) All duty drawback claims shall be subjected to post audit by the concerned offices of the Directorate General of Inspection and Internal Audit and a periodical report shall be sent to the Collector concerned for necessary action.
- (ix) All Collectors shall be required to identify and maintain proper profiles of all industrial or commercial exporters under rule 3 of Duty Drawback (Claim Payment) Rules, 1998 Now Customs Rules, 2001 so that their past performance/conduct could be kept in view while processing or sanctioning the duty drawback claims.

**52. PROCEDURE FOR DISPOSAL OF SUPPLEMENTARY CLAIMS FILED ON ACCOUNT OF UPWARD REVISION OF DUTY DRAWBACK RATES UNDER VARIOUS NOTIFICATIONS ISSUED BY THE BOARD WITH RETROSPECTIVE EFFECT .**

In order to dispose off those supplementary claims which are either not traceable or are lying pending for the last many years due to the non- availability of the original claims, and have been filed for the differential amount which became admissible due to the upward revision of the rates of duty drawback under the Board's various notifications with retrospective effect, or because of valuation disputes e.g., exports to high tariff countries, the Board is pleased to prescribe the following procedure for processing the missing/pending supplementary claims:--

- (i) In case of missing/pending supplementary claims which have not so far been paid, the claims will be filed afresh with the following documents duly attested by the President or his authorized representative of the concerned Trade Association.



- (1) Copy of the Bill of Export.
  - (2) Copy of Airway Bill/Bill of Lading.
  - (3) Copy of the Invoice.
  - (4) Copy of Bank Credit Advice.
  - (5) Calculation Sheet (in duplicate).
  - (6) Pre-receipted and stamped copies of the respective rebate payment orders.
  - (7) Proof of receipt of original claim payment; i.e copy of the original treasury cheques.
  - (8) Copy of the acknowledgement of supplementary drawback application filed previously bearing I.D. No. date and amount of claim.
- (ii) The exporter shall also furnish an Indemnity Bond (copy annexed) duly certified by the President of the concerned Trade Association or his authorized representative in the form set out herein below to the Collector of Customs at the time of submission of the supplementary claim for the amount of customs duty, sales tax and excise duty being claimed by the exporter and that the exporters are entitled for the drawback claims, and they will abide by any subsequent legal or penal action taken in the event of their claims being found inadmissible.
- (iii) The President or his authorized representative of the concerned Trade Association will certify each set of claim documents by affixing a stamp on the face of each duplicate supplementary claim application bearing the following authentication,
- "Certified that the claimant is entitled for supplementary drawback claim for the amount claimed in the application. It is further certified that no drawback has been previously received by the claimant under I.D. No..... dated ....."
- (iv) The Collectorate, on receipt of the supplementary claim, shall forward the same to the Treasury Officer for confirming the amount actually paid to the exporter under the original II SR-2 number. After checking, the Treasury Officer certify that no payment has been made against the relevant I. D. No. On receipt of the certificate from the Treasury Officer, the claim shall be sanctioned within 48 hours.
- (v) After the issuance of the cheques, a team will be constituted to retrieve the original paid claims and to conduct audit to confirm whether the claims paid against Indemnity) were correctly paid or not. In case of any excess payment double payment, action may be initiated against the I' giving Indemnity Bond otherwise the Indemnity Bond n released after post audit.

2. This issues with the prior approval of the Finance Division.

3. In order to further facilitate the exporters the following instructions are hereby issued:--

- "(i) The exporters are required to furnish proof of receipt of the original claims payment in the form of copy of original Treasury Cheques. In case the exporters are not able to provide such copy, they may furnish the cheque number and date of payment of the original claim, which will be treated as evidence of payment of the original claim.
- (ii) In cases where the exporters are not able to furnish I.D. number of the supplementary claims; the exporters may furnish any other evidence to prove that the supplementary claim has already been filed. "

4. This procedure is meant only for those supplementary claims which were filed before 19.8.96. "

**INDEMNITY BOND**

**THIS DEED OF INDEMNITY** is made on the .....day of .....  
BETWEEN Messrs..... having registered office at..... (hereinafter called "the exporter", which included their successors, administrators, executors and assignees) of the part AND the President of Pakistan through the Collector of Customs----- (hereinafter called "the Collector of Customs") of the part:

Whereas the Central Board of Revenue by its decision contained in CGO----- dated ----- the -----and subject to the condition given in the said order has been pleased to direct the payment of drawback of differential amount which became admissible due to the upward revision of duty drawback with retrospective effect notified vide SRO.....

And whereas the exporters do solemnly declare and undertake the amount of duty drawback has previously been paid to them against supplementary claim I.D. No and the amount claimed was due and admissible.

Now, therefore, in consideration of the payment of the differential amount of duty drawback the exporters bind themselves to repay on demand and in the event of failure to repay agree that the amount covered by this may be recovered from them as arrears of customs duty under section 2 the Customs Act, 1969 and the rules made thereunder, if subsequent on post audit the claim is found to be inadmissible, or excess amount is found have been paid.

This Bond shall be rendered void when the Collector of Customs is satisfied that the differential amount of duty drawback was due and admissible to the exporter.

Signed by exporters on this..... day of .....19.....

(Managing Director)

Witness \_\_\_\_\_  
(Signature, name, designation and full address) .

Witness \_\_\_\_\_  
(Signature, name, designation and full address) .

I, President/authorized representative of President of -----  
Association do hereby undertake that in the event of the inadmissibility of the

supplementary claims or excess payment claimed if determined subsequently during post audit the Association shall be liable to discharge the liability.

President/ Authorized  
representative of

-----

Association

Note: The Bond shall be written on appropriate non-judicial paper and shall be witnessed by a Government servant in Grade 16 or above, or oath Commissioner, a Notary Public or an officer of a Scheduled Bank.

### **53. REVISED PROCEDURE FOR PAYMENT OF DUTY DRAWBACK AMOUNTS THROUGH THE SCHEDULED BANKS.**

Consequent upon decision of the Government to make payment of duty drawback through scheduled banks (authorized dealers of foreign exchange) in addition to Customs treasuries, the following procedure is prescribed:-

2. The exporters or their clearing agents, who intend to claim payment through banks, after completion of the formalities of examination of exported goods and having obtained the "Shipped in Full" stamp and Mate Receipt number or date, endorsement of laboratory test report wherever necessary, will prepare a duty drawback claim addressed to the Collector of Customs of the port, airport or Customs station from where the goods were exported in usual format as is being prepared presently and will lodge the same within the time limit of two hundred and ten days from the date of shipment (MR date) or one hundred and eighty days after realization of export proceeds. In case of supplementary claim, the time limit of two hundred and ten days be counted from the date of issuance of cheque to the exporter or issuance of fresh notification or the date of issue of notification, as the case may be. All relevant documents as mentioned below shall be submitted in triplicate tagged securely in an individual file cover and shall also contain a check list memo in quadruplicate:-

- (i) Application for export duty drawback.
- (ii) Pre-receipted duty drawback payment order (in triplicate), as per format Annex-A or Annex-B as laid down in State Bank's circular No.76, duly signed showing name, place and date. The columns will be left blank.
- (iii) Calculation sheet.
- (iv) B. C. A/Bank Guarantee/Attested copy of L.C. in case of exports made against letter of credit.
- (v) Airways Bill/Bill of Lading/Postal Receipt/Cross Border Certificate.
- (iii) Customs certified Invoice.
- (vii) Packing List (if any).
- (viii) Photostat copy of Exchange Bulletin showing rate(s) or its authenticated copy, prevailing on the day prior to the registration of the shipping bill.

- (ix) Quaduplicate copy of shipping bill bearing full postal address of exporter, National Tax Number, examination report and endorsement of customs.
- (x) Undertaking in format (Annex-B).

3. For the purposes of showing the intention of receiving payment through the bank, the application should bear the following endorsement on the right hand side top corner of the application and also the file cover showing the name of the bank branch with complete postal address from where originally the Form-E was issued.

"Duty draw back payment through

M/s \_\_\_\_\_  
Form-E No. \_\_\_\_\_ dated \_\_\_\_\_ "

4. The receiving official incharge of the counter will verify the documents and acknowledge in writing duly signed and stamped with date to the effect that they have received the same on duplicate copy of check list memo. In case any claim is incomplete, the missing documents will be marked on duplicate copy of check list memo duly signed and stamped with date by the official concerned and will be returned to the exporter along with the claim immediately. Duty drawback claims complete in all respect shall be accepted during the prescribed hours on all working days. Incomplete claims will not be accepted and will be returned to the exporter there and then. Claims accepted for processing/payment through banks shall be assigned a special serial number entered in the separate register and be forwarded to the concerned authorized appraising officer forthwith.

5. The concerned authorized officer on receipt of duty drawback claim will examine/scrutinize the claim and put up to the sanctioning authority for sanction. The process of scrutiny, processing and sanctioning of duty drawback claim will be completed at the earliest within 7 days but not later than 21 days. The objection, if any, shall be intimated to the exporter within 15 days after receipt of the drawback claims. All necessary formalities being presently followed in case of payment through Customs treasury shall be completed in the same manner with the only difference that instead of payment of duty drawback through the Customs treasury the same shall be sent to the designated bank branch from where originally the Form-E was issued and the name of which has been indicated on the right hand side top corner of the application by the exporter .

6. After completion of all formalities of sanctioning the claims, the complete case file with all the documents duly page-numbered intact in original shall be forwarded to the manager of the designated bank branch through the private registered couriers (already designated by the Chambers of Commerce for receiving duty drawback cheques from the Customs treasury on behalf of the exporters) on "to-pay" basis. The courier companies shall receive the charges from the banks who in turn will debit the exporters accounts. Simultaneously, an intimation of sending the claim to the bank for payment shall also be made to the concerned exporter through courier on "to- pay" basis. The specimen signatures of Customs officers authorized to sanction the duty drawback claims duly attested by the Collector shall also be sent to the respective banks to avoid any forgery

7. In case the bank has any doubt or suspicion about any duty drawback claim or duty drawback amount, the suspected claim shall be referred back to the Collector of Customs for detailed scrutiny.
8. Before making payment to the exporters, the bank will file the claim with the State Bank of Pakistan who will release the funds within two clear working days of submission of claim and debit to Customs. The bank will then make the payment to the exporters within twenty four hours.
9. After making payment and making endorsement of such payments (head-wise) on the face of the quadruplicate copy of the shipping bill, the claims will be sent to the State Bank of Pakistan with covering lists of claims bearing brief particulars like shipping bill No. with date and Form-E No. with date in made out bundles on the basis of Customs Port of export. The State Bank of Pakistan will then send the claims to the Collector of Customs having jurisdiction of the Customs Port of export for post-audit check.
10. The claims after being scrutinized and audited by the internal Customs revenue audit within thirty days will be sent to Customs Revenue Audit. They will return these claims within another thirty days to the Customs with their observations for further necessary action. The State Bank of Pakistan will inform the Collector of Customs having jurisdiction of the Customs Port of export about the head-wise payments made by the scheduled banks in a month not later than 2nd of the following month to which it relates through courier or special messenger.
11. In case any duty drawback claim is paid by the bank in excess of the actual authorization, the Customs authorities will advise the State Bank of Pakistan within a maximum period of 365 days after the payment of duty drawback to the exporters. On receipt of Customs advise, State Bank of Pakistan will debit the concerned commercial banks accounts with them only to the extent of excess principal amount. The commercial banks in turn will recover the excess amount from the exporters.
12. In case no discrepancy in the duty drawback payment is advised by the Customs authorities within a period of 365 days from the date of payment of duty drawback claim, the concerned bank shall not be held liable for any claim from the Customs authorities and State Bank of Pakistan will not debit the banks if the discrepancy is reported to them after 365 days after the payment of duty drawback to the exporters.
13. The procedure in vogue for filing duty drawback claims for payment through Customs treasury will remain unchanged.
14. This order is effective since 4th March 1996.

ANNEX-A

**DUTY DRAWBACK PAYMENT ORDER**

Order No. _____	Voucher No. _____
(i) Customs duty drawback .	(in figures) Rs. _____ (in words) Rupees _____
(ii) Sales Tax Tax drawback .	(in words) Rs. _____  (in words) Rupees: _____
(iii) Central Excise duty drawback	(in figures) Rs. _____  (in words) Rupees. _____
Total:	(in figures) Rs. _____ (in words) Rupees _____ (Delete whichever is not applicable)

To,  
The State Bank of  
Pakistan,----- through  
M/s. Bank's name and address

Certified that the above mentioned amounts on account of drawback of Customs Import duty, Sales Tax and Central Excise duty on materials used in the manufacture of goods exported under Shipping Bill No. \_\_\_\_\_ dated \_\_\_\_\_ Form-E No. \_\_\_\_\_ dated \_\_\_\_\_ from the port/airport is due and payable to Messrs \_\_\_\_\_

2. Certified that no duty drawback amount now being sanctioned has previously been paid and this order of duty drawback has been entered in the original register of duty drawbacks under my signatures.

(Name & Designation)

(Name & Designation)

Serial No. \_\_\_\_\_  
of authorized signatory list.  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_  
Received payment  
Claimant's Signatures \_\_\_\_\_

Serial No. \_\_\_\_\_  
of authorized Signatory list.

**ANNEX-B**

**UNDERTAKING**

(ON STAMP PAPER OF RS. 5/-)

Undertaking to be submitted along with duty drawback claim by the exporter or authorized representative or Customs ,clearing agent

To,  
The Collector of Customs,  
Custom House,  
\_\_\_\_\_.

The Bank Manager,  
\_\_\_\_\_

I/we \_\_\_\_\_/authorized representative/Custom House Agent Licence No. \_\_\_\_\_ address \_\_\_\_\_, undertake for any mis-calculation, irregularity or fraud and also undertake to abide by the Customs laws and rules applicable to this duty drawback claim.

Signature \_\_\_\_\_  
Stamp \_\_\_\_\_  
Date \_\_\_\_\_

**54. PAYMENT OF DUTY DRAWBACK ON PRODUCTION OF IRREVOCABLE LETTER OF CREDIT INCLUDING USANCE LETTER OF CREDIT INSTEAD OF BANK CREDIT ADVICE (BCA) AFTER EXPORT OF GOODS.**

The Ministry of Commerce, as well as various Export Associations have time and again proposed to reintroduce the facility partially by allowing sanction of duty drawback on exports made only against irrevocable letter of credit including issuance letter of credit as the practice of sanction of duty drawback against irrevocable letter of credit has remained in vogue since 1982.

3. In the light of above and with prior approval of the Competent Authority, it is hereby directed that duty drawback claims should be sanctioned by the Customs Authorities on all such export consignments on production of a certificate (Annex' A' to this order) from the concerned authorised bank stating that the particular consignment has been exported against irrevocable letter of credit or issuance letter of credit by the exporter. It may be noted that this facility shall not repeat not be available on exports made against firm contracts (DP/DA) etc. The exporter, however, shall also submit an undertaking that he will submit the Bank Credit Advice issued in accordance with Annex' A' to the State Bank of Pakistan's circular No.64 dated 25th August, 1993 within a period of 30 days for sight letter of credit documents and 30 days from maturity date in case of issuance letter of credit and in case of default, he, on demand, shall pay back the duty drawback earlier received in addition to the penalties imposed under the Customs Act, 1969 by the competent customs officer. In order to monitor such repayments proper records shall be maintained in each Custom House.

Annexure " A " to Customs

**NAME OF AUTHORISED DEALER**  
**(BANK)**  
**CERTIFICATE FOR SUBMISSION TO CUSTOMS FOR CLAIMING DUTY**  
**DRAWBACK/REBATE**  
(Export under irrevocable L/C or issuance L/C)

Running Sr .No.

Date:

We certify that export bill drawn by M/s. \_\_\_\_\_  
Name of exporter  
covering the following shipment has been negotiated under irrevocable Letter of Credit/  
issuance Letter of Credit despatched to our foreign correspondents along with Bill for  
collection:--

- (i) Bill No. \_\_\_\_\_ date \_\_\_\_\_ amount \_\_\_\_\_
- (ii) Terms LC/DP/DA \_\_\_\_\_ days \_\_\_\_\_
- (iii) Irrevocable L/C No./issuance L/C No. \_\_\_\_\_ date \_\_\_\_\_  
Amount \_\_\_\_\_
- (iv) Date of shipment \_\_\_\_\_
- (v) Form "E" No. \_\_\_\_\_ dated \_\_\_\_\_
- (vi) B/L or A WB No. \_\_\_\_\_ dated. \_\_\_\_\_
- (vii) Shipping Bill No. \_\_\_\_\_ dated \_\_\_\_\_
- (viii) Invoice No. \_\_\_\_\_ dated \_\_\_\_\_ Value \_\_\_\_\_
- (ix) Commission payable to foreign agent/importer \_\_\_\_\_

We also undertake that if the bill is not realized in 30 days as laid down or the  
tenor (whichever is later), Collectorate of Customs at \_\_\_\_\_ will be  
informed through the monthly statement prescribed by the State Bank in their F.E.  
Circular No.76 dated the 19th September, 1992.

Seal of the A/D.

For and on behalf of \_\_\_\_\_  
Name, designation with Attorney/  
Code No. (if allotted).

**55. PROCEDURE REGARDING TEMPORARY REIMPORTATION OF PREVIOUSLY EXPORTED GOODS PRODUCED OR MANUFACTURED IN PAKISTAN FOR REMOVAL OF DEFECTS AND THEIR SUBSEQUENT RE-EXPORTATION .**

The Government of Pakistan decided, in the Import Policy for 1999-2000 that the goods produced or manufactured in Pakistan, which are returned after exportation by foreign buyers for removal of any processing or manufacturing defects, shall be allowed to be imported without payment of customs duties chargeable thereon, as these are only temporarily imported with a view to subsequent exportation.

2. The Central Board of Revenue is, therefore, pleased to prescribe the following procedure to cover the temporary import of such goods without payment of customs duty leviable thereon, under section 22 of the Customs Act, 1969 (N of 1969) and their subsequent re-exportation.

- (i) An application shall be made to the Collector of Customs by the importer giving full particulars of the goods, alongwith copies of original export documents such as the bill of export, bill of lading, Form 'E' etc. and full details of any rebate, repayment, refund or drawback of any customs, central excise duty or any other tax levied by the Federal Government or any tax, cess or duty levied by the Provincial Government, received by the exporter after exportation of goods. The specific purpose for which the goods are being re-imported shall also be stated alongwith proof that the foreign buyer has returned the goods for removal of processing/manufacturing defects.
- (ii) Only such goods shall be allowed to be imported which were exported in the past one year, calculated from the date of filing of bill of entry for the current temporary importation.
- (iii) The Collector of Customs may refuse temporary importation of any goods without payment of customs duty and sales tax if prima facie it appears to him that any of the condition of this procedure would be breached.
- (iv) An undertaking shall be furnished to the Collector of Customs in such form as is prescribed by the Collector binding the importer to re-export the goods temporarily imported within a period not exceeding six months.
- (v) A bank guarantee shall also be furnished to the Collector of Customs, equivalent to the amount of rebate, repayment, refund or draw back of any customs or central excise duty or any other tax levied by the Federal Government, or of any tax, cess or duty levied by the Provincial Government, which was received by the importer on original exportation of the goods, in such form as is prescribed by the Collector of Customs binding the importer to pay the aforesaid rebate, repayment, refund or drawback to the government, if the goods are not re-exported within the period of six months referred to above. If the goods are not exported



within the stipulated period, the Collector of Customs shall enforce the bank guarantee furnished by the importer.

- (vi) The Collector of Customs concerned on a written application made to him may, in deserving cases, grant on his discretion and subject to such condition as he may deem fit to impose, extend the period of re-export by a further period of three months.
- (vii) Only such goods shall be allowed to be temporarily imported as are capable of being identified at the time of their re-exportation.
- (viii) At the time of re-exportation of the goods, the exporter shall make a written declaration on the bill of export to the effect that the goods covered by it were imported for removal of processing/manufacturing defects giving full particulars of the documents covering their original export and subsequent importation.
- (ix) Immediately after their re-exportation of the goods the importer shall produce the re-export documents before the Collector of Customs concerned showing that the goods temporarily imported have been re-exported within the stipulated period on the production of such an evidence the bank guarantee and indemnity bond earlier submitted at the time of re-importation shall be released.
- (x) No rebate, repayment, refund or drawback of any sort shall be allowed at the time of re-exportation of the goods, if the same has been received at the time of first exportation.
- (xi) The re-export shall be allowed only by an officer not below the rank of an Assistant Collector of Customs of Export Station, if he is satisfied that the goods being exported are actually the ones which were temporarily imported for removal of processing/manufacturing defects; and
- (xii) No transfer of ownership of the temporarily imported goods shall be allowed.

#### **56. EXPORT OF COTTON YARN THROUGH TEMPORARILY IMPORTED CONTAINERS FROM TEXTILE MILLS.**

In order to facilitate the containerized export of cotton yarn directly from the textile mill premises the Central Board of Revenue is pleased to lay down the following procedure:--

- (i) The textile mill will arrange removal of the imported empty containers from the port area to the mill premises on an undertaking executed with the Collector of Customs (Appraisement), Custom House, Karachi under laid down procedure.
- (ii) The containers will be used for the consignment indicated in one Bill of Export. The goods in excess of those mentioned in the Bill of Export will not be allowed in the same container.

- (iii) The concerned mill staff will submit an application to the appropriate officer of Customs and Excise at least 48 hours prior to the filling in of cotton yarn bags/cartons or bales for export.
- (iv) The exporter shall produce invoice alongwith the packing list showing the name of the consignee/importer, quantity/ weight, count of yarn, brand, unit price and value indicating the shipping marks and serial number of the packages to the appropriate officer of Customs at the time of examination.
- (v) The appropriate officer of Customs shall examine 10% of the packages in details with regard to count of yarn, brand and will endorse his examination report in his own handwriting in the manner prescribed in annexed proforma, A' affixing his signature, name in block letters and office stamp. He will also carry out 2% check-weighment of the total bags/cartons/bales to a maximum of 20 packages.
- (vi) Filling of the containers shall be carried out immediately after examination, in the presence of the appropriate officer of Customs and it will be sealed with tag or label as indicated in *proforma* annexed at 'B'. The tags or labels used will be printed and serially numbered which will be recorded in invoice and examination report.
- (vii) The bags/cartons/bales showing consecutive numbers should be packed serially and these serial numbers will appear in the examination report, invoice, A.R-4 form and tag/label attached with the container alongwith the seal. The bags/cartons/bales shall be stored/stacked inside the container in such manner that the bags/cartons/bales bearing the last number are placed at the opening lid of the container. Container's Number will be shown in invoice and A.R-4 form which will be accounted for on its receipt to Central Excise Office after export. Shipping marks shall be shown on the container for the purposes of shipment.
- (viii) The exporter/clearing agent will file the Bill of Export in the Export Collectorate of the Custom House alongwith duly signed invoice, packing list and examination report of the appropriate officer of Customs showing the number of packages and numbers of containers with other relevant export documents which will thereafter be processed according to the prevailing rules. The Appraiser Export Group shall direct the Customs Appraising Staff at the port to inspect the container, check the seal and signature of the appropriate officer of Customs on tag or label and verify the particulars of invoice, examination report of the said officer and Bill of Export.
- (ix) After the shipping documents are completed, the exporter / clearing agent will bring the container in the port area under normal procedures.
- (x) The Export Examining Staff at port will check the seal of the container and will verify the signature of the appropriate officer of Customs appearing on tag/label and other particulars shown in the shipping bill and

invoice and A.R-4 form without opening the container. In case of suspicion or where the Customs seal is found broken, the Customs Staff at the port of exportation shall open the container after obtaining written orders of the appropriate Assistant Collector, and examine the goods in presence of shipping agent/ clearing agent.

- (xi) Thereafter the container/containers will be handed over to the shipping agent or their authorised Container Agent alongwith the shipping documents for loading on board of the vessel.
- (xii) Safe transportation of the container/containers from Mill premises to Port Area shall be the sole responsibility of the exporter.
- (xiii) The correct and accurate examination of goods, filling in the containers, completion of formalities, sealing of the containers and compliance ( the foregoing procedure will be responsibility of the appropriate officer of Customs deputed for the purposes in the Mill's premises.

2. The expression "Appropriate Officer of Customs" used in this order means an officer of Central Excise not below the rank of Deputy Superintendent.

ANNEX ‘A’

- 1. Name and Address of the consignee/importer.
- 2. Marks and Numbers. S.No. of container S.No. of container.
- 3. No. of container: Total No. of bags/ctn. Packed in each.
- 4. Tags attached S.No. S.No. S.No.
- 5. Containers sealed with Central Excise Seal No.-----

EXAMINATION REPORT

Examination 10% /bags/Carton Nos. \_\_\_\_\_Description \_\_\_\_\_  
Process \_\_\_\_\_  
(Bleached/Dyed)  
Counts \_\_\_\_\_ 2% check weighment as under :  
S.No. of Bags Ascertained. Gr. Weight Declared Average Gross Weight  
Difference + or –

Signature of Deputy Superintendent.  
Name in Block Letters.  
Office Stamp.

ANNEX 'B'  
SPECIMEN OF THE 'TAG'  
MILL'S NAME AND ADDRESS

S.NO. CONTAINER'S NO.

TOTAL NO. OF PKGES \_\_\_\_\_ WEIGHT \_\_\_\_\_ KG.  
S. NO. OF PKGS PACKED FROM \_\_\_\_\_ TO \_\_\_\_\_

SIG. OF DY.SUPDT.  
NAME IN BLOCK LETTERS  
OFFICE STAMP.

**57. ADMISSIBILITY OF REPAYMENT OF CUSTOMS DUTY UNDER RULE 13 OF THE MANUFACTURING BOND RULES (SRO 1140(1)/97 DATED 06.11.1997).**

Under the Manufacturing Bond Rules notified vide SRO 450(1)/2001 dated 18.06.2001 now Customs Rules, 2001, repayment of customs duty is admissible on the raw material (inputs) on which customs duty has been paid and which have been used in the manufacture of other goods for export. The following guide lines are issued for strict compliance:

- (1) In case only duty paid input goods are used in the manufacture of goods which are to be exported, the repayment of duty as drawback shall be admissible on finished products on *f.o.b.* value of such exported goods according to the relevant standard drawback notification.
- (2) In case only duty free input goods are used in the manufacture of goods which are to be exported, repayment of duty as drawback shall be admissible.
- (3) In case goods which are to be exported are manufacture partly from duty free input goods under any scheme (temporary importation and partly from duty paid input good procured from the local market. the repayment of duty drawback shall be admissible on finished goods on the *f.o.b* value. However, the amount of such drawback shall be reduced proportionately by the amount of customs-duty applicable at current rates on the quantity of duty free imported goods used out of the items listed in the relevant standard duty drawback notification.

2. This Order is applicable to goods exported on or after 23.07.1998.

**58. USE OF SNIFFER DOGS IN EXPORT CONSIGNMENTS OF THE HOLY QURAN AND OTHER RELIGIOUS BOOKS.**

Sniffer dogs are used as matter of routine checking for export consignments with a view to interdict narcotics. It has been a practice at the exporting stations that sniffer dogs are not brought near the consignments containing Holy Quran and other religious books.

2. As a precaution, it is again reiterated that officers posted in the export Collectorates should be advised to ensure that due caution should be observed in this respect and wherever a consignment containing Holy Quran and other religious books is

brought for examination, the checking of the consignment should be done physically and in no case sniffer dogs be used for inspection or examination.

3. Collectors are requested to instruct their examination officers and staff in this respect. Any lapse in this regard will be dealt with very sternly.

**59. SUBMISSION OF FORMS 'E' TO THE STATE BANK OF PAKISTAN.**

Presently copies of Form 'E' issued by different branches of Banks to exporters are detached by customs and sent to respective branch of the Bank. Instances have been reported that different customs export stations are sending , E' forms to the State Bank on different formats and at their own convenience which causes the State Bank of Pakistan considerable problems in identifying cases of non-remission of sales proceeds (foreign exchange).

2. In order to ensure timely and proper delivery of 'E' forms to the State Bank of Pakistan, the following procedure be followed at all customs stations:--

- (a) Instead of forwarding Forms 'E' to respective branches of Banks, now all the customs export stations shall forward on the next working day, all 'E' forms collected daily to the branch of the State Bank of Pakistan which is located in the city or nearest to the city, through special messenger where the export station is located,
- (b) The 'E' forms shall be forwarded, Bank wise, to the State Bank of Pakistan under cover of letter on the format given at Annex' A. wherein details of all 'E' forms shall invariably be stated.
- (c) All customs stations shall maintain record of 'E' form received on the format given at Annex "B".

ANNEXURE “A”

**NAME OF FORM ‘E’ ISSUING BANK**

S. No.	Shipping Bill No. & date	Exporter Name	Exporter Registration Number	Form ``E`` No.	Form ``E`` date	Amount in Foreign C&F or FOB
1	2	3	4	5	6	7

ANNEXURE “B”

S. No	Shippin g Bill No. & date	Clearing Agency/ Challan No.	Exporter	Form ``E`` No. & date	Name of the Bank	Amount in Foreign Currency C&F or FOB specify	Description of goods	Quantity	Unit Value
1	2	3	4	5	6	7	8	9	10

## **CHAPTER – XIV**

### **RULINGS.**

#### **60. REGARDING ENACTMENTS.**

##### **1. VALIDITY OF INTERIM ORDERS PASSED BY THE HIGH COURTS.**

A question arose whether the interim Orders passed by the High Courts are valid after the expiry of six months period or not. The matter was referred to Justice Division which drew to clause (4-A) of Article 199 of the Constitution in terms of which orders passed by a High Court concerning the assessment and collection of public revenue ceases to have validity on the expiration of a period of six months.

2. Justice Division's advice contained in D.O. No. F-7(2)/86-Sol-I, dated 24th January, 1988 is reproduced as under:--

"Under clause ( 4-A) of Article 199 of the Constitution and rule 4-A of Order XXXIX of Code of Civil Procedure an interim order made by a High Court or a Civil Court on an application made to it to question the validity or legal effect of any order made, proceeding taken or act done by any authority or person, which has been made, taken or done or purports to have been made, taken or done under any law which is specified in Part I of the First Schedule of the Constitution or relates to, or is connected with, State property or assessment or collection of public revenues shall cease to have effect on the expiration of a period of six months following the day on which it is made, unless the case is finally decided, or the interim order is withdrawn, by the Court earlier. Now whether the interim orders passed in the cases specified in the aforesaid lists wherein the recovery of revenues has been stayed have ceased to have effect on the expiration of six months period, each case shall have to be examined in proper perspective in the light of the orders of the Court. You may, therefore, direct the concerned officers to examine each and every case on its merits and then proceed in accordance with the law on the basis of aforesaid advice of Justice Division. It may also be pointed that the aforesaid provisions of law are not applicable in the case of stay orders granted by the Supreme Court. Care should, therefore, be taken that recoveries of Government dues not forced upon where stay orders have been granted by that Court."

#### **61. EXEMPTION FROM DUTY-RETROSPECTIVE EFFECT INTERPRETATION OF SECTIONS 19 & 20 OF THE CUSTOMS ACT, 1969 (IV OF 1969).**

The Central Government allowed exemption on certain items with retrospective effect. The Central Revenue Audit objected that Central Government under Section 19 (corresponding to Section 23 of the Sea Customs Act, 1878) has no power to grant exemption from Customs duty with retrospective effect. In support of their view the CRA quoted late Government of India's ruling embodied in para 4 at page 43 of the General Manual of Orders (1967 Edition).

2. The matter was referred to the Law Division for advice who have held that Sections 19 & 20 of the Customs Act, 1969 provide sufficient authority for granting exemption from Customs duty with retrospective effect and the orders of the late Government of India as cited above stand cancelled.

3. The full text of their opinion is reproduced below:--

"It is true that Section 23 of the Sea Customs Act, 1878 (Like Section 19 of the Customs Act, 1969), did not, in express for terms, authorise the Central Government to order the refund of Customs duty already levied and collected in respect of any goods. But, where any class of goods identified with reference to the date of their import into Pakistan are exempted from the payment of duty, the duty already paid at the time of import becomes refundable.

4. As to the question of authority of Government to grant an exemption with retrospective effect, that is, to exempt from the duty goods in respect of which the duty has already been paid, it may be stated that the rule of interpretation of statutes as to the retrospective operation of statutes does not debar the issue of retrospective orders which, rather than taking away or imparting a vested right or creating some obligation with regard to a closed or past transaction, grant a privilege or allow exemption in respect of a past liability." The views expressed by the Secretary Law & Parliamentary Affairs in another case *vide* their U.O. No. 383/71-Dtg, dated the 24th March, 1971, support the above contention. The note reads as follows:--

"Even assuming for argument's sake that the proposed Notification will have retrospective effect, it will not be ultra vires for that reason. It is true that the Courts do not give retrospective effect to a statute but that is only a canon of interpretation and not a constitution principle. It was recently pointed out in *Yousuf Abbas v. Ismat Mustafa* (PLD 1968 Karachi 480) that law cannot be said to be retrospective unless it takes away or impairs a vested right acquired under any law or creates some obligation or disability with regard to closed and past transactions. In the instant case, instead of imposing any burden the plain intention is to allow exemption to the Fauji Foundations in respect of their past liability. In *Sabally v. Attorney-General* (1964) 3 AER 377) the Court of Appeal ruled that it is lawful for the Crown by Order-in-Council to alter a rule retrospectively in exercise of its power under Section 5 of the British Settlement Act, though the Section does not expressly provide for the making of an order to operate retrospectively."

## **62. SECTION 22 OF THE CUSTOMS ACT 1969, ---- INTERPRETATION OF**

On a reference from the Central Board of Revenue as to whether it has the power to relax the provisions of section 22 or not, the Law Division has ruled that section 22 read with section 20 of the Customs Act, 1969, enables the Board to do so.

## **63. PROCEDURE IN RESPECT OF THE PURCHASE OF GOODS UNDER SECTION 25-A OF THE CUSTOMS ACT,1969.**

In cases where a Collector of Customs decides to invoke section 25-A of the Customs Act, 1969, and to purchase the goods under that section the following procedure be observed :--

- (1) After a prospective buyer has been identified, from him shall be obtained two pay orders: one equal to the value declared by the importer; and another equal to the excess amount *plus* the Customs Duties and other taxes due on the basis of the ascertained value;
  - (2) After the pay orders have been collected, the importer will be paid the amount of the first pay order, *i.e.* the one equal to the value declared by the importer, while the amount of the second pay order will be deposited into the Government account under the relevant heads according to pre-determined proportions.
  - (3) Separate account shall be maintained in respect of all purchases made under Section 25-A of the Customs Act, 1969 which account shall be subject to pre-audit by internal audit, and shall also be presented to the Revenue Receipt Audit for normal post-audit like any other revenue account.
2. The Collector will take special steps to ensure that no short recovery occurs.

**64. INTERPRETATION OF THE WORD "SERVED" AS USED IN SECTION 32 OF CUSTOMS ACT, 1969.**

Section 39 of the Sea Customs Act, 1878 contained provisions that a demand notice was to be made before the expiry of three months statutory period. The demand was considered to have been "made" only when it was received by the party concerned.

2. Section 32 of the Customs Act, 1969 broadly corresponds to Section 39 of the repealed Sea Customs Act, 1878 with the modification that the word "made" has been replaced by the word "served" and the statutory period increased to four months.

3. The mode of service laid down in Section 215 of Customs Act, 1969 is as under:--  
"Any order or decision passed or any summons or notice issued under this Act shall be served (a) by sending it by Registered Post Acknowledgement, due to the person for whom it is intended or to his agent."

4. The present practice is to issue demands by Registered Post and the date of registration with the Post Office is taken to be the effective date for computing the statutory period of four months specified under Section 32 of the Customs Act, 1969 regardless of the fact whether the demand could have reached ordinarily within the time stipulated in section 32 of the Customs Act or not.

5. Law Division were requested to give their views in the matter. They opined as under:-

6. A show cause notice for the purposes of Section 32, Customs Act, (No. IV of 1969) must be served on the person concerned within the prescribed period from the relevant date. Ordinarily a notice is served by its actual delivery to the addressee but section 215 of the Act makes it lawful service of the notice if it is sent by Registered Post Acknowledgement due to the person for whom it is intended. If this section is read in



conjunction with Section 27 of the General Clauses Act (No. X of 1897) the position becomes clearer. It is provided therein that where any Central Act requires any document to be sent by post, then the service shall be deemed to be effected by properly addressing, prepaying and posting by registered post the letter containing such document.

7. Under Section 27 of the General Clauses Act, 1897, the service of the letter sent by registered post is to be deemed to have been effected at the time at which the letter would be delivered to the addressee in the ordinary course of post and not on the date the letter is delivered to the postal authorities.

**65. COMPUTING OF 7 DAYS TIME FOR BILLS OF ENTRY FILED UNDER SECTION 104 OF THE CUSTOMS ACT, 1969.**

A question arose whether or not the day on which the ex-bond bill of entry is filed under section 104 of the Customs Act, 1969 should be included while computing the seven days period under the second proviso to section 30 *ibid*.

2. The issue was examined in consultation with the Law and Justice Division. It is observed that the word 'of' used for the first time in the expression "within seven days of the bill of entry being presented" in the second proviso to section 30 of the Customs Act, 1969, in fact, is equivalent to the word "from" and while computing the period of limitation, as a rule, the first day is excluded. Similar principle has been enunciated in sub-section (1) of section 12 of the Limitation Act, 1908, wherein it has been provided that in computing the period of limitation prescribed for any suit, appeal or application, the day from which such period is to be reckoned shall be excluded.

3. In view of the above, the date on which the bill of entry is presented shall be excluded while computing the period of limitation under the second proviso to section 30 of the Customs Act, 1969.

**66. DELAY IN FINALIZATION OF FINAL ASSESSMENT OF BILL OF ENTRY.**

The case of finalization of provisional assessment has been a subject of detailed discussion between the office of the *Wafaqi Mohtasib* and the Central Board of Revenue. It has been decided that the provisional assessment should be finalized within four months to be extended by another two months in specific circumstances which should be recorded in writing. It has further been decided that orders of refund shall be made wherever due at the part of the final assessment order which should be speaking one and should contain all the relevant information on the basis of which value of the imported goods has been fixed.

2. In view of this position, the following instructions are for strict compliance by field formations:-

- (i) All cases of provisional assessments shall be finalized within a period of four months. Where assessment cannot be finalized within four months, owing to exceptional circumstances beyond the control of Custom Houses or Valuation Department, such period shall be extended by the Collectors of Customs or the Controller of Valuation, as the case may be, by a further

period of two months recording reasons in writing. Such extension shall also be intimated to the importers.

- (ii) Final assessment order shall be speaking one and shall also incorporate all the details and evidence on record on the basis of which value has been fixed or assessment has been finalized. This is necessary to enable the importer to file appeal with the appellate authority if he is not satisfied with the assessment order so made.
  - (iii) Where on the basis of final assessment any refund is due to the importer, the final assessment order shall also contain order for refund of the said amount and the importers shall not be required to make fresh requests for the refund.
  - (iv) Keeping in view the time constraint indicated above, refundable amount shall be paid expeditiously.
3. Collectors/Controller of Valuation shall ensure that these instructions are complied with in letter and spirit.

#### **67. INTERPRETATION OF SECTION 168 (2) OF THE CUSTOMS ACT, 1969.**

The following reference was made to the Ministry of Law in connection with the interpretation of Section 168 (2):--

- “Can the Collector of Customs extend the period of two months for the issue of show-cause notice after the expiry of the initial two months period or whether the extension has to be given by the Collector during the period of two months from the date of seizure of the goods”.
2. The advice of the Ministry of Law on the issue is reproduced below:--  
"The word extension imports the continuance of an existing thing, and must have its full effect given to where it occurs. Similarly according to the dictionary meaning of the verb "extend" in the relevant context means "to stretch out to prolong in any direction, to enlarge, to expand " Therefore, if the initial period of two months is allowed to expire, then there is no question of extending it. In that event there will be new *terminus a quo* for fresh period not exceeding two months.
3. While under the substantive provision of Sub-Section (2) of Section 168 of the Customs Act, 1969, the period for which the goods are to remain in custody is definite, namely two months from the date of seizure, under the proviso the period of extension is not definitive, it may be for a period not exceeding two months and then it is subject to the further condition of "reasons to be recorded in writing". This connotes that the Collector has to make up his mind not only on the necessity of extension but as to its duration not exceeding two months.

4. The question here is not of the Collector becoming *functue officio* after the expiry of the initial period of two months. The question really is that after the expiry of the two months, the person from whose possession the goods are seized acquires a mandatory right for the return of the goods. The requirement of law is clear and it is not possible to read it in any other sense."

#### **68. 'SMUGGLING' --NON-BAILABLE OFFENCE.**

The offence of 'smuggling' is a non-bailable offence in terms of the Criminal Procedure (Amendment) Act, 1974 (XXV of 1974) (Item 18 of the Schedule).

2. Under Sub-Section (1) of Section 497 of the Code of Criminal Procedure, 1898 (V of 1898), as amended by the Criminal Procedure (Amendment) Act, 1974 (XXV of 1974), any person accused of a non- bailable offence shall not be released on bail "if there appear reasonable grounds for believing that he has been guilty of an offence punishable with death or imprisonment for life or imprisonment for ten years". The offence of "smuggling", which is punishable with imprisonment for a term not exceeding ten years under Section 156(1) (item 8) of the Customs Act, 1969, is, therefore, a non-bailable offence within the meaning of Section 497(1) of the Code of Criminal Procedure, 1898.

#### **69. HOW SEARCH AND SEIZURES ARE TO BE CONDUCTED UNDER CUSTOMS ACT , 1969.**

In order to secure proper prosecution of the Customs cases, the following instructions are issued for strict compliance by the Customs staff while conducting searches and making seizures and arrests.

1. SEARCH: Search of premises is conducted either under Section 162 of the Customs Act, 1969 and a Customs Officer not below the rank of a gazetted officer is required to submit an application to the Magistrate for obtaining a search warrant against which the premises specified in the search warrant should be searched. However, whenever any officer of Customs not below the rank of an Assistant Collector has reasonable grounds for believing that any goods liable to confiscation are concealed or kept in any place and that there is a danger that such goods may be removed before a search can be effected under Section 162 of the Customs Act, he may, after preparing a statement in writing of the grounds of his belief and of the goods, documents or things for which search is to be made for such goods, documents or things in that place without a warrant of search from a Magistrate under Section 163 of the Customs Act, 1969. In such cases the Customs Officer should note that recourse to Section 163 of the Customs Act, 1969 should be taken only when the Magistrate is not available and there is a danger that the goods would be removed. When the premises are searched under Section 163 of the Customs Act, 1969 a statement of grounds for search of premises should be prepared and original copy should be handed over to the person present on the place of search. A further copy of the aforesaid statement should also be delivered to the occupier or at his last known address through post as soon as it is practicable. The third copy should be retained for office record. The evidence of delivering the original and duplicate copy of the statement of grounds of search of premises should be kept on record. All searches made ( under Sections 162 and 163 should be conducted strictly in accordance with the

provisions of the Code of Criminal Procedure, 1898, and in this context Section 103 of the Cr. P.C. is reproduced below:

2. 103 --SEARCH TO BE MADE IN PRESENCE OF WITNESSES.

- (1) Before making a search under this Chapter, the officer or other person about to make it shall call upon two or more respectable inhabitants of the locality in which the place to be searched is situated to attend and witness the search and may issue an order in writing to them or any of them to do so.
- (2) The search shall be made in their presence, and a list of the things seized in the course of such search and of the place in which they are respectively found shall be prepared by such officer or other person and signed by such witness but no person witnessing a search under this Section shall be required to attend the Court as a witness of the search unless specially summoned by it. Occupant of place searched may attend.
- (3) The occupant of the place searched or some person in his behalf, shall, in every instance, be permitted to attend during the search and a copy of the list prepared under this Section, signed by the said witnesses, shall be delivered to such occupant or person at his request.
- (4) When any person is searched under Section 102; Sub-section (3) a list of all things taken possession of shall be prepared, and a copy thereof shall be delivered to such person at his request.
- (5) Any person who without reasonable cause, refuses or neglects to attend and witness a search under this Section when called upon to do so by an order in writing delivered or tendered to him, shall be deemed to have committed an offence under Section 187 of the Pakistan Penal Code."

3. It therefore follows that a Customs Officer should not enter the premises without the presence of two independent musheers of the same locality. If the search of the premises results in the recovery of contraband goods, a proper mushinama should be prepared and signatures of the musheers obtained. In cases where nothing is recovered, mushinlama to that effect should also be prepared and musheer's signature obtained.

4. Seizures.-- The goods liable to confiscation should be seized under Section 168 of the Customs' Act, 1969, against a proper mushinlama as referred to above.

5. Arrests.--When any person is arrested under Section 161 of the Customs Act, 1969 for an offence under the Customs Act, 1969, and he is to be searched, this search should be in presence of two independent musheers and a proper mushielama to this effect should be prepared on the spot and further action as provided under the Customs Act, 1969 should be strictly followed.

6. Reasons for seizure or arrest.--When anything is seized or any person is arrested under the provisions of the Customs Act, 1969, the officer making the seizure or arrest should inform in writing the person so arrested or the person from whose possession the things are seized of the grounds of such seizure or arrest. This is a mandatory requirement of law under Section 171 of the Customs Act, 1969 and should be complied with by the officers concerned. The practice of giving the reasons for seizure as "under report of Mr." be discontinued forthwith and full reasons as provided under Section 171 of the Customs Act, 1969 should be given to the person concerned for his arrest or the goods seized from him.

7. All officers are directed to comply with the provisions of the Customs Act, 1969 while making searches, seizures and arrests.

**70. FILING OF APPEAL AGAINST THE ORDERS OF SPECIAL JUDGE (CUSTOMS) PASSED UNDER THE CUSTOMS ACT, 1969.**

A question arose whether an appeal against the orders of Special Judge (Customs) could be filed by the Department without consulting the Law Division or otherwise. Accordingly a reference was made to Law Division, who has advised as under:--

"According to the requirements of the Rules of Business and Secretariat Instructions it is the ultimate responsibility of the Law Division to decide to file or defend a case in the court of law. Accordingly, in the normal course each and every case before it is defended or filed in the court of law, the Law Division has to be consulted. But, however, in the cases in which adequate punishment has been awarded to the accused persons by the court of the Special Judge and the Department is satisfied with the punishment, the Law Division would not insist for reference to examine the filing of appeal for enhancement of the sentence but in the cases in which the court has acquitted the accused persons, the Law Division will have to be consulted to decide whether an appeal against the acquittal order would lie in such a case".

**71. PRODUCTION OF CASE PROPERTY IN CRIMINAL TRIALS.**

A matter was referred to Justice Division which has advised that notwithstanding the provisions of Sections 82 and 169 of the Customs Act, 1969, case property is a very important piece of evidence in criminal cases, and its production is thus very necessary in criminal trial. As far as possible the case properties involved in Customs cases should not be disposed of and be produced before the Courts in the trial proceedings. .

2. Justice Division's advice contained in U.O. No. 155/88-Sol.II, dated 31st March, 1988 is reproduced as under:--

"Case property is a very important piece of evidence in criminal cases. The Court must know exactly what property is the subject-matter of the trial and the accused

must have an opportunity to show that he was not connected with that property. In *Iqbal and another vs. State*, reported in 1985 P. Cr. U 286 (Karachi), the Sind High Court observed that "in any case non-production of property in the Court is a very serious lapse on the part of prosecution which is inexcusable and it knocks the bottom out of the prosecution case. If the case property cannot be disposed of except by or under the order of, the Court in accordance with the provisions of Chapter of the Code. It is only in the case of perishable property, etc, that the Court may, under Sections 516 and 525 of Cr .P .C., allow disposal of such property of goods before the conclusion of the case. No doubt Sections 82 and 169 of the Customs Act, 1969, empower the Collector of Customs, or any other officer of Customs authorized in this behalf, to cause a thing liable to be confiscated to be sold or disposed of during the pendency of a proceeding in any Court but it is subject to notice to the owner of that property and then the Court may have to be satisfied that the disposal of the property and its non-production before it would not cause any prejudice to the accused and it is on this very ground that we have gone in appeal to the Supreme Court in the case of *Manzur Hussain and Shazada*, etc.

In any case, unless and until a decision is given by the Supreme Court in the cases referred to above it will not be possible for us to give a firm opinion in this behalf. Till then the case property must be produced before the Court in every case except where the goods were disposed of lawfully under Sections 82 and 169 of the Customs Act In case of genuine difficulty, the Court may be requested to dispense with the production of that property on each and every date of hearing or to hold the trial at the place where the property is kept and witnesses are easily available. Section 185-E of the Customs Act 1969, provides that a Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties and the witnesses, he may hold sittings at any place."

**72. LEGAL PROCEEDINGS AND ADJUDICATION OF GOODS UNDER CUSTOMS ACT. 1969-SECTION 169 OF THE CUSTOMS ACT, 1969 AND SECTIONS 516A AND 517 OF CRIMINAL PROCEDURE CODE-. AUTHORITY COMPETENT TO PASS ORDERS FOR THE DISPOSAL OF THE CASE PROPERTY.**

The following reference was made to the Law Division:--

2. Attention is invited to the Honourable High Court, Karachi's ruling in Revision Application No.580 of 1964. It was decided therein that the Collector of Customs alone is the competent authority to adjudicate upon the contraband goods hit by Section 19 of the Sea Customs Act, 1878 (Section 16 of the Customs Act, 1969) and that the function of the Magistrate is to deal with the offender only. Section 169 of Customs Act, 1969 contains provisions that seized goods are to be deposited with Custom House for subsequent adjudication under section 179 *ibid*.
3. Collector, Central Excise and Land Customs, Hyderabad has reported that in a case involving 94 bags of seized betelnuts, the Superintendent of Police, Thatta refused to

hand over the case property to Customs for subsequent adjudication. Instead the case was challenged in the Court

of Civil judge and F.C.M., Thatta who ordered the release of seized goods. On Cr. revision application filed by Superintendent of Police, Thatta, the judgment was upheld by District Magistrate, Thatta.

4. Law Division has given the following opinion:--

- i) The Customs Act, 1969 (Act IV of 1969) has been enacted in order to consolidate and amend the various Customs Laws. It repeals the Sea Customs Act, 1878, the Land Customs Act, 1924 besides other Acts with a view to removing the conflicting provisions found in those statutes.
- ii) This is special law and wherever it is found to be in conflict with a general law of the country, it shall prevail. (Also *see* Sub-Section (2) of Section 1 of Cr. P.C.) It is a well established principle of law and needs no further elucidation. The procedure laid down in the Customs Act for proceeding against the offenders and the seizure of the property shall over-rule the provisions of the Criminal Procedure Code.
- iii) The view held in Revision Application No.580 of 1964 (Mohammad Rafique vs *State*) still holds good. The Collector of Customs can only adjudicate upon the contraband goods, hit by Section 16 of the Customs Act. Section 169 of the Customs Act, 1969 contains provisions for handing over the goods to the Customs authorities for adjudication as envisaged by Section 179 of the Customs Act. Section 169 read with the five Sub-Sections gives a clear picture of the procedure on seizure of contraband goods.
- iv) The provisions of the new Act mostly correspond to the provisions of the old Acts, and the authority of Customs Department has nowhere been lessened. Therefore, the rulings relating to the subject-matter under reference are parallel to the old Acts and shall hold good.
- v) The powers of the Police under the Customs Act, 1969 are not statutory. There is delegation of powers to the Police Officers under Section 3 of the Act for the areas mentioned in the Notifications issued from time to time but these powers are limited and cannot be exercised in excess of it to over-ride the provisions of the Customs Act. The Customs Act, 1969 as exposed above has to be followed strictly. The view of the Customs Authorities appears to be correct.
- vi) The issue has been well settled by the authoritative pronouncements of the Supreme Court in *Adam. v. The Collector of Customs, Karachi (PLD 1969 SC 446)* as also of the High Court of West Pakistan in the *State v. Ghulam Jaffar (PLD 1970 Peshawar 66)*. The proceedings taken by the Customs Authorities for the confiscation of the goods are more in the nature of departmental proceedings while the proceedings for the criminal prosecution of a person who commits an offence under Sea Customs Act,

1878 (now the Customs Act, 1969) in relation to those goods are judicial proceedings for the determination of the guilt of the person concerned for commission of the alleged offence and entailing a punishment for the same. Both are concurrent remedies but each is independent of the other. They can proceed simultaneously and neither can remain under suspension for the sake of others. The result of the one is not to affect the validity of the other. The Customs Authorities can proceed to take action admissible under the law in respect of the contraband goods even if the person alleged to have been connected with the commission of offence in respect thereof is acquitted by the criminal Court. The provisions regarding the confiscation of goods and imposition of other penalties by the Customs Authorities contained in the Sea Customs Act, 1878, as also in the Customs Act, 1969 are part of the special law and would therefore, take under Sections 1(2) and 5(2) of the Code of Criminal Procedure, precedence over the general law contained in the Code pertaining to the forfeiture or confiscation of the goods which are subject-matter of offence triable by a Magistrate under the Code.

- vii) The Sea Customs Act, 1878 and the Customs Act, 1969 contain special provisions whereby the Customs authorities are invested with powers to search and seize goods which are liable to confiscation under the Act. Under Section 179 of the Sea Customs Act, (Section 169 of the Customs Act) all things which are seized under the Act have to be delivered to the care of Customs Officers authorised to receive them and if no such officer is at hand they would have to be deposited at the nearest Custom House or a place appointed for the purpose by the Chief Customs Officer. In the case of goods which are perishable the Chief Customs Officer or any other Officer authorized by him can cause them to be sold by public auction and have the proceeds kept deposited pending the adjudication of the case. Under Section 180 of the Sea Customs Act (Section 170 of the Customs Act) where such things are seized by any police officer on the suspicion that they have been stolen he may carry them to any police station or Court at which complaint connected with the stealing or receiving such things are to be made and inquiry connected there under is in progress. But the police officer seizing the things has to send a written notice of their seizure and deposit to the nearest Custom House and after the conclusion of the inquiry of trial he has to cause such things conveyed or deposited in the nearest Custom House for disposition accordingly to law."

**73. COMPUTING THE TIME LIMIT OF 4 MONTHS FOR ISSUANCE OF NOTICE UNDER SECTION 32 OF CUSTOMS ACT, DATE OF PAYMENT OF DUTY TO BE EXCLUDED.**

The question whether it is correct to exclude the date of payment of duty for computing the time-limit of four months for issuance of a demand notice under Section 32 of Customs Act, 1969, has been under examination in the Board for sometime.

- 2. The matter was referred to Law Division whose advice is reproduced below:--  
"Section 9 of the General Clauses Act, 1897 embodies a principle of equity which



applies to all statutes. The effect of computing a period in the manner given in the Section is to exclude the first day and to include the last day. Where the intention is to include the first of a series of days, the general practice is to employ the expressions "on and from" or "on and after" and since neither of these expressions have been used in Sub-Section (3) of Section 32 of the Customs Act, 1969, it can safely be assumed that the legislature did not intend to include the date of payment of duty for computing the time limit of four months for issuance of a notice under that section. Further the language used in the Section is, "-- the person shall be served with a notice within four months 'or the relevant date --". The expression of the relevant date' is equivocal and does not make it clear whether inclusion or exclusion of the first day is intended. The Law Lexicon [P.R. Aiyar, 1940 Ed., page 899] defines the word 'of *inter alia*, as-- from or proceeding from, as the cause, source, means etc.'" which is hit by Section 9 of the General Clauses Act. This being the legal position, the exclusion of the date of payment, would be in order :

3. Necessary action, in the light of the advice of the Law Division, may be taken

#### **74. DEPARTURE FROM EXISTING PRACTICE--TARIFF RULINGS--RETROSPECTIVE EFFECT.**

In a certain case the Board's ruling constituted a change in the existing practice of the Custom House, the Central Board of Revenue also ruled that the change in practice will not have retrospective effect but will be applicable from the date of the Ruling.

2. The C.R.A., however, did not agree with the second part of the CBR's ruling regarding its prospective effect on the ground that a Tariff Ruling does not alter the Law but merely states what is the view of the authority issuing the ruling as regards the interpretation of the Tariff. The CRA in support of their views quoted the late Government of India's Ruling No. 53-Cus-I/30, dated 27th February, 1930 as contained at page 2 of the Pakistan Customs Tariff Guide (First Edition).

3. The matter was referred to the Law Division who have ruled as under:--  
 "Section 32 of the Customs Act, 1969 refers to untrue statements, cheating, collusion etc. by any person in connection with any Customs. It also speaks of inadvertence, error or misconstruction in levying the duty. For the reasons given therein, the shortage can be recovered. In the same way refund is allowed provided over payment has been made through inadvertence, error or misconstruction. In the instant case, the practice was adopted by the Department on a well considered view, without in any way bringing into picture the conduct of the person paying the Customs duty. The previous classification of the goods for purposes of paying the duty shall hold good till the matter is reconsidered. If there is any change, it shall take effect from the date of the change and not retrospectively.

4. The view contained in para 38, I have discussed the matter in the Law Division and they agree with the opinion of the C.B.R. as contained in the Pakistan Tariff Guide Third Edition 1950, which reads as follows:--

"Departure from existing practice...Where there is a question of departing from existing practice, whether governed by express orders of higher authority, or not, the Collector of Customs should, if the proposed departure is in the direction of an assessment more favourable to the importer, adhere to the existing practice and make a reference to the Central Board of Revenue accepting duty meanwhile from the assessee, under protest if the assessee so requires. Where the Collector contemplates a change to a high assessment then has been the practice, he should not take action upon his view until he has obtained orders, but such orders would not have retrospective effect. Tariff Rulings.--Retrospective effect.--(i) When a ruling has been issued by the C.B.R. or the Government in the matter of the interpretation of the tariff and when such ruling shows that the practice of any Custom House in the assessment of goods has been incorrect resulting either in the short levy of duty or the levy of excess duty, it must be held that such short levy or excess levy has been due to error or misconstruction on the part of the officers of Customs. The Government are, however, pleased to direct that ordinarily no proceedings shall be taken under Section 39 if it appears that duty has been short levied previous to the receipt of the ruling in the Custom House.") is perfectly correct. No doubt the law is not altered but the law has been acted upon in a particular manner through tariff rulings, and in the light of such interpretation, certain duty is charged. The interpretation shall continue till a period it is not altered. As soon as it is altered it shall be effective from the date of its doing so.

Even otherwise, an innocent person paying duty on goods in a *bona fide* manner to the satisfaction of the rules, is protected from being further harassed. This practice may lead to complication and revision of the tariff rules may effect innumerable people for no fault of theirs."

#### **75. SECTION 181 OF CUSTOMS ACT,1969 --TIME LIMIT FOR REDEEMING GOODS.**

A case was referred to the Law Division who have opined that section 181 of Customs Act, 1969 is silent as to the fixation of time within which the owner of the confiscated goods can exercise option to pay in lieu of the confiscation of the goods, the fine as may be imposed by the authority concerned. In the absence of any time-limit the above option can be exercised at any time before the goods are disposed of by the authorities. The same principle should be kept in view where a date has been fixed in the adjudication order for exercise of the option but the goods have not so far been disposed of by the authorities after the expiry of the said limit.

#### **76. RESPONSIBILITY OF COLLECTOR OF CUSTOMS UNDER THE MERCHANT SHIPPING ACT, 1923 AS RECEIVER OF WRECK.**

The Collector of Customs, Karachi has been appointed as the receiver of wreck under Sections 272 to 279 of Merchant Shipping Act, 1923. As per these provisions and

the "Instructions for the Receiver of wreck", as receiver of wreck, he is also not legally responsible for ensuring the navigability of the channel.

2. Director General of Ports and Shipping viewed that the responsibility for salvaging the wreck and clearing the channel lay on the Collector of Customs as the receiver of wreck. The opinion emanates from the Law Division ruling *vide* their U. O. No. 1542/72-Law, dated 5th September, 1972.

3. The Board viewed that Law Division ruling only indicated that the wreck can be dealt with by the receiver of wreck under the provision in section 275 of Merchant Shipping Act, 1923. It does not impose any obligation that the wreck must be salvaged by the receiver and it can be abandoned also.

4. Accordingly Law Division was requested to confirm if Board's interpretation of their ruling was correct, who have ruled as below:--

"There is nothing in Part VII (Wreck and Salvage) of Merchant Shipping Act, (No.21 of 1923) making it obligatory for the Receiver to salvage the wreck and/or remove the danger to the navigability of the channel. Of course this task can be done by any other agency or department of the Government and the wreck so salvaged can be delivered to the Receiver with a claim for reimbursement of charges under section 275 of the Act".

6. The interpretation of the Board was confirmed by the Law Division in U. O. No. 1542/72-Law, dated 5th September, 1972 as correct.

7. Under the Merchant Shipping Act, 1923, the Receiver appointed under section 273 is not charged with the duty of salvaging the wreck or removing it from the navigational channel so as to making it danger free to ships. He is simply to deal with the wreck for the purpose of taking possession thereof and disposing it.

## **77. EXEMPTION FROM CUSTOMS DUTY AND SALES TAX**

An issue was referred to the Justice Division for a ruling whether exemption from customs duty and sales tax in the instant case can be claimed under two different Notifications simultaneously. Justice Division has ruled follows:--

- (i) No doubt that Notification No. SRO 500(1)/84, dated the 14th June, 1984 (*Repolled as PTCL 1984 St. 443*) whereby the exemption from sales tax and fifty per cent of customs duty was allowed on import of plant and machinery for installation in backward areas has not been superseded and is still in force. But by virtue of subsequent Notification No. SRO 512(1)/86, dated the 29th May, 1986 (*Reported as PTCL 1986 St. 519(i)*) where under textile machinery was exempted from whole of the customs duty, would deem to have impliedly repealed the earlier Notification to the extent where it is inconsistent with the earlier Notification.
- (ii) It is settled principle of law that where there are two orders or statutes on the same subject, the later in time shall prevail (*Mehtab Khan vs Rehabilitation Authority, PLD 1973 S.C 471*). In view of the matter, an importer can claim exemption from sales tax under SRO 500(1)/84, dated

14th June, 1984 (*Reported as PTCL 1984 St. 443*), and at the same time claim exemption from whole of the customs duty under the subsequent Notification No. (SRO 512(I)/86, dated 29<sup>th</sup> May, 1986) (*Reported as PTCL 1986 St.519(i)*).

## **II. REGARDING ADJUDICATIONS.**

### **78. PROCEDURE REGARDING ISSUE OF SHOW CAUSE NOTICES AND ADJUDICATION ORDERS.**

The Central Board of Revenue, while deciding appeals filed against the orders-in-original passed by the lower authorities, have frequently noticed that the show cause notices issued to the party are either too sketchy or they do not precisely give the basis on which the charges are framed against the offenders. In some cases they are not in conformity with the principles of natural justice. The attention of adjudicating officers is, therefore, invited to the well-known maxim of *audi alteram partem* ( nobody should be condemned unheard), the universal application of which has been recognized and ruled by the Supreme Court (P.L.D) 1964 October S.C. (Pak) 673. The show cause notices must contain the following particulars:--

- (i) In cases involving mis-declarations of value the precise basis on which the declared values are held to be mis-declared should be clearly spelt and copy of the evidence on the basis of which it is so held should also be supplied to the party after omitting the names of the local importers of identical goods which are not required to be divulged to them.
  - (ii) The charges framed should be very clearly related to the applicable provisions of the Law.
  - (iii) While fixing a date for the hearing a reasonable, time should be allowed to the respondent for properly examining the charge and the evidence given in the show cause notice and for making arrangements for the appearance of advocate on his behalf in case he so desires.
  - (iv) Wherever necessary a responsible official of the Valuation Branch should also be called in at the time of hearing to properly reply to questions raised by the respondent or his' advocate. Show cause notice should be issued without any avoidable delay whatsoever after the seizure or detention of the goods involved. After the receipt of reply to the show cause notice cases should be decided as expeditiously as possible always bearing in mind that the goods under detention are undergoing heavy port trust demurrage charges which in many cases have been found to exceed the value of the goods and the penalty imposed by Customs."
2. The limits of adjudication and power of various officers of Customs with regard to cases involving confiscation of goods or imposition of penalty under the provisions of the Customs Act, 1969 have been fixed. The Board in exercise of the powers conferred upon it has fixed the limit of adjudication powers of various customs officers.

3. According to the provisions of section 4 of the Customs Act, 1969, any officer of Customs appointed under section 3 *ibid* is also competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him.

4. It is, therefore, ruled that the Collector of Customs Adjudication have necessary powers and jurisdiction to adjudicate any case which otherwise falls within the competence of an Additional Collector of Customs, Assistant Collector of Customs etc.

#### **79. ADJUDICATION ORDERS--INSTRUCTIONS REGARDING.**

The top of the order-in-original is prescribed as below :-

### ***Annex-1***

## **ORDER-IN-ORIGINAL**

N.B: An appeal against this order lies to the Collector of Customs/ Central Board of Revenue, Islamabad, as the case may be, within 30 days from the date of receipt of this order. Such appeal should bear in a court fee stamp of Rs. 10/- and Rs. 25/- respectively and be accompanied by a copy of the order bearing a court fee stamp of 50 paisas prescribed under Schedule 1, item (vi) of the Court Fee Act, 1870.

Name of the party:--

Subject:--

### **ORDER**

Adjudicating Officer  
(Signature & Seal)

### ***Annex-II***

## **ORDER OF THE COLLECTOR OF CUSTOMS/CENTRAL BOARD OF REVENUE, IN CUSTOMS APPEAL**

No. \_\_\_\_\_ of 200

*N.B:* No appeal lies against this order, but if the appellant is dissatisfied with it, he may make an application for revision to the Government of Pakistan within 30 days from the date and receipt of this order.

Any such application should be addressed to the Joint Secretary/ Additional Secretary, Ministry of Finance, Government of Pakistan, Islamabad. The application should bear Court Fee Stamps worth Rs. 25/-

and it must be accompanied by this copy or another copy of this order bearing Court Fee Stamp of fifty paisas prescribed under Schedule 1, item 6 of the Court Fee Act, 1870.

Name of the party:--

Subject:--

### **ORDER**

(Collector of Customs/  
Second Secretary)

#### **80. INSTRUCTIONS FOR ADJUDICATION OFFICERS – OBSERVANCE OF THE PRINCIPLES OF NATURAL JUSTICE.**

Extracts from a letter of the Deputy Attorney-General are reproduced for the guidance of all concerned.

- (i) “It is becoming very common for the adjudicating officer not to examine the prosecution witnesses in the presence of the parties concerned and not to keep a record of the proceedings. Time after time it has been held by the High Court and the Supreme Court that if the party concerned is not allowed to cross examine the witness or to produce his defence, it offends the principle of natural justice. The Supreme Court in Sardar Ali’s case in PLD 1959 (S.C) P.25 adjudicating officer in presence of the party concerned, it violates the principle of natural justice and that evidence cannot be taken into consideration;
- (ii) Adjudication proceedings should be proper judicial proceedings and a diary should be kept of each happenings and the order passed from day to day should be recorded; and
- (iii) Even if the party has not summoned any witness, it is the duty of the prosecution to produce all the witnesses and documents before the adjudicating officer in presence of the party concerned. Without this the proper hearing is not given and there is a violation of principle of natural justice.

#### **81. ISSUE OF SHOW CAUSE NOTICE UNDER CUSTOMS ACT, 1969-- INTERPRETATION REGARDING SECTIONS 168(2), 180 AND 181 OF THE CUSTOMS ACT, 1969-SUPERSESSION OF BOARD'S CIRCULAR INSTRUCTIONS C. NO. 9(22)-L&P/70, DATED THE 14TH JANUARY, 1973.**

The following questions have been raised in respect to the interpretation of Sections 168(2), 180 and 181 of the Customs Act, 1969 in a number of seizure cases:--

- (i) Can adjudication proceedings be initiated in case the show cause notice is not issued within the permissible extended period under Section 168(2) of the Customs Act?
- (ii) Has the 2 months period to issue the show cause notice, to be extended within the original two months?
- (iii) If the show cause notice is not issued within the period of two months or within the permissible extended period of four months under the Customs Act, and the goods are returned to the party from whose possession they were seized, can adjudication proceedings for imposition of penalty be initiated?
- (iv) Can prosecution be launched against the offender in a Court of Law after the goods have been returned for non- issue of the show cause notice within the permissible period?
- (v) If the prosecution proceedings can be launched in Court of Law even after the non-issue of the show cause notice within the stipulated period, is there any provision under the Customs Act whereby seized goods can be kept in Customs custody for production before the Court of Law as evidence?

2. The matter was referred to the Ministry of Law and their para- wise opinion on the above queries is summarized below:-

- (i) The provisions of Section 168(2) of the Customs Act are mandatory and the goods have to be returned to the party from whose possession the same were seized if the show cause notice is not issued within the period of 2 months or within the permissible extended period under Section 168(2) of the Customs Act.
- (ii) The period of 2 months can be extended by the Collector of Customs under Section 168(2) of the Customs Act by another 2 months. The extension by the Collector has to be ordered within the original 2 months. If the extension by another 2 months is not ordered by the Collector within the first two months, such extension would have no force at law.
- (iii) Section 180 of the Customs Act, 1969 embodies--the well- known principle of natural justice known as "*Audi Alteram Partem*". This Section provides that before an order for confiscation of any goods or for the imposition of any penalty is passed the owner of the goods or the person on whom the penalty is proposed to be imposed will be informed in writing of the grounds on which it is proposed to confiscate the goods or to impose any penalty and that an opportunity of making a representation and of being heard in person shall be given, for passing of orders of confiscation of goods, the show cause notice prescribed under Section 180 of the Customs Act is required to be given within 2 months of the seizure

of the goods or within the extended period under Sub-Section (2) of Section 168 of the Customs Act. However, there is no provision in the Act prescribing the time within which a show cause notice is to be given before the passing of an order for imposition of penalty. The confiscation of goods liable to customs duty and the imposition of penalty on a person who has contravened the provisions of the Customs Act and the Rules made thereunder are two separate and distinct actions. It is open to the concerned authorities to impose penalty in addition to the confiscation of goods. In brief, the imposition of penalty does not depend on confiscation of the goods and it is legally possible to make an order for imposition of penalty even in the absence of an order for the confiscation of goods. The power to issue show cause notice under Section 180 of the Customs Act for imposition of penalty is not at all effected by the return of the goods for non-compliance of the provisions of Section 168(2) of the Customs Act resulting in the return of the goods.

- (iv) The prosecution of the offender under the Customs Act in a Court of Law independent of the confiscation of the goods or the imposition of penalty. The return of the goods for non-compliance of Section 168(2) of the Customs Act would not take away the department's powers to initiate the prosecution.
- (v) As regards the question of detention of the goods for purposes of prosecution in a Court of Law there is no specific provision in the Customs Act which can be used for this purpose. The object can, however, be achieved by having recourse to Section 186(1) of the Act which provides that when any fine or penalty is proposed to be imposed in respect of any goods such goods shall not be removed by the owner until such penalty or fine has been paid. The goods liable to be returned for non-issue of the show cause notice within the prescribed time under the provisions of Section 168(2) of the Act can be detained under Section 186 (1) so long as the person entitled to the return of the goods does not pay the amount of penalty imposed in respect of those goods. However, if the person entitled to the return of the goods in question chooses to pay the amount of penalty, the goods shall have to be returned even if the same are needed for production before the Court of Law as evidence.

### **III. CIRCUMSTANCES AND EVIDENCES :-**

#### **82. A JUDGEMENT OF THE HIGH COURT OF LAHORE IN A WRIT PETITION NO. 1022 OF 1964 IS REPRODUCED BELOW FOR THE GUIDANCE OF ALL CONCERNED.**



## JUDGEMENT

Date of hearing: 7<sup>th</sup> May, 1973 :

Petitioner (Sultan Mohammad Khan) by Mr. Abdul Waheed Butt, Advocate.

Respondents (Collector of Central Excise & Land Customs & another) by Maulvi Ehsan-ul-Haq, Advocate.

MUHAMMAD AFZAL ZULLAH,—In this case the Customs Authorities from Inspector upto Board of Revenue gave findings of fact; that; the petitioner was found in possession of unusual number of wrist watches; was unable to produce the receipts at the time he was detected; was keeping the quantity of watches in an unusually concealed manner; and failed to produce any document of import connecting the watches with any lawful import. Despite all these findings learned counsel relying on Pakistan and another vs. Qazi Zia-ud-Din (PLD 1962 S.C. 440) has contended that no presumption could be raised against the petitioner. On the other hand, it is urged the presumption, as explained by their Lordships, was that duty would be deemed to have been paid and goods lawfully imported in their circumstances which were similar to the present case.

2. Firstly, the ruling is distinguishable in respect of interpretation of law as their Lordships dealt with the presumption under Section 177-A of Customs Act while the presumption in this case initially was raised against the petitioner was under 167(81) is different. Secondly, their Lordships did not hold that after the initial presumption the question of evidence in an attempt to prove lawful import on the part of the person concerned, is irrelevant. In this case in reality the matter went beyond the stage of presumption. The petitioner did avail of opportunity of producing evidence in support of his contention that the watches were lawfully imported but according to the findings of the authorities concerned he failed in this attempt. Therefore, in fact, it is not a question of action have been taken on the basis of any presumption but on the basis of evidence considered in which the petitioner failed to prove his plea. Thirdly, even according to their Lordships in the cited ruling, the presumption would not be raised if there are no suspicious circumstances or other facts leading to the presumptive inference. In this case all the circumstances noted above particularly the surreptitious manner in which the petitioner (who himself belongs to Peshawar area) was found in possession of the watches which he had concealed in unusual manner and failed to produce the receipts in the very first instance are more than suspicious circumstances. There are in fact strong indications that the import was unlawful even to his knowledge. Considering all these circumstances I find no merit in this petition and the same is dismissed. There shall be no order as to costs.

### **83. REGISTRATION OF CASES UNDER PROHIBITION/ ENFORCEMENT OF HADD ORDER NO.4 OF 1979, ON DETECTION OF CASES IN RESPECT OF NARCOTICS.**

The Honourable Federal Shariat Court in its judgment No. CRSM 18/K/19/DSC, dated 26th June, 1990, in case No. 142/85-State Vs. Anwar Khattak and others has been pleased to observe in paras 25 and 26 of the judgment as under:--

"We find that the Customs Officers who apprehended the accused possessing, transporting or attempting to transport etc., were bound under section 176, 202 and more particularly 217 of the PPC read with section 59 of the Cr. P .C. to have informed the concerned law enforcing agency to take cognizance of the same. The omission on the part of the Customs Authorities to do so is, therefore, in itself an offence and in case it is found that they did so knowingly and deliberately they may be punished under the above noted provisions of law and may also be found interfering with the course of justice and may be abetting to save accused of the punishment provided " under the provisions of P.O-4 of 19'79".

"The result of the above discussion is that though we find no illegality in the proceedings of the Customs Court, in not applying Articles 3 & 4 of the p .0. 79 yet we must observe that the omission on the part of the concerned Customs enforcing agency, so that it would take cognizance of the offences under Articles 3 & 4 of the p .0. 79 and take the accused to face trial, is by itself an offence and may also call for disciplinary action, at this stage."

2. Thus whenever any person is found to possess or attempts to import, export, transport or commits any of the offences in respect of .narcotics. The Customs Officer must report the matter to Pakistan Narcotics Control Board and the local Police Authorities so that appropriate proceedings are initiated under Article 3 & 4 of the P.O. 4 of 1979. Collectors should ensure compliance of this directive.

3. Proper departmental action should be taken against those Customs Officers who willfully ignore to inform the law Enforcing Agencies empowered in this behalf, to take cognizance of the offences under the provisions of P .0.1979.

## **CHAPTER - XV**

### **MISCELLANEOUS**

#### **84. PROCEDURE FOR SETTLING OF CRA OBJECTIONS.**

The following procedure is prescribed in dealing with CRA objections expeditiously :-

- (i) The objections raised by the CRA shall be communicated to the Auditor of the Custom House, who will immediately call for the records of the case and examine the merits of the objection within seven days.
- (ii) If the auditor, after scrutiny of the relevant documents does not accept the objection, he will discuss the case with the CRA and finally resolve the issue for acceptance or withdrawal of the objection within a further period of ten days.
- (iii) If the auditor concedes the objection he will send the file direct to the Assistant Collector concerned for the issue of a demand notice. The Assistant Collector concerned will ensure that the demand notice/action is issued/taken within 10 days of the receipt of the file from the audit and action taken against the official concerned.
- (iv) The above time table shall, of course, not be applicable to cases where the time bar-limit is operative earlier. In all such cases immediate action should be taken to issue the demand notice before the time-bar.
- (v) Follow up action for realisation of short recoveries of duty will be completed by the respective Assistant Collectors within two months. Where the party fails to make good the payment within three months of the issue of the demand notice, the cases would be brought to the notice of the Collector for detention of consignments as provided under Section 202 of the Customs Act, 1969 and for taking further necessary action.
- (vi) The Assistant Collector will keep a note in the index given below of objections and the officer against whom they have been raised. In cases where he feels that the objections are persistent against certain officers he shall take suitable action against the officer concerned.
- (vii) In cases of negligence or collusion, the case shall be invariably reported to the Collector for action.
- (viii) All cases, where the Government Revenue has not been realised within six months, will be reported to the Board [Secretary (Customs) by name] with full explanation of the officers responsible for the loss of Government revenue or delay in its realisation.

**NAME OF THE OFFICER**

S.No.	Objection	Raised by	Action taken
1.	2.	3.	4.

**85. SMUGGLING OF TYRES AND TUBES FROM PAKISTAN.**

The following procedure is to rationalise the documentation of tyres and tubes mounted on vehicles making trips across the Pak./Afghan borders at Torkham and Chaman only. This procedure will not apply to vehicles plying within Pakistan including Political Agencies Tribal Areas:--

- (a) Pakistan based vehicles.
  - (i) In case of these vehicles all new tyres and tubes should be entered in their registration books. It should be ensured that no slip or extra paper is used for the purpose and legible entries are made in the book. All corrections which should be rare must be attested by the Customs Officer under signature with date and office stamp.
  - (ii) The vehicles may be allowed to change tyres tubes after having covered thirty thousand miles or having completed 6 months whichever is later.
- (b) Afghanistan based vehicles.
  - (i) In case of these vehicles, a register in the form attached should be maintained at the check post and all tyres and tubes mounted on them should entered in this register. The condition of the tyres should be accurately entered so that it could ensured that new tyres are not traded for old ones.
  - (ii) The tyres and tubes mounted on the vehicles should be verified with these entries to ensure no clandestine replacement takes place.
  - (iii) For rendering a vehicle liable for confiscation under Section 156/157 of the Customs Act, 1969 it is necessary that the vehicle should have been used for the smuggling of the contraband goods. The owner of the vehicle, his agent or driver must have knowingly permitted his vehicle to be used for transportation of the contraband goods.
  - (iv) In case where only smuggled tyres and tubes are found mounted on vehicles, such vehicles should not be considered as having

involved in smuggling and thus not liable to be seized. Only the tyres and tubes would become liable for seizure.

## **86. IMPORTS VIA LAND ROUTE-PROCEDURE REGARDING.**

It has been realised for sometime past that a procedure allowing for a free movement of goods on road vehicles destined for Customs Port, Lahore without intermediate unloading at the first Land Customs Station of entry be laid down. In furtherance of this the Board is pleased to prescribe the following procedure:--

### **I. DEFINITIONS:**

For the purposes of this order--

- i. the term road vehicle shall mean not only any road motor vehicle but also any trailer or semi-trailer designed to be drawn by such a vehicle.
- ii. the term container shall mean an article of transport equipment (lift van movable or similar structure).
- iii. the term containerised road vehicle shall mean a road vehicle fitted with a container having an internal volume of one cubic metre or more.
- iv. Land Customs Station of entry shall mean the first Land Customs Station of entry into Pakistan.
- v. Land Customs Station of destination shall mean, unless otherwise notified, the Customs Port, Lahore.

### **II. PROVISIONS CONCERNING THE FORMALITIES TO BE COMPLETED AT THE LAND CUSTOMS STATION OF ENTRY .**

1. Immediately on arrival at the Land Customs Station of entry, the person in charge of the road vehicle shall present to the appropriate officer of Customs an application to enter inwards (Annexure 'A ') in duplicate and a manifest in duplicate (Annexed 'B'). .
2. The appropriate officer shall then affix his signature on the appropriate columns of the manifest and return both the original and the duplicate copy thereof to the person incharge of the road vehicle.
3. The request for inwards entry shall be granted immediately by the appropriate officer who shall return the original of the request application and retain the duplicate.
4. The appropriate officer shall thereafter proceed to take down the particulars of the road vehicles on a register to be maintained in the form (Annexure 'C').

5. The seal placed on the road vehicle shall be examined and if they are found intact the road vehicle shall be allowed to proceed to the station of destination. In case the seals are found broken, tampered with or otherwise doubtful, the appropriate officer shall cause an inventory of the goods to be made and sent it under sealed cover to the Customs Station of destination. He shall further reseal the container.

### III. PROVISIONS CONCERNING THE FORMALITIES TO BE COMPLETED AT THE LAND CUSTOMS STATION OF DESTINATION.

- I. Within twenty-four hours of the arrival of the road vehicle at the Customs Station of destination the person incharge of the road vehicle shall deliver to the appropriate officer of the Customs a manifest (Annexure 'B') in duplicate.
2. After the delivery of the manifest, the seals shall be caused to be broken and goods stored in the Customs premises for clearance.
3. The entry for home consumption shall be made in accordance with the normal routine procedure and the value and the rate of duty shall be determined in terms of Section 30 of the Customs Act. Provided that when a bill of entry is filled under Section 79(2) of the Customs Act the value and the rate of duty shall be the one prevailing on the day the manifest of the vehicle is delivered at the Customs Station of destination.

### IV. SPECIAL PROVISIONS.

- I. Unless otherwise notified, the only Warehousing Station for the purposes of this order shall be the Customs Port, Lahore. In other words, no goods shall be off loaded at any place other than a Warehousing Station Licensed under Section 84 of the Customs Act. Any road vehicle violating this provision shall be liable to action under Section 16 of the Customs Act read with Section 2(S) *ibid*.
2. The Warehousing of the goods shall be the responsibility of the person incharge of the road vehicle and the Railway Authorities at the Customs Port, Lahore. This will be effected under a prior agreement between the Railway Authorities and the carrier who will mutually settle, Storage, handling, demurrage and other charges leviable on the goods.
3. The road vehicles carrying goods for Customs Port Lahore shall not be allowed to proceed to the station of destination unless the agent of the company furnishes a valid carnet for the road transport and a bank guarantee covering the value of the goods carried therein. If he cannot furnish a carnet the bank guarantee shall also cover the value of the road transport in addition to the value of the goods carried therein.

V. PROCEDURE IN EVENT OF VIOLATION OF PROVISIONS OF THIS PROCEDURE.

Any violation of the provision of the procedure by the Carrier will be dealt with as follows:

A call notice specifically indicating the. violation committed by the Carter will be issued to him. If his reply is not found satisfactory, proceedings under the Customs Act, 1969 will be initiated and Show Cause Notice issued.

ANNEXURE 'A'

ORIGINAL/DUPLICATE

Dated. ....

To

The Superintendent,  
Customs Station of Entry,

Sir,

. We request permission to enter inwards and carry the goods loaded on road vehicle.

No. -----  
Driven by -----  
Export No.----- to station of  
Destination -----

Faithfully

For (Name of the company  
Person-in-Incharge )

Permission granted on -----at-----seals  
found intact, Allowed to proceed to -----

Sd/-

I.C.O.

ANNEXURE 'B'  
CARRIERS IMPORT MANIFEST

The undermentioned goods have been consigned from -----to  
-----per Road Vehicle No.----- colours -----

S.No	No. & Nature of Packages Cases, Bags, Bales etc.	Marks & Nos.	Description of Goods
------	--	--------------	----------------------

Name and Address of Importer	Bill of Entry No.	No. of Packages Discharged to be Accounted for	Remarks
------------------------------	-------------------	--	---------

I.....on behalf of M/s..... declare that the manifest contains, to the best of my knowledge, full and true account of all goods. It is further stated that all the rivets and locks are secure and that all Customs seals are intact.

**APPROPRIATE OFFICER**

Entry inwards to truck No.....permitted  
on.....at.....intact seals found intact

Sd/-  
Land Customs Officer  
Station of Entry

**APPROPRIATE OFFICER**

Manifest delivered on.....  
seals found intact.

Sd/-  
Land Customs Officer  
Station of Destination.

**Manifest Cleared on .....**

Sd/- Assistant Collector

**ANNEXURE 'C'**

**PROFORMA OF THE REGISTER TO BE MAINTAINED BY  
THE LAND CUSTOMS OFFICER**

S.No	Road Vehicle No.	Drivers Name and Passport No.	Quantity Inwards Permitted on Application No. & Date	Detention	Remarks
1.	2.	3.	4.	5.	6.

**87. POOLING OF INFORMATION CONCERNING CUSTOMS FRAUD.**

Pakistan is a signatory to the Customs Co-operation Council Convention on the Mutual Administrative Assistance for the Prevention of Investigation and Repression of Customs Offences concluded at Nairobi on 9th June, 1977.

2. It is desired that the relevant information in the following *proforma* be supplied to the Board on a quarterly basis so that it can be compiled for onward submission to the Council Secretariat. Collectors/Directors Customs Intelligence shall ensure that such information is supplied to the Board at the end of each quarter.

**PROFORMA FOR POOLING OF INFORMATION  
CONCERNING CUSTOMS FRAUD**

Natural Persons		Offence	
(a)	Surname	Smuggling	
(b)	Forenames	(a)	Method of smuggling
(c)	Maiden name	(b)	Description of method
(d)	Nickname or <i>alias</i>	(c)	Description of goods concerned



(e) Occupation	(d) Other observations which led to detention, Customs Fraud other than Smuggling
(f) Address	(a) Kind of goods
(g) Date and place of birth	
(h) Country of residence and countries and countries visited during the past 12 months,	(b) Country of origin
(ij) Nationality	(c) Name and address of the seller
(k) Identity papers	(d) Name and address of Shipper
(l) Physical description	
(1) Sex	(e) Name and address and other parties involved (agents/middlemen etc.)
(2) Height	(f) Ports and places at which goods were exported,
(3) Weight	(g) Brief particulars of, offence and circumstances which led to detention.
(4) Build-	
(5) Hair	
(6)	
(7) Complexion	(h) Amount of penalty and loss or Revenue. if any.
(8) Distinctive marks	
	Vessels/Vehicles involved.
Legal persons/firms	Vessels
(a) Name	(a) Name and Brief description . of the vessel (S.S., M. tonnage, etc.)
V.	
(b) Address	(b) Name and address of the owner/charterer.
(c) Name or principal officers or taken.	(c) Flag employees against . whom legal action is
(d) Related multinational company	(d) Port of registry and, if different, home port.
(e) Nature of business carried on.	(e) Name, citizenship, nationality of master.
.	
Method of Smuggling or other fraud.	(f) Nature of offence, including

- |     |   |  |
|-----|---|--|
|     |   | description of goods siezed.   |
| (a) | Brief description of methods of smuggling and other fraud <i>e.g.</i> forgery, falsification or counterfeiting use to which the forged falsified or counterfeited the documents, Customs seals, registration plates were put. | (g) Description, if applicable, of the place of concealment (including where possible a photograph or sketch) and of circumstances which led to discovery. |
| (b) | Description of goods concerned.   | (h) Country of origin of goods . seized.   |
| (c) | Other obselvations including the circumstances which led to detection.  | (ij) First port of destination.  |
|     |   | (I) Port of call between   |
|     |   | (m) Other observations (number of case in which the same vessel, shipping company, character or other vessel operator has been involved in smuggling).     |

#### Vehicles

- |     |   |
|-----|---|
| (a) | The description (make, model. registration number etc.) of any means of transport used whew applicable with date. |
|-----|---|

### 88. PERISHABLE ITEMS.

The Central Board of Revenue is pleased to declare the following items as perishable goods in terms of proviso (a) of Section 82 of the Customs Act, 1969:--

1. Betel leaves.
2. Battery Cells for watches & calculators.
3. Butter .
4. Bidi leaves and bidi.
5. Betel nuts.
6. Cigarettes, Cigars.
7. Cement.
8. Cosmetics.
9. Chemicals.
10. Camera Films, X-ray films.
11. Colognes & perfumes, all sorts.
12. Dry Battery Cells, all sorts.

13. Dates, all sorts.
14. Dry Fruits, all sorts.
15. Eggs.
16. Non-Essential Oil.
17. Foodstuff, all sorts.
18. Food grains, all sorts.
19. Fish.
20. Hides & Skins.
21. Ink.
22. Live trees, plants and roots etc.
23. Milk powder.
24. Raw wool.
25. Sweets and confectionery, all sorts.
26. Spices, all sorts.
27. Sugar.
28. Syrups, Jams, Jellies, Marmalades, Ketchup etc.
29. Tobacco, all sorts.
30. Tamarind.
31. Tea, Cocoa and Coffee.
32. Toilet requisites like tooth paste, tooth powder, face cream, brilliantine etc.
33. Vegetable and fruits, all sorts.
34. Vegetable Oil and Oil Seeds, all sorts.

## **89. ISSUE AND USE OF ARMS IN CUSTOMS AND CENTRAL EXCISE DEPARTMENT .**

Whereas, the officers and staff of Customs & Central Excise Department entrusted with the enforcement responsibilities need to carry personal arms and ammunition with a view:--

- (i) to deter the smugglers from disobeying/disregarding order or signal of customs staff to stop for search or vehicle, containers or vessels;
  - (ii) to immobilise and stop a vehicle or vessel suspected or carrying contraband;
  - (iii) to immobilise fleeing smugglers by firing in the air or near them but not at them directly to cause injury or death;
  - (iv) self-defence, should smugglers open fire on customs officers and staff; and
  - (v) security of offices and warehouses.
2. It is necessary that possession, carrying and use of various types of weapons is regulated so that weapons are used in the most appropriate manner and in situations requiring the use of weapons, the responsibility of individual users may be easily fixed.
  3. The various squads, operational units and offices in which weapons are kept and used and the various level of officers and staff needing to use the weapons for various purposes and in different situations are given below:--

	Names of Offices	Functions for which arms to be used.
1.	Custom House/Directorate Hqrs-----	Guard and ceremonial.
2.	Regional offices of Custom Houses/ Directorates (headed by a Grade-19 officers) -----	Guard and ceremonial.
3.	Offices of Assistant Collectors/ Assistant Directors -----	Guard and security.
4.	Offices of Superintendents, Central Excise/Customs/Intelligence-----	Guard and security.
5.	State Warehouses-----	Guard and security.
6.	Customs Check-post on borders/ Highways/Sea-coast-----	Checking of smuggling and interdicting contra-band.
7.	Mobile Squads-----	Interdiction of traffic in contraband inside the country.
8.	Marine Patrol-----	Surveillance of coastal waters and high seas with a view to check smuggling and rounding up of smugglers.

4. Normally, the guard duties are performed by Sepoys and Havalgars. The anti-smuggling functions which are performed by Mobile Squad, Marine Patrol and at Check posts normally involve Deputy Superintendents, Inspectors of Customs and Central Excise and Officers of equivalent ranks as well as Hawaldars, Sepoys and Drivers. But sometimes officers of higher ranks also are involved. The drivers of vehicles used and the tindals of boats are also part of these enforcement units.

5. The officers and staff who are normally deployed for the performing of one or more of the aforementioned functions and any other officer of the Department who may in any particular situation need the use of arms while discharging official duties are also empowered to use weapons as and when the situation demands.

6. To regulate such use the instructions given below should be followed:--

- (i) The officers of the rank of Inspector of Central Excise & Customs and above when posted at the Check Post or working in a Mobile Squad/Marine Patrol or entrusted with security or investigation duties may carry a revolver or pistol and may use it for achieving one or more of the objectives mentioned above.
- (ii) The driver and tindal will carry revolvers/pistols and use the same primarily in self-defence. He, however, may use a rifle in self-defence if he loses the revolver /pistol in combat or when the same becomes un-serviceable for some reason.
- (iii) Havalgars and Sepoys deployed for security/guard duties or working at a check post or in anti-smuggling unit may carry rifle under direction of the

officer incharge of the unit. These officials shall fire on a vehicle/boat/smuggler only when so ordered by the officer incharge or any other officer entrusted with the duties of anti-smuggling or the security of offices and warehouses and they shall not fire at any object or person on their own. In the case of guard/security duties if an Inspector or other officer of equivalent rank or higher rank is not available and the situation demands to fire one or more shots on any object or person in the interest of security of state property or documents, the havaldar or sepoy incharge of the guard detachment shall decide and order the sepoys on guard to use the weapons.

- (iv) The L.M.G. shall be used only by the L.M.G. detachment and no one else. However, the order for fire shall be given by the officer incharge of the enforcement unit in possession of the LMG. Flare pistol/pencil shooting are primarily required to be used either to give a signal to the field Headquarters or another operating unit or to illuminate a limited area with a view to spot smugglers, their vehicles or contraband. These devices shall normally be in the possession of officer incharge or the official next below him and shall be used as they consider it necessary.
- (v) Whenever a weapon is used to fire, only a minimum number of shots shall be fired and firing may be stopped as soon as the objective has been achieved. Similarly care shall be taken that the firearms are used for scaring or immobilising the smugglers and not to injure or kill them except in self-defence. In case some smuggler is injured or killed, the same would be immediately reported to the senior officers verbally and in writing and an F.I.R. filed with the nearest Police Station.
- (vi) The issue and return of arms from and to the Kote shall be recorded in writing with date and time indicating the name of official who has been issued the weapon, the description, accession number and other specifications of the particular weapon and the purpose of the issue. Similarly, as and when shots are fired, the firing incident shall be recorded in writing and reported to the immediate supervisory officer as soon as possible but not later than 24 hours of such incident.

7. Officers and detachments who perform sensitive duties involving danger to their person may also carry pistol/ revolver or rifle with the approval of the Head of the Department. In the case of a Collector /Director requiring to carry a weapon, permission may be obtained from the Central Board of Revenue.

**90. REVISED PROCEDURE FOR PAYMENT OF CUSTOMS DUTY & SALES TAX TO THE C.B.R.-- COMMISSION CHARGES THEREON TO THE POST OFFICE DEPARTMENT.**

The payment to Central Board of Revenue of the amount of Customs Duty and Sales Tax collected through Post Office on inward foreign articles and payment of commission thereon to the Post Office Department has now been agreed between Central Board of Revenue and the Post Office Department that:--

- (i) The assessment of Customs Duty and Sales Tax etc; on inward Postal Parcels and submission of required returns to the Director of Accounts, Post Office Department by Post Office and Offices of Exchanges will continue under the procedure already in vogue;
- (ii) On receipt of cash accounts from the Head Post Offices, the amounts appearing against the head "Customs Duty on Parcel Mail" and "Customs Duty on Letter Mail" will be booked by the Postal Audit Section of the Office of Director of Accounts, Post Office Department under suspense head namely "5301.--Suspense Account (Post Office)" as under:--
  - 5302-11 Customs Duty on Parcels.
  - 5302-12 Customs Duty on Letter Mail.
- (iii) On receipt of vouchers and schedules showing details of Customs Duty and Sales Tax etc; from the Head Post Offices concerned, the Customs Duty Section of the Office of Director of Accounts, Post Office Department will verify the amounts and adjust the same under proper heads of accounts through transfer entries as follows:--

Credit		Debit	
3606-31	Customs Duty on Inward Foreign Articles Rs.: .....	5302-11	Customs Duty on Parcel Mail Rs .....
3606-32	Sales Tax on Inward Articles Rs .....	5302-12	Customs Duty on Letter Mail Rs.....
1266-8	Misc. Receipts Rs..... (other items relevant Code No. to be mentioned).		
Total:-	Rs.....	Total:--	Rs.....

- (iii) the Director of Accounts, after consolidation of accounts of Customs Duty and Sales Tax separately on quarterly basis (i. e. January to March, April--June, July--September and October--December) will issue a sanction within two months of close of the quarter to the Senior Post Master ,Karachi General Post Office for payment of the amounts realised by Post Office to the Collector of Customs, (Preventive) or a representative authorised by the Collector of Customs (Preventive), Karachi. Within 15 days of the receipt of sanction, the Senior Post Master, Karachi GPO will issue two cheques in favour of Collector of Customs (Preventive), Karachi, one for payment of Customs Duty and the other for the payment of Sales Tax realised on inward postal articles. The amount shall be charged to unclassified payments.
- (v) the amount so collected by the Collector of Customs (Preventive) shall be credited to the following heads:--

	Custom Duty	
	0210-Customs	0211-Sea
Customs		
	Sales Tax	

ordinary. 0220-Sales Tax Imports. 0221-Sales Tax on Imports

- (vi) on receipt of cheques from the Senior Post Master, Karachi GPO, the Collector of Customs (Preventive), Karachi will make payment as commission charges to the Senior Post Master, Karachi GPO of an amount equal to 12% of the amount paid by the Senior Post Master, Karachi GPO out of the amount provided for this purpose in the Sea Customs grant within 15 days of the receipt of cheques.
- (iv) The Senior Post Master, Karachi GPO will credit the amount of commission paid by the Collector under the head of "Unclassified receipts the above mentioned amounts of receipts and payments shall ultimately be classified by the Director of Accounts, Post Office Department, Lahore under the relevant heads as shown below:--

Receipts

1266-9-Agency Receipts:  
05-Commission on collection of Customs Duty,  
06-Commission on collection of Sales Tax.

Payments

3606-31 Customs Duty on Inward Foreign Articles,  
3606-32 Sales Tax on Inward Foreign Articles,

The above procedure has been approved by the Finance Division and is effective since 1st July, 1985.

## **91. APPLICATION OF CORRECT RATE OF EXCHANGE FOR ASSESSMENT PURPOSES UNDER SECTION 30 OF THE CUSTOMS ACT, 1969 – CLARIFICATION REGARDING.**

A question arose as to the applicability of the correct rate of exchange for the purposes of assessment of customs duties and taxes in respect of the imported goods, under section 30 of the Customs Act, 1969.

2. The Central Board of Revenue confirms that the practice of taking into account the rate of exchange prevalent one day before the filing of the bill of entry and converting foreign currency into Pakistan rupees at the selling T.T. and O.D. rate as notified by the State Bank of Pakistan, or, where rate is not notified by State Bank of Pakistan, the rate so notified by the National Bank of Pakistan as notified by the State Bank of Pakistan, for the purposes of section 30 of the Customs Act, 1969, is valid and must be followed invariably by all concerned.

## **92. DISSEMINATION OF INFORMATION CONCERNING TRAFFICKING OF ILLICIT DRUGS THROUGH DESIGNATED CONTACT POINTS.**

The Central Board of Revenue has designated Directorate General, Intelligence & Investigation (Customs & Excise), Islamabad as the office entrusted with the responsibility to collate information concerning seizures of narcotics by customs. The office of the Deputy Collector of Customs, Karachi Airport has been designated as the

alternative contact point particularly in the case of exchange of urgent operational information of drug couriers for further monitoring their journeys. To facilitate the exchange of information, the Directorate General, Intelligence & Investigation (Customs & Excise) will provide to the Customs administration of other countries the names, titles, addresses, telephone and, where possible, telex numbers of two officials of the designated contact points and other details in formats given at Annexes-1 (for Director-General's own office) and II (for office of the Deputy Collector of Customs, Karachi Airport). The heads of both contact points shall ensure that these details are timely updated, as well as collect and maintain the above information from all countries, particularly countries that are members of Customs Co-operation Council, those that have acceded to Nairobi Convention of 1977, and those that have adopted the two CCC Recommendations on the subject.

2. The contact points so designated shall be responsible for the following functions:-

- (a) receipt of information/intelligence from designated contact points of other countries in accordance with Nairobi Convention, 1977 as recommended by CCC subject to the approval of Ministry of Foreign Affairs, where necessary.
- (b) dissemination of information/intelligence received from abroad to all concerned, whether they be within the customs administration or in other domestic narcotics law enforcement agency / agencies.
- (c) storage of information/intelligence received.
- (d) obtaining status report/feed-back information from all those concerned nationally and supplying it to the designated points of the originating country.
- (e) analysis of information and preparation of monthly Intelligence Report for circulation to other countries and to the Customs Co-operation Council Secretariat.

3. To ensure that the central contact point is facilitated in performance of its functions, the Collectorates and Directorates should send information pertaining to the narcotics seizures to the Director-General of Intelligence and Investigation (Customs & Excise), Islamabad by fax, indicating relevant information such as name and nationality of the person from whose possession narcotics is recovered, description of the vehicles or other articles used for concealment, exact nature of concealment, details such as incoming or out-going passenger, name of the airline, names of the persons arrested. In order that the information supplied is meaningful and lends itself to analysis aimed at developing profiles, and, for detection of shifting patterns in drug trafficking, the details are very significant. The check list at Annexure-III, which is merely illustrative and by no means exhaustive should be followed as closely as possible while recording information about drug seizures.

4. To obviate any omission or misplacement in despatch of information concerning narcotics seizures it is recommended that all Collectorates/Directorates should adopt the practice of assigning separate serial number to every Fax.

5. The contact points shall prepare every month, based on the information received regarding the drug seizure their own evaluations of national trend, *modus operandi*; including means of concealment. Items identified as having the potential to attract



interest at International Level will be separately indicated. The analysis will also show significant seizures with following particulars relating to each case.

- (i) Date.
- (ii) Place.
- (iii) Types of drugs and quantity.
- (iv) Concealment.
- (v) Source of drugs.
- (vi) Particulars of arrested persons.
- (vii) Itinerary of offenders/carriers.
- (viii) Associates/suspects.
- (ix) Background leading to detection.
- (x) Any other information.

Significant should be interpreted in its broadest sense and not merely according to the quantity seized *e.g.* new place of concealment, new type of drug, new route etc.

6. The contact point will not only exchange intelligence in respect of suspect persons, cargo shipments, and provide assistance in investigations, but also provide feed-back information, that is, all information resulting from the use of the original information/intelligence provided, particularly in the case of information resulting in drug seizure and arrest of persons. In the countries where investigations and prosecutions of narcotics offences are the responsibility of agencies other than customs, the contact point shall collaborate with the appropriate agency to obtain feed back, such as copies of passports of arrested persons, circumstances of arrests statement of the arrested persons or summaries, thereof, transcripts of interrogation . information etc.

7. Considering that storage of information in respect of cases detected by the Customs is of vital importance in developing a credible enforcement related data-base, all Collectorates/ Directorates shall provide particulars of drug offences to the Directorate General of Intelligence in the format at Annexure-IV in the light of the accompanying instructions (Annexure-V). This form shall be filled in and shall be sent to the Director, Intelligence and Investigation in Islamabad.

8. Computerised smugglers profiles involved in cases detected during the period from 1971 also be prepared. The format for the same may be sent at Annexure-VI which may be filled in accordance with Annexure-V. The year-wise information should be furnished in the reverse order upto 1971.

9. To achieve the desired results and to evaluate the effectiveness of the procedure in eliciting international co-operation in enforcement effort, the designated contact points shall submit to the CBR a monthly report reviewing its performance. The report besides any other information shall highlight the following information pertaining to messages despatched to and received from other countries in the following format:--

- (i) Number of messages received by Pakistan contact point.
  - (a) from countries of ESCAP region. Member countries of CCC, outside the region and non- ESCAP countries which are signatories to Nairobi Convention and CCC Recommendations.

- (b) from other countries.
- (ii) Number of messages despatched by Pakistan contact points.
  - (a) to countries of the region/and Member countries of CCC outside the region and non-ESCAP countries which are signatories to Nairobi Convention and CCC Recommendations.
  - (b) to other countries.
- (iii) Number of reminders for Status Report feed-back despatched by Pakistan contact.
  - (a) to countries within the region, Member countries of CCC, outside the region and non-ESCAP countries which are signatories to Nairobi Convention and CCC Recommendations.
  - (b) other countries.
- (iv) Number of cases in which Status Report/feed-back information supplied.
  - (a) to countries of the region. Member countries of CCC, outside the region and non-ESCAP countries which are signatories to Nairobi Convention and CCC Recommendations.
  - (b) to other countries.
- (v) Number of controlled deliveries undertaken if any.

## ANNEX- I

### **FORMAT OF INFORMATION REGARDING CONTACT POINT (CENTRAL OFFICE/ AGENCY)**

1. Country /Territory:
2. Name of the Contact Point:
3. Name and title of officials:
  - (i)
  - (ii)
4. Telephone numbers:
  - (i)
    - (a) Official
    - (b ) Private
  - (ii)
    - (a) Official
    - (b) Private
5. Telex number:
6. Normal working hours:
7. Local time in relation to G.M.T.:
8. Days on which the office is closed, if applicable:

## ANNEX II

### FORMAT OF INFORMATION REGARDING ALTERNATIVE CONTACT POINT

1. Country:
2. Name of the Alternative Contact Point:
3. Name and title of officials:
  - (i)
  - (ii)
4. Telephone numbers:
  - (i)
    - (a) Official.
    - (b) Private.
  - (ii)
    - (a) Official.
    - (b) Private.
5. Telex number:
6. Local time in relation to G .M. T :
7. Normal working hours:
8. Specify arrangements made to receive and despatch operational information after office hours./on closed office day.

## ANNEX-III

### CHECK LIST FOR OPERATIONAL AND OTHER URGENT INFORMATION

Note:

This list attempts to cover all items of information considered most useful for intelligence purposes. The absence of anyone or more of those items, however, should not prevent Customs administrations from communicating to administration of other countries information to hand relating to other listed aspects.

#### A. PERSON

1. Name.  
(with Chinese Characteristic Code for ethnic Chinese).
2. Sex.
3. Date of birth.
4. Home address.
5. Nationality.
6. Physical description *e.g.* height, weight, distinguishing marks, dress, etc.
7. Occupation.
8. Role *e.g.* courier, escort, organiser, etc.
9. Associates.

#### B. CARGO/BAGGAGE/POSTAL PARCELS.

1. Declared contents.
2. No. and weight of packages.
3. Description of containers.  
e.g. wooden case, sack, baskets, bucket, bale, carton, suitcase, briefcase, travelling bag, etc.
4. Method of concealment.

## C. CARRIER

- (i) AIR
  1. Airline.
  2. Flight No.
  3. Routing.
  4. Destination.
  5. Date and time of departure from original country.
  6. Expected date and time of arrival at destination.
  7. Known place of concealment.
- (ii) SEA
  1. Name of vessel/small craft.
  2. Tonnage.
  3. Description.
  4. Place of registration/flag.
  5. Routing.
  6. Destination.
  7. Date and time of departure from original country.
  8. Expected date and time of arrival at destination.
  9. Known place of concealment.
- (iii) LAND
  1. Type of vehicle *e.g.* truck, train, bus, private car, etc.
  2. Registration number .
  3. Description.
  4. Routing.
  5. Point of entry and destination.
  6. Date & time of departure from originating country
  7. Expected date and time of arrival at destination.
  8. Known place of concealment.

## D. DOCUMENTATION

1. Travel document number *e.g.* Passport, identity card, seamen identity / discharge book, etc.
2. Airline ticket number .
3. Bill of lading number .
4. Airway bill number .
5. Name and address of consignor and consignee.
6. Any other particulars.

E. ANY OTHER RELEVANT INFORMATION AND ACTION

E.g. Information.

Experience with controlled delivery.

Suspicion (routine).

Result of investigation.

Other.

## ANNEX-IV

[illegible]

## ANNEX-V

### INSTRUCTIONS TO FILL UP THE PRESCRIBED FORMAT

The following instructions are issued to fill in the proforma regarding smuggler's profile so that it could be easily computerised :-

- (1) The information should not be exceeded than the specified spaces specified against each column.
- (2) All the information must be in Capital letters.
- (3) A space must be left between every word.

Example (2 & 3)

A	B	D	U	L		H	A	M	I	D		K	H	A	N
---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---

(4) Date and figures must be double figures.

Example :

02	05	1975	OR	02	02	85
----	----	------	----	----	----	----

- (5) The information should be numerised in such way that it could cover all the necessary facts.
- (6) If some necessary facts are not covered under any column, another blank column (relevant) may be used with reference to that columns.

ANNEX-VI

1. Name \_\_\_\_\_

Secret And Confidential	Profile	Front

Finger Printed and Photographed on \_\_\_\_\_ Bossier/File  
Place \_\_\_\_\_ No. \_\_\_\_\_

Secret And Confidential					
	THUMB	INDEX	MIDDLE	RING	LITTLE

2. Father's Name .....
3. Caste/Religion.....
4. Date of birth/Country.....
5. Place of birth/Country.....
6. Nationality.....
7. National Identity Card No.  
.....
8. Passport No. ....
9. Date and place of issue.....
10. Description :
  - (a) Sex .....
  - (b) Height.....
  - (c) Weight.....
  - (d) Physique.....
  - (e) Eyes.....
  - (f) Hair.....
  - (g) Moustache.....
  - (h) Beard.....
  - (I) Languages speaks.....
  - (I) Identification mark.....
11. Academic status .....
12. Married to .....
13. Ostensible profession .....

**93. PERMISSION FOR DUTY FREE PURCHASE OF TINNED/PACKED FOOD FROM DIPLOMATIC BONDED WAREHOUSES TO THE FOREIGN MOUNTAINEERING AND TREKKING GROUPS.**

The Central Board of Revenue decided to allow the members of foreign mountaineering and trekking groups to purchase special tinned/ packed foodstuff upto CIF value of US \$ 6 per day per person from the diplomatic bonded warehouses.

2. For this purpose, a CBR Booklet will be issued by the concerned Collectorate in favour of each member of the group, valid for six months only, on production of the following documents to the Collector of Customs:--

- (1) Passport of each member of the group.
- (2) Certificate from the Ministry of Culture and Tourism, the duration of the stay of the member of group in Pakistan.
3. All the purchases of the foodstuff shall be duly entered in the booklet by the Appropriate Customs Officer; The Booklet will be re-validate by the

Collector of Customs only under special circumstances, on the request of Ministry of (Culture and Tourism).

3. Since the members of the mountaineering and trekking group will be away for a considerable time during the expedition, the appropriate Customs Officer may allow the monthly quota for a maximum period of three months at a time.

#### **94. IMPORT OF GOLD.**

Import of gold has been allowed for Pakistani citizens coming to Pakistan as well as individuals and firms resident or established in Pakistan on payment of 3% *ad val.* customs duty and on following the procedure laid therefor under Notification dated 14th November, 1989.

2. This procedure, *inter-alia*, provides that the persons intending to import gold at their own, will deposit the payable amount of customs duty in the concerned diplomatic mission of Pakistan for which the mission will issue a Certificate in Form 'G' evidencing the payment of import duty. That gold will be transported by PIA in the same flight by which the person is travelling and PIA will give delivery of the gold to the passenger at the time of disembarkation in the presence of customs official persons importing gold through the nationalised commercial banks will deposit the cost and amount of duty of gold in the overseas branches of the banks and the banks will arrange purchase and delivery of the gold to the buyers on their return to Pakistan. The designated branches of the nationalised commercial banks in Pakistan will import gold for supplying to the individuals and firms resident or established in Pakistan who make requisition for this purpose.

3. In order to ensure that customs duty collected by our diplomatic missions and the nationalised commercial banks is credited in time to the Government account, the following procedure is prescribed for compliance by all concerned:--

- (i) The amount of customs duty collected by our diplomatic missions abroad shall immediately be transacted to the Chief Accounts Officer, Ministry of Foreign Affairs. The Chief Accounts Officer shall remit this amount to the Collector of Customs (Preventive), Custom House, Karachi through a crossed cheque under intimation to the Second Secretary (Customs Budget), Central Board of Revenue.
- (ii) Customs duty leviable on the gold imported by the nationalised commercial banks for supply to the individuals and firms in Pakistan shall be paid at the time of clearance of such gold and credited to the concerned Collectorates.

4. In order to monitor the import of gold in the country, each Collectorate shall send a monthly report in the following proforma to the Secretary (Customs Budget), Central Board of Revenue and State Bank of Pakistan indicating total quantity of gold imported



by the overseas Pakistanis through over diplomatic missions and the nationalised commercial banks. The quantity of gold imported by banks for supply to individuals and firms in Pakistan should be indicated separately in this report. The report must invariably reach the Board and State Bank of Pakistan by 7th day of the ensuing month.

**PROFORMA**

REPORTED FOR THE MONTH OF ...../19

A.	<u>Gold imported by Overseas Pakistanis</u>	
	Quantity (Troy ounces.)	Amount of duty collected
B.	<u>Gold imported by Banks</u>	
	(i) <u>On behalf of Overseas Pakistanis</u>	
	Quantity (Troy ounces.)	Amount of duty collected.
	(ii) <u>For delivery to local buyers</u>	
	Quantity (Troy ounces)	Amount of duty collected.
C.	<u>Total A+B</u>	
	Quantity (Troy ounces).	Amount of duty collected.
		Signature and Stamps of the Collector

**95. INDUSTRIAL POLICY- RECOGNIZED INDUSTRY.**

The Government has liberalized its industrialization policy and sanctioning procedures have been deregulated. According to this policy, the sanction of the Government is required only in the following cases:--

- (i) Projects costing over Rs.one billion.
- (ii) Arms and Ammunitions.
- (iii) Security Printing, Currency and Mint.
- (iv) High Explosives.
- (v) Radio-active substances.
- (vi) Alcoholic and Synthetic beverage industry based on imported concentrates.
- (vii) Manufacture of automobile, Tractors and Farm Machinery.
- (viii) Petroleum Blending Plants.
- (ix) Projects involving foreign equity beyond a certain limit.

2. Keeping in view the liberal policy to industrialize the country, it has been decided that the Collectors may allow the benefit of the recognised status to a unit on the import of plant. and machinery provided such a unit is registered with the Registrar of Joint Stock Company and is also duly registered with Income Tax Department for paying income tax.

3. As regards, the S.R.O.s relating to concession on raw materials, the importers-cum-manufacturers should further fulfil the following conditions:--

- (i) They must have in-house facility for the manufacture of goods.
- (ii) They should possess a manufacturing licence issued by the Central Excise Collectorate (if the finished item is chargeable to excise duty or sales tax).

## **96. PROCEDURE REGARDING ISSUANCE OF CONSUMPTION CERTIFICATES IMPORTED UNDER CONCESSIONARY NOTIFICATIONS.**

The Industrialists of Azad Jammu and Kashmir have pointed out that they are facing problems in respect of issuance of consumption certificates of raw materials imported under various concessionary Notifications granting concessionary rate of duties which are used in the manufacture of goods by industrial units set up in the territory of Azad Jammu and Kashmir. Such raw materials are released against bank/insurance guarantees covering the differential amount of duty and bank/insurance guarantees are released on production of consumption certificates by the concerned Assistant Collector of Central Excise. According to the provision of some other Notifications, the installation certificates in respect of plant and machinery installed in Azad Jammu and Kashmir can be issued by the Secretary Kashmir Affairs Division or an officer authorised by him in this behalf.

2. The issue has been examined in consultation with the Justice Division. In the case of units set up in Mirpur, the Excise Control is administered by the Deputy Collector, Excise and Taxation, Azad Kashmir. Customs Act, 1969 (IV of 1969) has already been adopted by the Azad Jammu and Kashmir Council under the Azad Jammu and Kashmir Council (Extension of Laws) Act, 1980 and all rules, Notifications and orders made or issued under the Customs Act, 1969 have also been adopted in Azad Jammu and Kashmir.

3. In order to facilitate the completion of formalities required to be fulfilled under various concessionary SROs by the units set up in Azad Jammu and Kashmir, it has been decided that consumption certificates in respect of raw materials as well as installation certificates in respect of plant and machinery will henceforth be issued by the Deputy Collector, Excise and Taxation, Azad Jammu and Kashmir instead of Assistant Collector, Central Excise and Land Customs Azad Jammu and Kashmir. Secretary Industries, Azad Jammu and Kashmir has concurred with the above arrangement on behalf of the Government of Azad Jammu and Kashmir.

## **97. INSTRUCTIONS REGARDING EXPORT OF C.I. T.E.S. CONTROLLED SPECIES.**

The export of exotic birds and live animals is subject to special procedure as laid down in Ministry of Commerce Notification No. S.R.O.759(1)/94 dated the 4th August. 1994. The Convention on international Trade in Endangered Species of Wild Fauna and Flora (CITES) to which Pakistan is a signatory has also put a large number of mammals, lizards, snakes and birds on a restricted list. Accordingly the trade of almost all species of mammals and reptiles is restricted.

2. The customs officials dealing with the export may therefore ensure that the intended export of Live animals/birds is covered by:--

- (a) An NOC for export from the National Council of Conservation of Wildlife (NCCW), Ministry of Food, Agriculture and Livestock,
- (b) A health and caging certificate issued by the Animal/Plant Quarantine Department;
- (c) A CITES export certificate issued by the NCCW, except for the case where the exemption is given in the Ministry of Commerce S.R.O. 759(1)/94, dated 4.8.1994;
- (d) An Export permit issued by the Ministry of Commerce covering the intended export.

3. No export of any live animals or birds should be allowed without fulfilling all the aforesaid conditions.

4. While allowing export, the concerned officials of the Provincial wildlife should be associated for mandatory verification of species vis-a-vis the permit, NOC etc., covering the intended export.

#### **HEAD OFFICE OF PROVINCIAL WILDLIFE DEPARTMENTS**

NAME	DESIGNATION	PLACE	ADDRESS	PH. NO.
Mr. A.R. Tariq	Conservator Wildlife & Oaks, Punjab	Lahore	2-Sanda Road Lahore	322138 213746
Mr. Abrar Mirza	Conservator (Wildlife) Sindh Wildlife 5687176 Department.	Karachi	Maulana Din Mohammad  Qafai Road, Karachi.	523176
Mr. Mumtaz Malik	Conservator (Wildlife) NWFP Wildlife Department	Peshawar	Forest Department Shami Road, Peshawar.	273184 276489
Mr. Abdul Jabbar	DFO (Wildlife) Balochistan Forest Department	Quetta	Forest Offices Spinny Road, Quetta.	823557
Mr. Umeed Khalid	Deputy Conservator (W.M.), NCCW. 829756	Islamabad	485, St.84 G- 614, Islamabad.	826881

**98. BENEFIT OF SRO 671(1)/94 AGAINST INTERNATIONAL TENDERS IN THE CAPACITY OF SUB-CONTRACTORS.**

The Board decided to extend the facilities as envisaged under SRO 671(1)/94 to the extent of sub-contractors subject to the same terms and conditions as stipulated in the SRO so that the local manufacturers can pool their resources and can successfully compete with international suppliers while offering bids for the international tenders. The Collectors shall, however, satisfy themselves as to the genuineness of the case before extending this facility in order to avoid misuse.

**99. IMPORT OF RAW MATERIAL FOR MANUFACTURE OF ORAL AND INJECTABLE CONTRACEPTIVE PROCEDURE FOR REGULARIZATION.**

Government of Pakistan has entered into an agreement with Social Marketing Pakistan Guarantee Ltd (SMP) (the project executing Agency) and Kreditanstalt for Wiederaufbau (KfW) Government of Germany, with a view to streamlining the availability of contraceptives etc. to the population of Pakistan. Besides Family Planning of Pakistan through Ministry of Population is executing another project out of United Nations Fund for Populations Activities (UNFPA) funding/imports.

2. M/s. SMP have been allowed duty free imports vide Board's O.M. No. 10(77)/94-Cus. Exm dated 23rd October, 1994, whereas UNFPA is entitled to effect imports for their projects without duty and taxes under United Nations Privileges and Immunities Act, 1948. The said O.M/Act allows import of contraceptives by M/s. SMP/UNFPA free of duty and taxes. However, if they purchase locally manufactured contraceptives etc., exemption from customs duty on imported inputs used therein is not covered.

3. The Central Board of Revenue in compliance with Finance Division's decision dated 17.11.1996 has allowed exemption from customs duty on the import of pharmaceutical raw material for manufacture of contraceptives, norigest/novaject etc. for providing exclusively to M/s. SMP/UNFPA by amending SRO 555(1)/98 dated 12th June, 1998 subject to following procedure:--

**(I) FILING OF BILL OF ENTRY**

The importer (M/s. Medipharm) or any other company authorised by M/s. SMP/UNFPA intending to import pharmaceutical raw materials for manufacture of oral or injectable contraceptives (Norigest/Novaject or any other product ordered by M/s. SMP/UNFPA) shall apply to the concerned Collectorate of Customs on the format (Annex-1 ) at the time of filing of

home consumption bill of entry under the provisions of SRO 555(1)/98 dated 12-6-1998.

**(II) RELEASE OF RAW MATERIAL**

The Collector of Customs under whose jurisdiction such import is effected shall on the receipt of request on the prescribed format (Annex-1) release the pharmaceutical raw materials meant for manufacture of oral or injectable contraceptives free of duty and such imports shall be recorded against bank guarantee.

**(III) CONSUMPTION CERTIFICATE**

The importer shall furnish a consumption certificate from the Director General of Health or any other officer deputed by him for this purpose on the format at (Annex-II) within a period of 15 months from date of filing the home consumption bill of entry of the imported raw materials to the Collector of Customs from whose jurisdiction the imported raw materials were cleared.

**(IV) RELEASE OF BANK GUARANTEE-**

On receipt of the consumption certificate from Director General Health and receipt certificate of locally manufactured oral or injectable contraceptives from M/s. SMP/UNFPA, the Collector on being satisfied with the veracity of the documents will release the bank guarantee.

- (V)** In case the importer of pharmaceutical raw materials under this scheme fails to furnish the consumption certificate and receipt certificate to the Collector within the stipulated period and also fails to submit any extension authorization from the Central Board of Revenue in this regard. the Collector of Customs shall proceed under the relevant provisions of law for the recovery of amount of duty and taxes involved in such imports besides any fine and penalty imposed under the relevant provisions of the Customs Act or any rule made thereunder.

**(VI) CHANGE IN THE PROCEDURE**

The Central Board of Revenue may effect changes in this procedure as and when deemed necessary keeping in view the exigencies of carrying out of government orders or due to any change in the tariff in vogue or revision of any concession or revoking any exemption order keeping in view the broad parameters of the government policy directive effective at that time.

***ANNEX-I***

**APPLICATION FOR RELEASE OF DUTY/TAX FREE PHARCEUTICAL**

RAW MATERIAL UNDER SRO 555(1)/98 DATED 12TH JUNE, 1998 FOR  
MANUFACTURE OF ORAL / INJECTABLE CONTRACEPTIVES

To,

The Collector of Customs

\_\_\_\_\_

\_\_\_\_\_

We M/s. (Medipharma) ..... NTN.....are registered  
drug manufacturers vide Ministry of Health authorization No..... dated .....  
and intend to manufacture the contraceptives details below :-

Trade Name

Pharmaceutical (chemical) involved

.....(Injectable)

Registration No.....

.....(Oral)

Registration No.....

2. The input-output ratio of the above cited contraceptives is in accordance  
with the registration of the product and is as follows:--

INPUT	OUTPUT	W'ASTAGE
1 Kg of.....	Will produce..... No.	.....
%		
.....	of Tablets or..... No.	
	of injections.	

3. It is also certified that:--

- (a) that the import is based on an order received from M/s. SMP or UNFP A  
and is in accordance with the registration of the product.
- (b) that the said raw materials are such as are importable under the current  
Import Policy Order .
- (c) that the Ministry of Health has already registered M/s for manufacture of  
Norigest/Novaject.
- (d) that the imported raw materials have enough shelf life so as they do not  
expire before conversion thereof into the finished products.
- (e) that all the finished products produced for the local pharmaceutical unit  
from the raw materials imported under this procedure for production of  
contraceptives are meant for supply to M/S. SMP/UNFPA and none of its  
portion would be sold by the said pharmaceutical unit to any other party.

Date .....

Signature

Director M/s. Medipharm

4. ENDORSEMENT BY M/S. SMP/UNFPA.

We hereby certify that we have placed purchase order No.....  
dated ..... for (quantity) of (package form) of..... (trade  
name) out of local manufacture with (pharmaceutical unit).

Date.....

Signature  
Director M/s SMP/UNFPA

ANNEX-II

CONSUMPTION CERTIFICATE

Certificate No..... dated .....

I.....Director General Health/Officer authorised by D.G. Health  
certify that pharmaceutical raw materials (description and quantity) imported by M/s  
..... without duty and taxes under SRO 555(1)/98, dated 12th June, 1998 against  
bill of entry bearing IGM No..... dated .....and Index No .....has been used in the  
manufacture of oral/injectable contraceptives for providing exclusively 10 M/s.  
SMPIUNFPA under the provisions of CGO No.17198 dated..... August, 1998. The  
input-output ratio of the above product as certified by M/s..... in  
accordance with the registration as approved by the Ministry of Health.

(Stamp and Signature of the Officer)

100. EXEMPTION OF DUTY AND TAXES ON IMPORT OF GENERATING  
SETS FOR  
EXPORT PROCESSING UNITS (EPU<sub>s</sub>) UNDER SRO 554(1)/98 DATED  
12.6.1998 (PREVIOUSLY SRO 424(1)/97 DATED 13.06.1997).

A question has arisen whether the import of generating sets effected by Export  
Processing Units, set up with specified export targets, are entitled for the concession of  
duty and taxes as is admissible to plant and machinery under SRO 554(1)/98 dated  
12.06.1998.

2. The matter has been examined in the Board. The plant machinery and equipment,  
as is not manufactured locally, is permissible for import without duty and taxes for  
setting up manufacturing unit or for the expansion, balancing modernization and  
replacement of existing units under SRO 554(1)/98 dated 12.06.1998. The generating  
sets, by virtue of the note (S) of explanatory notes to Section XVI, of the Pakistan  
Customs Tariff fall within purview of machinery .It is, therefore, clarified that the  
generating sets, as are not manufactured locally are also entitled for concession of duty  
and taxes under SRO 554(1)/98 dated 12.06.1998. The Collector of Customs, having

jurisdiction of import of such generating sets, however, shall satisfy himself to the following, namely:--

- (i) that the prime movers and the generator of the imported generating set (whether or not fitted on common base) match each other in capacity; and
- (ii) that the import of the generating set incorporated in the bond which is furnished for other machinery imported under SRO 554(1)/98 dated 12.06.1998.

**101. S.R.O. 1374(1)/98--PROBLEMS REGARDING IMPORT OF BANNED & RESTRICTED GOODS.**

The Central Board of Revenue issued Notification No. 1374(1)/98 dated 17th December, 1998 under section 181 of the Customs Act, 1969 to ensure uniformity and transparency in the adjudication of offences under Customs Act, 1969 or any other Act relating to Import and Export of goods. According to the Notification redemption fines were prescribed for various categories of goods and offences. In order to address these problems, the following instructions/guidelines shall be followed.

**(a) PROBLEMS BEING FACED BY IMPORTERS OF SECOND HAND CLOTHING.**

Second hand clothings are imported in bales. However, these may contain certain percentage of industrial wastage or dress makers/tailors shippings or pieces of fabrics of different sizes, length, width, colour and texture and real leather coats & fur coats. The following difficulties are being encountered on this account:--

- (i) During the random 5% examination if goods are not found according to the declaration, in order to ascertain the extent of offending goods, goods are required to be examined in full. However, 100% bales can not be opened at port because it renders the goods unmarketable.
- (ii) As a result of confiscation of offending goods it is difficult to sort out the offending goods from non-offending goods, even storage thereof poses various problems. Being second hand in nature when these are put to auction they don't fetch any value.
- (iii) The quantity of pieces of fabric, toys, leather jackets and fur coats usually constitutes a very small percentage of the whole consignments.
- (iv) Because of time consumed in the adjudication proceedings, heavy demurrage accrues on account of very small portion of offending goods.

In order to resolve the above cited problems it is ordered that:--

- (i) In case of second hand clothing where 95% of the consignment is undisputedly classifiable as second hand clothing under PCT heading 6309 the whole consignment shall be treated as second hand clothing under PCT 6309. No action for violation of section 16 and 32 of the



Customs Act, 1969 will be initiated in case the offending goods are upto 5% of the total consignment by weight.

- (ii) Where the pieces of fabrics of different sizes and colours if found upto 10% of the weight of the consignment and having sizes of less than 2 metres in length the same shall be assessed as "Rags". to be classified under PCT heading 6310 without initiating action under section 32 of the Customs Act, 1969.
- (iii) In case where consignment consists (more than 5% by weight) of fabrics more than 2.0 metre of length, or in the shape of "than" and other items which are on the negative list of the import policy, then proceedings for ITC contravention read with section 16 and 32 of the Customs Act, 1969 shall be initiated.

(b) **QUESTION OF TAKING COGNIZANCE OF MISDECLARATION OF DESCRIPTION, VALUE AND PCT HEADINGS.**

For invoking provisions of mis-declaration under section 32 of the Customs Act, 1969 prima-facie, an element of "mens rea" should be present i. e. there should be an attempt of wilful and deliberate false declaration. The importers may not be charged for mis-declaration under Section 32 of the Customs Act, 1969, in the following situations:--

- (i) where an importer makes a correct declaration on bill of entry or opts for 1st appraisement for determination of correct description, PCT heading of quantity of goods.
- (ii) when a consignment is found to contain goods of description other than the one declared falling under separate PCT heading but chargeable to same rate of duty.
- (iii) where the description of goods is as per declaration but incorrect PCT heading has been mentioned in the bill of entry .no mis-declaration case under Section 32 of the Customs Act, 1969, be made out provided there is no change in the rate of customs duty as a result of ascertained PCT heading.

The following instructions/guideline are issued.

2. In case of mis-declaration of actual transaction value, confirmed on the basis of record prescribed under SRO 375(I)/2000 dated 17.06.2000 or upon audit under sub-section (12) of section 25, action for mis-declaration be initiated regardless of extent of difference between the declared value and the actual transaction value.

3. If the appropriate officer of Customs has reasons to doubt the truth or accuracy of the declaration made by an importer on documents produced in support of the declaration and explanation provided by the importers is not satisfactory or in the absence of explanation, such officer is not able to determine the customs valuation of imported goods under the provisions of sub-section (I) of section 25 of the Customs Act, 1969, such appropriate officer shall then proceed with determination of customs value according to the sequential methods of valuation provided in the section 25. If the

difference between the customs value so determined and the declared value is more than 30%, the importer may be charged for offence of mis-declaration under section 32 of the Customs Act, 1969.

4. However, due care must be exercised to establish that there must be an element of mensrea, before decision regarding punitive action is taken.

**102. CUSTOMS CLEARANCE OF EXPORT CARGO OF M/S, NESTLE MILKPAK LIMITED AT THEIR FACTORY PREMISES, KABIRWALA.**

In order to facilitate the containerised export of products of M/s. Nestle Milkpak Limited, being manufactured in their factory at Kabirwala and meant for export, the Central Board of Revenue, Islamabad laid down the following procedure:--

1. The management of M/s. Nestle Milkpak Limited will arrange the approved bonded carrier at their factory premises on the day of their export of goods.
2. The concerned management will submit an application to the appropriate officer of Customs Dryport Trust, Multan at least 48 hours prior to the filling of their products meant for export.
3. The exporter M/s. Nestle Milkpak Limited shall produce invoice alongwith the packing list showing the name of the consignee/importer , quantity/weight, brand, unit price and value indicating the shipping marks and serial number of the packages to the appropriate officer of Customs at the time of examination, posted at the factory premises by the Deputy Collector Customs, Exports, Multan.
4. The appropriate officer of Customs shall examine 5 to 10% of packages in detail with regard to the quantity, brand of production made in export invoice and will endorse his examination report in his own handwriting with the name in block letters and office stamp. He will also carry out 2% check-weighment of 1he total bags/cartons to a maximum of 20 packages by random selection.
5. Loading of the containers shall be carried out in the presence of an appropriate officer of Customs and it will be sealed with tag or label as indicated in proforma annexed" A" .The tags or label used will be printed and serially numbered which will be recorded in the invoice and examination report.
6. The bags/cartons showing consecutive numbers should be packed serially and these serial number will appear in the examination report, invoice and tag/label attached with the container alongwith the seal. The bags/cartons shall be stored/stacked inside the container in such a manner that the bags/ cartons bearing last number are placed at the opening lid of the container. Container's number will be shown in the invoice and shipping marks will be shown on the container for the purpose of shipment.
7. The exporter/clearing agent will file the Bill of Export at Customs Dryport Trust, Multan alongwith a duly signed invoice, packing list and examination report of the appropriate officer of Customs showing the number of packages and number of containers processed according to the prevailing rules. The export examination staff at the post will check the seal and signatures of the appropriate officer of

8. After the shipping documents are completed, the exporter/clearing agent will bring the container in the port area under normal procedure.
9. When the inspection is over by the Appraiser/Deputy Superintendent of export confirming the seal intact then the security seal shall be affixed. Thereafter the bill of export will be presented to the Principal Appraiser who will allow the consignments out of charge.
10. Then the container will move to the seaport or land Customs station for embarking to a foreign destination as per practice in vogue.
11. Safe transportation of the container/containers from factory of M/s. Nestle Milkpak Limited, Kabirwala to Customs Dryport Trust, Multan shall be the sole responsibility of exporter .
12. The correct and accurate examination of goods loaded in the container, completion of formalities, sealing of containers and compliance of the foregoing procedure will be the responsibility of the appropriate officer of Customs deputed for the purpose at the factory premises.
13. The expression, " Appropriate Officer of Customs" used in this Order means an Officer not below the rank of an Examiner .

SPECIMEN OF THE TAG  
MILL'S NAME AND ADDRESS

Stamp.

## 319

Consequent upon Federal Government's decision, vide the budgetary measures 1999-2000, that customs duties and taxes on the passenger's accompanied and unaccompanied baggage and on the import of motor vehicles under the relevant schemes/rules shall be charged in foreign exchange, the following procedure is laid down for implementation in the light of the State Bank of Pakistan's letter No. 44/5/FEP/5-37/99 dated 28th June, 1999, addressed to the Executive Vice President, International Division, National Bank of Pakistan, Head Office, I.I. Chundrigar Road, Karachi:

**A. COLLECTION OF CUSTOMS DUTIES AND TAXES ON PASSENGER'S ACCOMPANIED & UNACCOMPANIED BAGGAGE:**

- (i) The appropriate Customs Officer shall assess customs duties and taxes on the baggage assessment slip in US dollars with respect to passenger's accompanied and unaccompanied baggage. If the ITP/value of the said item is in Pak Rupees, it shall be converted to US dollars on the exchange rate applicable on the day of assessment.
- (ii) National Bank of Pakistan is designated to collect duties and taxes as will be assessed by the appropriate Customs Officer on the baggage assessment slip. The duties and taxes shall be surrendered to the State Bank of Pakistan instead of selling it to inter-bank market. If duties and taxes are paid in currencies other than U.S. dollars, National Bank of Pakistan shall sell to State Bank of Pakistan its equivalent in US dollars. The National Bank of Pakistan shall surrender to the State Bank of Pakistan all duties and taxes on a weekly basis with a statement of daily collection.
- (iii) The bank shall maintain record on the format at Annex-1 and shall furnish a daily return on the same format to the relevant Assistant Collector of Customs. The bank shall also furnish a monthly return for the duties and taxes collected on the format at Annex-II.
- (iv) The Assistant Collector of Customs incharge of accompanied/unaccompanied baggage section shall ensure that the above instructions are complied with.
- (v) In the Customs Arrival halls and in unaccompanied baggage sections, the instructions for the payment of duties and taxes in foreign exchange shall be displayed both in Urdu and English.
- (vi) Collectors incharge shall monitor the progress of the decision by overseeing the process and co-ordinating with banks, where necessary. A monthly report as regards the implementation of the decision together-with the details of duties and taxes so collected shall be sent to the Board by the Collectors.

**B. COLLECTION OF CUSTOMS DUTY ON MOTOR VEHICLES FALLING UNDER PCT HEADING 87.03:**

- (i) The assessment of motor vehicles shall be made on Bill of Entry in US dollars only, at the applicable rates.

- (ii) The National Bank of Pakistan is designated to collect duty as per the assessment made by appropriate Customs Officer on the Bill of Entry .The duty shall be collected in US dollars and the same shall be surrendered to the State Bank of Pakistan instead of selling it to inter-bank market. The National Bank of Pakistan shall surrender the duty collected to State Bank of Pakistan on weekly basis with a statement of daily collection. A copy of the aforesaid daily statement shall also be submitted to Chief Accounts Officer of the Collectorate.
- (iii) The bank and the Accounts Section of the Collectorate shall simultaneously maintain record on the format as prescribed at Annex-III. The bank and the Accounts Section shall reconcile figures of revenues collection on daily basis.
- (iv) The Chief Accounts Officer shall ensure that the above instructions are fully complied with.

ANNEXURE-I

DAILY RETURN OF DUTY COLLECTION IN FOREIGN EXCHANGE

Date	Name of Passenger	Value for duty Purpose (in US \$)	DUTY COLLECTED					Rate of Exchange prevalent	Pak. Rs. Equivalent for Duty amount	REMARKS
			US \$	British Pound/ EURO	S. Riyals	UAE Dinars	Others			
(1)	(2)	(3)	(4)					(5)	(6)	(7)
Total			Total							
Assistant Collector (Customs) Verified			Prepared by							
_____										
_____										Signed
R.E.P										

ANNEXURE-II

MONTHLY RETURN OF DUTY COLLECTED IN FOREIGN EXCHANGE

Month	DUTY COLLECTED					Total Equivalent in Pak. Rs.	Remarks
	US \$	British Pound/ Euro	S. Riyals	UAE Dinars	Others		
(1)	(2)					(3)	(4)
Total :							

ANNEXURE-III

STATEMENT SHOWING DAILY COLLECTION OF CUSTOMS DUTY IN  
FOREIGN EXCHANGE (US \$)

S. No	Cash No.	Date	IGM No. & index	Name of the Importer	Clearing Agent	Duty Payment		Exchange Rate	Pak. Rs.	Remarks
						Pay Order/ Cash	Amount			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)

NATIONAL BANK  
( S-ACCOUNTS)

**104. REPORTING OF CASES OF TAX FRAUDS AND TAX EVASION TO THE AUDIT IN ORDER TO COMPLY WITH THE PROVISIONS OF GENERAL FINANCIAL RULES.**

In the past, Board issued instructions regarding reporting of cases of tax frauds and tax evasion to the audit vide C. No. 9(500)CA/96, dated 19.05.1999. According to para 20 of the Central Financial Rules, Vol. I, any loss of public money, departmental revenue, stores or property etc. held by or on behalf of the Government caused by defalcation or otherwise is required to be reported to Audit immediately, even if such loss has been made good by the party responsible for it.

2. In the audit reports for the year 1993-94, for example, certain major cases of losses/defalcation of public revenue are mentioned. These cases were either detected by Audit or came to its notice through formal or informal information media. However, none of these cases were reported to Audit by the concerned authorities as required under the Rules nor were details thereof intimated.

3. The PAC in its meetings appreciated the above requirements of Audit. Upon this, CBR issued directions to the subordinate offices to comply with the codal provisions but in actual practice, their compliance was not visible. In fact, every audit report contains such observations which have to be replied by the Board. Such a situation also puts the Board in an embarrassing position before the PAC.

4. It has, therefore, been decided that in order to comply with the provisions of the General Financial Rules, to streamline the procedure, and to avoid inclusion of such observations, every Collector in future would personally ensure that all cases of tax fraud, defalcation and cases of tax evasions of substantial amounts are reported, without fail to Audit. In case of Collectorates. situated in the provinces of Punjab/NWFP such reports shall be sent to Director General, Audit Revenue Receipt, Lahore, whereas the Collectorates situated in the provinces of Sind/Baluchistan shall be sent to the Director General, Audit Revenue Receipt, Karachi.

5. Any lapse in this regard shall be seriously viewed.

**105. TRANSPORTATION OF IMPORT CONTAINERS BETWEEN PORT MUHAMMAD BIN QASIM AND KARACHI PORT EXCEPT AFGHAN TRANSIT CONTAINERS.**

The following procedure regarding transportation of import containers between Port Qasim and Karachi Port/approved off-dock terminals is for information and compliance of all concerned:-

- (a) Requirements for transportation of import containers from Port Qasim to Karachi  
Port/Off-Dock terminals and vice-versa.
  - 1. The shipping lines carrying import containers meant for transportation from Port Qasim to Karachi Port/approved off- dock terminals and vice versa, shall submit a copy of IGM on floppy diskette. containing information in respect of all such containers to the Assistant Collector (Imports) of the entry port as well as, to the Port authorities of the port of destination.
  - 2. Only those Import containers shall be allowed transportation from Port Qasim to Karachi Port or approved off-dock terminals, which are manifested for Karachi Port or such off- dock terminal and vice versa.
  - 3. Only those shipping lines shall be allowed transportation of import containers between Port Qasim and Karachi Port/off- dock terminals, which are holding their plots/terminals at any of the two ports/off-dock terminals or alternatively their stevedores hold the plots/terminals at any of the two ports/off-dock terminals.
  - 4. In case, the shipping lines or their stevedores do not have their plots/terminals at the port of delivery , permission for Inter-Port transportation shall be allowed subject to prior N.C.C. from the respective destination port/off-dock terminal.
  - 5. Inter- Port transportation of import containers shall be allowed through approved bonded carriers only, who are holding Custom House Agent License and are authorized by the concerned shipping lines or their agents for transportation of cargo from Port Qasim to Karachi Port and vice versa.
  - 6. The cargo in transit to Afghanistan will not be allowed inter- port movement under this procedure.
  - 7. The cargo destined for Dry Ports under T.P. will also not be allowed inter-port movement.
  - 8. Inter-Port transportation of container(s) carrying vehicles, spirits, dangerous drugs, explosives, arms & ammunition, narcotics, acetic anhydride or any such chemicals, as notified by the federal Government from time to time in the light of "Chemical Weapon Convention", shall not be allowed.
  - 9. Flat-bed containers shall be used for transportation of heavy packages, heavy coils, electric & telephone poles, heavy generators, boilers, etc. from Port Qasim to Karachi Port/Off-dock terminal and vice versa. Such goods shall be covered with tarpaulin in sound condition and a cable passed through the eyelets so as to secure the goods to the satisfaction of Customs Officer. The Customs seal shall then be applied to the ends.

10. All the transport units carrying transportation cargo shall be safe, secured and locked properly and shall not contain any concealed spaces where any goods can be hidden.
- (b) Responsibilities of Shipping Agent/Bonded Carriers during Inter- Port Transportation.
11. The Shipping Agent shall apply to the Assistant Collector of Customs (Imports) of Appraisement/Port Qasim Collectorate, as the case may be, on the prescribed application form set out at (Annex-A) alongwith the copy of bill of lading and invoice, during office hours.
  12. The application of inter-port transportation of import container(s), shall be submitted in quintuplicate. After completion of necessary customs formalities, the carrier shall collect all five copies from the office of Assistant Collector .
  13. First copy of the application shall be submitted to the Customs Officer posted at the Exit Gate of the entry port. The second copy of the application shall be submitted to concerned port authorities of the entry port, who will issue the preliminary out-turn report accordingly. The third copy will be retained by the concerned Shipping Agents for their record. The fourth copy shall be submitted in the office of Assistant Collector (Imports) of the destination port for manifest clearance of the goods. The fifth copy showing receipt of containers at the destination port, should be submitted to the Assistant Collector (Imports) of the port of entry for discharge of Insurance guarantee, furnished by the bonded carrier there.
  14. Prior. to submission of application for transportation of Import cargo from one port to other, the bonded carrier shall satisfy himself that the declaration regarding weight, quantity and description of goods is in accordance with the declaration given in the IGM.
  15. The carrier or his authorized agent shall, after the goods have actually been loaded in the conveyance, prepare "Carrier's Minifest" (Annex-B) in triplicate on the basis of delivery position record on the transhipment manifest submitted by the concerned shipping agent(s).
  16. The person incharge of conveyance shall hand over all the three copies of "Carrier's Manifest" to the appropriate officer of Customs posted at the Exit Gate of the Port of entry who shall retain one copy thereof and hand over the remaining two copies to the person incharge of the conveyance; one copy to be presented under sealed cover to the appropriate officer of Customs at the Port of destination and the other to be retained by the carrier for his own use.
  17. The Bonded Carrier and the Shipping Agent, shall be jointly .and completely responsible for duty and taxes involved and the value diminished as a result of any damage/pilferage, notwithstanding any other



action under the law and this procedure. The Carrier shall bear all expenses incurred on re- stuffing/re-packing of bonded goods including the duty/taxes leviable on goods pilferaged or damaged.

18. The Carrier, except NLC shall submit to the Assistant Collector (Imports) of the port of entry , a revolving Insurance guarantee covering the amount of duty & taxes, fine and penalty , if any, involved on the cargo intended to be transported from one port to other in case of any eventuality like damage, pilferage, theft, fire accident causing loss to the Government revenue.
19. The insurance guarantee will be discharged once the bonded Carrier submits the fifth copy of the application form showing receipt of container(s) at the destination port, to the Assistant Collector (Imports) of the entry port. Procedure at the Port of Entry .
20. After getting approval from the concerned Assistant Collector, the bonded carrier shall move the container(s) to the respective exit-gate.
21. The Customs Officer posted at the exit-gate of entry port shall get the import container(s) weighed at the weighbridge and tally the weight with the weight mentioned in the IGM. He shall record the weight in the prescribed form of application, as well.
22. In case a difference of 5% or more is found in the actual weight vis-a-vis the weight declared in IGM transportation will not be allowed unless a revised Transportation Permit is obtained from the Assistant Collector (Imports) of the entry port.
23. The permission granted for transportation of import container(s) shall be deemed cancelled, if the goods are not transported within 24 hours from obtaining such permission.
24. The Customs Officer posted at the respective exit gate shall verify the particulars of container(s) as mentioned in the application form and affix the Customs bullet seal as well as sticker on the respective container(s). The Customs Officer shall duly endorse the seal number and the container number on the application form. He shall also record the date and time of exit on the application form.
25. The charges for each set of Customs bullet seal and sticker shall be Rs. 100/- which shall be deposited in the concerned branch of National Bank in the account of Custom House Common Pool Trust (CPT). The receipt obtained from the bank shall be presented to the Customs Officer posted at the exit gate of the port of entry .

(c) Procedure at the Destination Port.

26. The Customs Officer posted at the respective entry gate shall verify the seal and the container number and ensure that the Customs seal affixed by

the Customs Officer of the entry port on the container is intact. He shall also endorse such verification in the prescribed application form.

27. In case the Customs seal affixed on a container is found broken/tempered with, the respective container shall be examined 100% by the Customs staff in the presence of terminal operator or representative of respective Port authorities, as the case may be, and a representative of the bonded carrier. An inventory of the goods contained in such container(s) will be prepared and signed by all witnesses. This inventory shall form a part of the bill of entry filed subsequently for clearance purposes.
  28. The container(s) carrying transshipment goods shall be weighed at the Weighbridge of destination port and the Customs Officer posted there shall tally the weight with the one recorded at the entry port.
  29. In case, there is a difference of more than 1% between the weight recorded at entry port vis-a-vis the weight found at destination port, the Carrier shall be held liable for penal action.
  30. The Customs Officer posted at the entry gate of destination port shall also record the date & time of entry on the application form and detach a copy thereof for record purposes.
- (d) Time limit and route prescribed for transportation of Import Cargo from one Port to other.
31. The container(s) moved from exit gate of the entry port on a given day, shall reach at the entry gate of the destination port, not later than 06.00. p.m. on the same day.
  32. The prescribed route for transportation of Import containers from Port Qasim to Karachi Port/Off dock terminals and vice versa is through National Highway via Korangi Industrial Area en-route Mai Kolachi Bypass. Any container being transported from one port to other, if found travelling through any other route, 'will render the concerned bonded carrier liable to penal action for contravention of this procedure.
  33. In case of any eventuality/accident, if the container does not reach the destination port within prescribed time. the incident shall be reported to the Assistant Collector (Imports) of the destination port. Such container(s) shall be examined 100% by the Customs staff in the presence of terminal operator or representative of respective Port authorities, as the case may be, and a representative of bonded carrier. An inventory of the goods contained in such container(s) will be prepared and signed by all witnesses. This inventory shall form a part of the bill of entry filed subsequently for clearance purposes.
- (e) Contravention of this Procedure.
34. Contravention of any provision of this procedure shall be deemed contravention of sections 32 & 121 of the Customs Act, 1969 and the Customs Agents (Licensing) Rules, 2001 (SRO 450(I)/2001 dated

18.06.2001) made thereunder and will render the bonded carrier liable to penal action under the relevant provisions of law and rules.

- (f) Exchange of information between the Customs Authorities of the two Ports.
35. The Assistant Collectors (Imports) of the two ports exchange information in respect of Import container(s) transported from one port to other, on a weekly basis in the format set out at (Annex C), so as to ensure that the container(s) allowed transportation from entry port have been duly reached at the destination port.

ANNEX-A

APPLICATION FOR INTER-PORT TRANSPORTATION OF IMPORT CONTAINERS	
The Assistant Collector (Imports)--Appraisement/Port Qasim.	
It is requested that Inter-port movement from .....to .....of the imported containerized cargo (as detailed below) may kindly be allowed.	
We declare that the details given below are true and complete. We do hereby undertake that the container(s) do not carry any arms and ammunition. Spirits. drugs. narcotics. acetic anhydride or any of those chemicals as notified by Government of Pakistan from time to time in the light of "Chemical Weapon Convention",	
Signature and Seal of the Assistant Collector	Signature and Seal of the Shipping Agent

( To be filled-in by Shipping Agent)

(For use of Customs Officers posted at exit gate)

1. Total No. of container(s)_____			11.		
(in words)			I do hereby confirm that following Customs's Seal No.(s) and sticker(s) have been affixed by me on the container(s) mentioned against each, below :		
20Ft	40Ft	45Ft	S.No.	Seal No.	Container No.
			i.		
2. From _____ 3. Destination port: _____ 4. Terminal/Agent's Name and Address: _____			ii		
			Iii.		
			Iv.		
			v.		
			Vi.		
			Vii.		
5. Vessel Name & Voyage No._____			Viii.		

6. IGM No. & date _____ 7. Index No.(s): _____ 8. B/L No. & date: _____ 9. Invoice No. & date: _____ 10. Total weight (in Metric Tons) of container(s) as per IGM _____	Ix.		
	x.		
	Xi.		
	Xii.		
	Xiii.		
	Xiv.		
	Xv.		
	12. Date of Exit: _____		
	13. Time of Exit: _____		
	14. Total Weight of container(s) in Metric Tons, found on weighment: _____		

(For use of Customs Officer posted at Entry gate of Destination Port)

15.					
It is hereby confirmed/verified that following Customs Seal No.(s) and sticker(s) affixed on the container(s) mentioned against each below, have been found intact/un-tampered. It is also confirmed that the container(s) have been received at the Entry gate within prescribed time.					
S.No.	Seal No.	Container No.	S.No.	Seal No.	Container No.
i.			i.		
ii.			ii.		
iii.			iii.		
iv.			iv.		
v.			v.		
vi.			vi.		
vii.			vii.		
viii.			viii.		
16. Date of Entry : _____			17. Time of Entry: _____		
18. Total Weight of container(s) in Metric Tons, found on weighment: _____					
Name, signature and seal of authorized Customs officer posted at Entry gate of Destination Port.			Name, signature and seal of authorized Port official posted at Entry gate of Destination Port.		

(For use of Import Section of Destination Port)

As per the endorsement of the authorised officer of Customs posted at the entry gate of Destination Port, the containers (as detailed above) have reached in safe and sound condition. It is confirmed that all the aforementioned containers and index numbers are in accordance with the IGM furnished by the Shipping Agent.
Signature and Seal of Superintendent (Imports)

APPLICATION FOR RELEASE OF REVOLVING INSURANCE GUARANTEE  
SUBMITTED AT THE TIME OF SEEKING PERMISSION FOR TRANSPORTATION OF'  
IMPORT CONTAINERS FROM..... TO .....

To,  
The Assistant Collector (Imports)---Appraisement/Port Qasim.

It is hereby informed that the transportation of import container(s) from to has been completed, as confirmed by the concerned staff of Customs posted at the entry gate of Destination Port.

It is, therefore, requested that the revolving bank guarantee submitted in lieu of duty/taxes leviable thereon at the time of applying for Inter-Port transportation of import container(s) may kindly be released.

Signature and Seal of the Assistant Collector  
Agent

Signature and Seal of the Shipping  
Agent

ANNEX-B

CARRIER’S MANIFEST

No. \_\_\_\_\_ Date: \_\_\_\_\_

Total No. of Container(s) (in words)		20Ft	40Ft	45Ft
Port of Shipment:		Destination Port:		
Vessel Name & Voyage No.		IGM No. & date		
Index No.(s)		Total Net Weight of the goods (MT):		
Description of Goods				
Container No.	Marks & No.	Seal No.	Vehicles No.	Net Weight (in M.Tons)

Certified that the details on	Certified that the above	Certified that the above
-------------------------------	--------------------------	--------------------------

this document are correct.	mentioned goods have been sealed & transported in my presence.	mentioned goods have been received on with the seal intact.
Signature & Seal of Carrier	Signature & Seal of Customs Officer	Signature & Seal of Customs

**ANNEX-C**

INFORMATION IN RESPECT OF IMPORT CONTAINERS, TRANSPORTED  
FROM \_\_\_\_\_ TO \_\_\_\_\_ DURING THIS WEEK  
Ref. No: \_\_\_\_\_ Date : \_\_\_\_\_

The Assistant Collector of Customs (Imports),  
Appraisement/Port Qasim Collectorate,  
Karachi.

It is to inform that following import containers have been transported from Port Qasim to Karachi Port/Off Dock terminals during the aforementioned period in terms of SRO \_\_\_\_ (I)/99 dated

2. It is requested to confirm whether all the below mentioned import containers have duly reached at the Karachi Port or not.

Signature & Seal of the Assistant Collector  
(Import), Appraisement/Port Qasim Collectorate

Total No. of Container(s) (in words)			20FT	40Ft	45FT
Container No.	IGM No. & Date	Index No.	Description of goods as per IGM		

CONFIRMATION REGARDING IMPORT CONTAINERS, TRANSPORTED  
FROM \_\_\_\_\_ TO \_\_\_\_\_ DURING THE WEEK  
FROM \_\_\_\_\_ TO \_\_\_\_\_  
Ref.No. \_\_\_\_\_ Date: \_\_\_\_\_

The Assistant Collector of Customs (Imports),  
Appraisement/Port Qasim Collectorate,  
Karachi.

Please refer to your letter No.                      dated

2.        It is to inform that the containers mentioned in your aforesaid letter, which were allowed transportation from \_\_\_\_\_ to \_\_\_\_\_ during the period from \_\_\_\_\_ to \_\_\_\_\_ have reached safely at \_\_\_\_\_.

3.        Information in respect of the containers mentioned in your aforesaid letter, which were transported during the above mentioned period but did not reach at \_\_\_\_\_ is given hereunder :-

Container No.	IGM No. & date	Index No.	Remarks
<div> Signature &amp; Seal of the Assistant Collector  (Imports), Appraisement/Port Qasim  Collectorate. </div>			

**106. PROCEDURE REGARDING INLAND TRANSPORTATION OF THE CONSIGNMENTS IMPORTED AND CUSTOMS CLEARED FROM DIFFERENT LAND CUSTOMS STATIONS OF BALOCHISTAN.**

In order to mitigate the genuine grievances of the traders/importers of Balochistan province the following instructions are issued for immediate- compliance by the concerned agencies/ organizations:--

- (i)        The imported consignments of metal scrap timber and dry fruits shall be transported to up-country destinations under Customs escort (Sepoy), accompanied by the triplicate copy of the bill of entry in original shape (No photo copy acceptable).
- (ii)        The triplicate copy of the bill of entry shall contain a complete examination report to be written by the Examining Officer containing description. category wise quantity, origin, PCT heading etc. etc. and shall

be endorsed by the countersigning officer. The registration No. chassis and engine numbers of the truck shall also be recorded in the examination report. The consignment shall be out of charge by the incharge customs station showing the date of out of charge both in figures and words.

- (iii) The importer shall make a declaration in the column of "Misc: Official Use" on the reverse of the bill of entry during the filing of the documents. to the effect that the consignment is meant for inland country destination. The name of the final destination shall also be indicated therein. The Incharge Customs station on the request of the importer shall, provide escort upto destination on payment of advance escort charges in the form of daily allowance and return travelling allowance of the Sepoy for the required days and destination by the importer before removal of the consignments from the customs area.
- (v) The consignment carried in open truck shall be covered with tarpaulin and properly sealed in the presence of examining officer. The seals shall not be tampered or broken until the consignment reaches its final destination.
- (vi) The consignments transported to the inland destination under the Customs escort (Sepoy) and accompanied by the triplicate copy of the bill of entry shall not be subjected to any inroad stoppage and checking at any check post or by mobile squads of the Anti-Smuggling Organization/ Agency up to the declared upcountry destination.
- (vii) However, the anti-smuggling agencies, on receipt of a credible information or in case they found the seals tampered or broken, can subject such consignments to detailed examination after obtaining written approval from Assistant Collector/ Assistant Director Incharge to that effect.
- (vii) The above mentioned arrangement/facility is provided to the importers only to safeguard public interest and the Government revenue. For any infringement found during the transportation, the importers/clearing and forwarding agent shall be personally responsible as to legal or penal proceedings under the law.
- (viii) Escort facility is optional for the importers and the consignments transported without Customs escort can be checked en route on suspicion by the anti-smuggling agencies.

#### **107. PROCEDURE REGARDING THE CLEARANCE OF PASSENGER'S BAGGAGE AFTER INSTALLATION OF CCTV CAMERAS AND SCANNERS AT FIVE INTERNATIONAL AIRPORTS AND WAGAH RAILWAY STATION.**

In order to facilitate passengers, control smuggling and eliminate complaints of import of commercial goods in the garb of passenger's baggage, Government of Pakistan entered into an agreement with M/s. Philips Electrical Industries (Pakistan) Ltd., aimed at X-ray scanning of the baggage of the passengers, incoming and outgoing through



international flights, in the case of airports at Karachi, Lahore, Islamabad, Peshawar, Quetta and through train-service between India and Pakistan, in the case of Wagah Railway Station. Pursuant to the said agreement necessary electronic equipment including CCTV and baggage scanning machines are operational from 4th December, 1999 at the aforesaid places. The following procedure will be followed by all concerned:

A. INTERNATIONAL ARRIVAL HALL:

1. The equipment i.e. baggage scanning machines, CCTV, etc., installed at the customs station shall be made operational as per the agreement between M/s. Philips Electrical Industries (Pak) Ltd. , and the Central Board of Revenue.
2. All baggage including hand baggage of the incoming passengers shall pass through the scanning machines. However, all incoming passengers will have an option to declare dutiable/contraband goods at the "Voluntary Declaration Baggage Counter" , specially set up for the purpose, before their baggage is passed through the scanning machines.
3. The baggage scanning machines shall generate a serially numbered machine number for every package that is passed through it. The machine number shall be in a running serial order for every day commencing from 00 hours.
4. The baggage scanning machines shall be manned and operated by M/s. Philips Electrical Industries (Pak) Ltd. Their machine operator assisted by a Customs Officer, deputed by the shift Incharge of Customs shall identify baggage containing dutiable/ contraband goods to the best of their knowledge and ability and shall affix a sticker carrying the serially generated machine number as aforesaid. The serial number on the sticker shall be written by the machine operator and signed by the assisting customs officer using indelible ink. The machine operator shall record this event in his own register, which shall be countersign by the assisting Customs Officer (proforma at Annex-" A ") and the baggage would be directed towards the customs examination counter for examination by Customs Officer.
5. Any baggage, which has passed through the scanning machine. and is found not to contain any dutiable/contraband goods would be allowed clearance immediately. This would be in consonance with the "Green Channel" facility. Such baggage. once cleared. shall only be examined on the orders of the Shift Incharge of Customs. who has sufficient reasons to believe that the "baggage" contains dutiable/contraband goods. Such examinations, however. shall only be conducted under very special circumstances and under the direct supervision of the Shift Incharge. The Shift Incharge shall record such examination in a register maintained for the purpose (proforma at Annex-B).
6. At the examination counter the baggage shall be received by the customs officer. Before the examination of the baggage, the customs officer shall write down the particulars of the passenger as well as the machine number on the Passenger's Baggage Assessment Slip (proforma at Annex -"C").

All the contents of the baggage shall be noted down in the Assessment Slip. One copy of Assessment Slip shall be retained by the passenger and the other shall be kept for customs record and subsequent audit.

B. INTERNATIONAL DEPARTURE: -

1. All the baggage of the outgoing passengers including hand baggage shall pass through the baggage scanning machine. However, outgoing passengers will have an option to declare any dutiable, contraband goods being taken out of the country before the baggage is passed through the scanning machines.
  2. The machine operator assisted by a Customs Officer, deputed by the Shift Incharge of Customs shall identify baggage containing dutiable/contraband goods to the best of their knowledge and ability and shall affix a sticker carrying the serially generated machine number as aforesaid. The serial number on the sticker shall be written by the machine operator and signed by the assisting customs officer, using indelible ink. The machine operator shall record this event in his own register and signed by the assisting Customs Officer (proforma at Annex-" A ") and the baggage would be directed towards the customs examination counter for examination by the Customs Officer .
  3. Any baggage, which as passed through the scanning machine, and is found not to contain any dutiable/contraband goods, would be allowed clearance immediately. This would be in consonance with the "Green Channel" facility. Such baggage, once cleared, shall only be examined on the orders of the Shift Incharge of Customs, ; who has sufficient reasons to believe that the "baggage" contains dutiable/contraband goods. Such examinations, however, shall only be conducted under very special circumstances and under the direct supervision of the Shift Incharge. The Shift Incharge shall record such examination in a register maintained for the purpose (proforma at Annex-D).
  4. At the examination counter the baggage shall be received by the customs officer. Before the examination of the baggage, the customs officer shall write down the particulars of the passenger as well as the machine number on the Passenger's Baggage Assessment Slip (proforma at Annex-"C"). All the contents of the baggage shall be noted down in the Assessment Slip. One copy of the Assessment Slip shall be retained by the passenger and the other shall be kept for customs record and subsequent audit.
2. M/s. Philips Electrical Industries (Pak) Ltd. shall ensure smooth operation of the equipment. If there is a failure of equipment due to technical or any other reason the shift incharge of Customs shall immediately record the event in a register (Annex-"E") especially kept for this purpose. Such instances shall also be brought to the notice of the concerned Assistant/Deputy Collector of Customs incharge on daily basis.

3. M/s. Philips Electrical Industries (Pak) Ltd. , shall make recording of CCTV observations areas utilizing the installed equipment. Immages shall be recorded on a single VHS cassette using a Philips dual head time lapse recorder. The company shall also maintain duplicate record of films in its own premises in Karachi, Lahore and Islamabad for maximum of 120 days or lesser as required by CBR, in times of the agreement.
4. M/s. Philips Electrical Industries (Pak) Ltd. will provide to the CBR at the end of each month a breakdown of Systems Operations statistics showing due performance of the "Systems Operations" and the CBR at its own costs shall have the right to audit directly or through independent auditors the statistics provided hereunder for determining compliance by the Company with the minimum uptime obligation set out in the Agreement.

ANNEX-“A”

S.No.	Date/Time	Machine No.	Flight No.	Signatures of machine operator & Customs Officer.

ANNEX-“B”

Machine

No.:  
Date:

CUSTOMS TATION:

LIST OF BAGGAGE BROUGHT BY THE PASSENGER

- (a) Name of the passenger: (b) Nationality  
(c) Flight No. (d) Arrived from:  
(e) Profession (f) No. of previous visits: (g) Duration of stay abroad:  
(h) Full address of the passenger:

Reasons for examination of baggage: (to be filled only by the Shift Incharge of Customs).

Currency, bullion, gold, precious stone & jewellery:

S.No.	Description of goods	Taxable Value (Value & Freight)	Customs Duty	Sales Tax	Misc	Total.
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ANNEX-“C”

Machine No.: \_\_\_\_\_  
Date: \_\_\_\_\_

CUSTOMS STATION: \_\_\_\_\_

**LIST OF BAGGAGE BROUGHT BY THE PASSENGER**

(a) Name of the passenger: \_\_\_\_\_ (b) Nationality \_\_\_\_\_  
(c) Flight No. \_\_\_\_\_ (d) Arrived from: \_\_\_\_\_ (e) Profession \_\_\_\_\_ (f) No. of previous visits: \_\_\_\_\_ (g) Duration of stay abroad: \_\_\_\_\_ (h) Full address of the passenger: \_\_\_\_\_  
Currency, bullion, gold, precious stone & jewellery: \_\_\_\_\_

S.No.	Description of goods	Taxable Value (Value & Freight)	Customs Duty	Sales Tax	Misc	Total
-------	----------------------	---------------------------------	--------------	-----------	------	-------

ANNEX-“D”

Machine No.: \_\_\_\_\_  
Date: \_\_\_\_\_

**CUSTOMS STATION:** \_\_\_\_\_

**LIST OF BAGGAGE BROUGHT BY THE PASSENGER**

(a) Name of the passenger: \_\_\_\_\_ (b) Nationality \_\_\_\_\_  
(c) Flight No. \_\_\_\_\_ (d) Departure to: \_\_\_\_\_ (e) Profession \_\_\_\_\_ (f) No. of previous visits: \_\_\_\_\_ (g) Duration of stay abroad: \_\_\_\_\_ (h) Full address of the passenger: \_\_\_\_\_

**Currency, bullion, gold, precious stone & jewellery:** \_\_\_\_\_

S.No.	Description of goods	Taxable Value (Value & Freight)	Customs Duty	Sales Tax	Misc	Total
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**108. PROCEDURE REGARDING CLEARANCE OF INCOMING INTERNATIONAL PASSENGERS.**

It has been decided to have a system of simplified customs control, based on the dual channel system such that allow the passengers to choose between two types of channels :-

- a. Green Channel for passengers having with them no goods or only goods which can be admitted free of import duties and taxes and which are not subject to import prohibitions or restrictions; and
  - b. Red Channel for other passengers.
2. Each channel should be separated with appropriate partitioning and with properly indicated entrances and be distinctively marked and sign-posted so that the choice between them can easily be understood by passengers.
3. The passengers be informed about the functioning of the system and about the description and quantities of goods they may have with them when using the green channel. This may be done by means of appropriate display of Passengers Baggage Import Rules inside the Customs Hall or by means of leaflets available to the public at the airport or distributed through tourist agencies, airlines etc.
4. All international arriving passengers may avail the dual channels facility except the passengers arriving from airports specified by the Collectors from time to time, which case the baggage of such passengers would be subject to clearance after screening by the machines.

#### **109. PERMISSION FOR REGIONAL TRANSSHIPMENT OF CHEMICAL FROM EVTL.**

The following special procedure is prescribed in respect of chemicals imported for subsequent storage and transshipment through the storage facility of Messrs Engro Vopak Terminal Limited, Plot No. OZ/IP-81, South Western Zone, Berth No.13, Port Muhammad Bin Qasim, District Malir, Karachi.

- 1). DEFINITIONS: In this procedure, unless there is anything repugnant in the subject or context:
- a) "Act" means the Customs Act, 1969 (IV of 1969).
  - b) "Transshipment" means the transfer of transshipment chemicals from the storage facility of M/s. Engro Vopak Terminal Ltd (EVTL) in destination outside Pakistan without payment of customs duty and other leviable taxes from EVTL tanks to a vessel either through pipe lines or through ISO tanks/containers.
  - c) "Transshipment chemicals" means chemicals brought into Pakistan for subsequent storage and transshipment from the storage facility of M/s Engro Vopak Terminal Ltd (EVTL) whether or not chemicals meant for home consumption.

- d) "Transshipment of chemicals" means shifting of chemicals" means shifting of chemicals from the storage facility of M/s Engro Vopak Terminal Ltd (EVTL) to a vessel either through pipe lines or through ISO tanks/containers.
- 2.
- (i) At the time of filing the Import General Manifest , the shipping agent shall specifically declare the exact quantity meant for both home consumption and transshipment abroad.
  - (ii) The chemicals meant for subsequent transshipment shall be discharged in the tanks of M/s Engro Vopak Terminal Ltd (EVTL) alongwith the quantity meant for home consumption and those on which duty and taxes have been paid.
  - (iii) Before receiving the entire quantity, the terminal operator shall provide complete details in respect of chemicals already stored in their facility i.e. IGM/Index-wise, tank-wise details viz quantity already stored and likely to be transhipped on which duty and taxes have not been paid.
  - (iv) The chemicals meant for home consumption shall be cleared against bill of entry for home consumption after verification of description and payment of leviable duty/taxes.
  - (v) The terminal operator before effecting the transshipment, shall apply to the Assistant/Deputy Collector concerned seeking permission for transshipment against transshipment permit. At the time of applying, he shall also enclose stocks report showing the exact outstanding IGM/Index number along with quantity of chemicals on which duty/taxes have not been paid. The terminal operator shall pay the prescribed transshipment fee in respect of each application for transshipment.
  - (vi) The Customs Officer Incharge posted at the facility of M/s Engro Vopak terminal Ltd (EVTL) shall maintain a register showing the following details :-
    - (a) Name of Vessel
    - (b) IGM Number and date
    - (c) Index Number
    - (d) Quantity received for home consumption
    - (e) Quantity received for transshipment
    - (f) Quantity transhipped
    - (g) Details of i.e. Export General Manifest and Import General Manifest
    - (h) Date of export
    - (i) Balance quantity
  - (vii) The terminal operator shall without fail provide a fortnightly statement showing the stocks/inventory position tank-wise of IGM and index wise.

- (viii) Before effecting the transshipment, the shipping agent shall file Export General Manifest, clearly indicating the description and quantity of chemicals to be transhipped.
- (ix) The terminal operator shall prepare and issue gate passes of distinct color for each quantity either meant for home consumption or transshipment. In case of transshipment, removal from the premises of M/s Engro vopak Terminal Ltd (EVTL) to the vessel can be allowed either through pipelines or through ISO tanks/containers.
- (x) The Customs Officer Incharge posted at M/s Engro Vopak Terminal Ltd (EVTL) shall record the details of gate pass in the register to be maintained by him. In case of removal through pipeline, he shall specifically note the timing of valve opening and closing. He shall also record the readings of the gauges fixed with the tanks manually and record the same in the register.
- (xi) The chemicals actually meant for transshipment can also be cleared for home consumption after payment of surcharge in terms of Import Trade and Procedure Order treating them as frustrated cargo after payment of duty, taxes and leviable surcharge on the value of goods.
- (xii) Chemicals on which duty has been paid for the purposes of home consumption can also be exported in terms of relevant Import Trade & Procedures Order after seeking approval from the appropriate officer.
- (xiii) In case of Acrylo nitrite the quantities 0.25% may be ignored in terms of instructions contained in Board's letter C.No. 1(30)Tar-I/88 dated 11.03.1989.
- (xiv) M/s Engro Vopak Terminal Ltd (EVTL) shall furnish an indemnity bond and insurance guarantee binding themselves to pay all government levies (i.e. duty and taxes) if found short levied or occurred because of some accident or damage.
- (xv) M/s Engro Vopak Terminal Ltd (EVTL) shall furnish fortnightly details of each tank in the prescribed format to the Assistant/Deputy Collector concerned.
- (xvi) The audit shall be conducted in the 2nd week of each month to avoid any mis-use of the facility. The monthly statements to be maintained by the Collectorate are enclosed as annexures-A, B and C.

## “ A ”

TRANSACTIONS MADE DURING THE MONTH  
OF 2001 IN TANK NO \_\_\_\_\_ OF EVTL CONTAINING \_\_\_\_\_

A) Quantities added during the month

S.NO	IGM NO.	INDEX NO.	IMPORTER'S NAME	CHAL NO.
1	2	3	4	5

QUANTITY AS PER MANIFEST	QUANTITY STORED FOR HOME CONSUMPTION	CASH NO. & DATE	QUANTITY STORED FOR TRANSSHIPMENT.
6	7	8	9

“ B ”

B) Quantities cleared during the month

S.NO	IGM NO. DATE	INDEX NO.	IMPORTER'S NAME CHAL NO.	QUANTITY STORED	BALANCE AT THE END OF PREVIOUS MONTH
1	2	3	4	5	6

QUANTITY CLEARED FOR HOME CONSUMPTION	CASH NO. & DATE	QUANTITY CLEARED FOR TRANSSHIPMENT	EGM NO. DATE	BALANCE QUANTITY LEFT
7	8	9	10	11

“ C ”

TRANSACTION MADE DURING THE MONTH  
OF \_\_\_\_\_ 2001 IN TANK NO. OF EVTL CONTAINING \_\_\_\_\_

- 1) Previous balance

=
- 2) added during the month

=
- 3) a. Delivered for Home Consumption

=
- b . Delivered for Transshipment

=
- c. Total quantity delivered

=
- 4) Net balance at the end of month

=

110. GRANT OF DEPRECIATION OF OLD AND USED GOODS IMPORTED IN BAGGAGE.



It has been observed that passengers bring-in old and used goods in their baggage and claim depreciation in value when assessment is made under the Baggage Rules. In order to address this situation, the Central Board of Revenue is pleased to direct that in all deserving cases, depreciation in value to a maximum of 50% shall be allowed in respect of accompanied baggage, un-accompanied baggage and transfer of residence:-

The aforesaid depreciation will not be allowed in routine but on merits of each case, for the reasons to be recorded in writing, by the following officers to the extent mentioned against each:-

- |     |  |          |
|-----|--|----------|
| (a) | additional Collector of Customs  | upto 50% |
| (b) | Assistant/Deputy Collectors of Customs                                     | upto 35% |
| (c) | Superintendent/SPS (Provisionally subject to approval of higher authority) | upto 15% |

#### **111. PROCEDURE FOR REPAYMENT OF CUSTOMS DUTY AND SALES TAX PAID ON PALM OIL (EXCLUDING PALM STEARIN) CONSUMED IN THE MANUFACTURE OF HYDROGENATED VEGETABLE OIL (VEGETABLE GHEE).**

I In pursuance of Central Board of Revenue's Notification No. S.R.O. 892(1)/86, dated 24th September, 1986 (*Reported as PTCL 1987 SI. 66*) the following procedure is prescribed for the repayment of custom duty and sales tax paid on palm oil (but not palm stearin) actually used in the manufacture of hydrogenated vegetable oil (commonly known as vegetable ghee) to the extent that it does not exceed 65% of quantity of vegetable ghee produced:--

- (i) The manufacturers of Vegetable Ghee shall maintain a stock account of the palm oil imported directly or purchased from other importers in the form prescribed as Annex-I.
- (ii) On production of hydrogenated vegetable ghee, the manufacturer shall issue a certificate in triplicate in the form prescribed as Annex-II.
- (iii) The authorised Central Excise Officer shall verify the manufacturer's certificate with the prescribed register in Annex-I and with such other record and registers, as he may deem fit and appropriate, and shall endorse the same in appropriate columns thereof. In addition the authorised officer shall also attest the photocopies of the triplicate copy of the Bill of Entry against which the palm oil was imported and duly consumed for the manufacture of vegetable ghee for which the consumption certificate has been issued.
- (iv) The authorised Central Excise Officer after due endorsement, shall send the copies of the certificates as hereunder :-

- I. Original to the manufacturer of Vegetable Ghee.

- II. Duplicate to the Collector of Customs (Preventive), Custom House, Karachi.
- III. Triplicate Office copy.
- (v) Within 45 days of the issue of the certificate the manufacturer shall apply, for the repayment of the customs duty and sales tax to the Collector of Customs (Preventive), Custom House, Karachi.
- (vi) The Assistant Collector of Customs duly authorised by the Collector after satisfying that the customs duty and sales tax was paid on importation shall sanction the claim of repayment of duty in terms of the Notification and shall maintain a record as prescribed by the Collector of Customs (Preventive), Karachi.
- (vi) The Collector of Customs of the jurisdiction (where the warehouse is situated and the Ex-bond bill of entry is filed), will ensure that the repayment is made expeditiously. He will send a monthly statement of repayment in the form appended as Annex-III by 7<sup>th</sup> of the following month to which it relates to the Central Board of Revenue and the Ministry of Industries.

## II. FOR UNITS OF GHEE CORPORATION OF PAKISTAN

In view of the above, the Central Board of Revenue is pleased to relax the provisions of clauses (i) and (ii) above of this order for the units of Ghee Corporation of Pakistan (Pvt.) Limited only to the extent that columns 1 to 17 of Annexure-I may be filled up by the authorised officer of Ghee Corporation of Pakistan (Pvt.) Limited at Karachi, on behalf of the ghee manufacturing units of the Corporation and columns 18 to 23 of the same Annexure may be filled by the individual units of the Corporation.

## ANNEX-I

### STOCK ACCOUNT OF PALM OIL IMPORTED DIRECTLY OR PURCHASED FROM OTHER IMPORTERS

Quantity of palm oil imported directly on Payment of Customs duty Rs.----- Per tonne and 12-1/2% sales tax.	Quantity of palm oil purchased from other Importers who have paid customs duty Rs.----- ----- per tonne and 12-1/2% sales tax.
--	---

No	Date	Opening balance of palm	B/E No. & date	Cash No. and date	IGM No. and Date and Index No.	Quantity received in the factory
1.	2.	3.	4.	5.	6.	7.

Name of importer	Import Regn No.	B/E No. & date	Cash No. & date	IGM No. & date & Index No.	Purchase receipt No. and date	Quantity purchased	Total Qty. of palm oil (Col.3)
------------------	-----------------	----------------	-----------------	----------------------------	-------------------------------	--------------------	--------------------------------

							+7+14)
8.	9.	10.	11.	12.	13.	14.	15.

Quantity issued for the manufacture of Vegetable Ghee in the mill	Quantity of Vegetable Ghee manufactured	Quantity issued for other purposes	Closing Balance (cols. 15-(16 + 18)	Remarks if any
16.	17.	18.	19.	20.

Annex-II

Consumption Certificate No..... dated .....

I, Mr.....  
(Designation)

of M/s. ....  
(Manufacturer's name and address of the factory) do hereby declare that we:

(i) Imported .....tonne of palm oil per  
(Quantity)  
S.S .....from .....  
(Vessels' Name) (country's name)  
per IGM No..... Index No.....  
and cleared .....tonnes thereof for the  
(Quantity)  
manufacture of hydrogenated vegetable ghee in our factory and paid customs duty thereon Rs..... Per tonne and 15% Sales Tax vide Bill of Entry No. ....dated .....Cash No..... dated..... of the Collectorate of Customs .....(Location) and entered the same at S. No..... dated .....of the prescribed register, and

(ii) Purchased .....tonnes of palm oil from the importer M/s.....  
( Name and address of the importer )  
  
Import Reg. No..... who had imported the same per SS .....  
(Vessels Name)  
from.....per IGM No.....  
(Country's name)  
dated .....Index No.....and had paid customs duty  
Rs..... per tonne and 15% sales tax vide Bill of Entry.....  
dated ..... Cash No..... dated .....in Collectorate of Customs .....  
(Location).

We have entered the receipt of the said oil at S. No..... of the prescribed register .

2. We certify that we manufactured ..... tonnes of hydrogenated vegetable ghee in our premises out of tonnes of palm oil.
3. Certified that the information given above is true and correct and no other such certificate has been issued or will be issued for the consumption of the palm oil covered by this certificate.

Signature.....  
 Name.....  
 Factory's Name and Address.....

GOVERNMENT OF PAKISTAN  
 COLLECTORATE OF CUSTOMS AND CENTRAL EXCISE

No..... Dated .....

Certified that the above information in the certificate has been verified with the prescribed register and all other records and register and the undersigned is satisfied about the correctness of the certificate. It is therefore, recommended that a repayment / amounting to Rs. may be sanctioned, if otherwise due and admissible in terms of Notification No. SRO 892(1)/86, dated 24th September, 1986.

Signature .....  
*(Official Seal)*  
 Designation .....  
 Official Address .....

Annex-III

MONTHLY STATEMENT OF REPAYMENT OF CUSTOMS DUTY MADE ON  
 PALM OIL (BUT NOT PALM STEARIN) IN TERMS OF SRO 892(1)/86, DATED  
 24TH SEPTEMBER, 1986, FOR THE MONTH OF----- , 200\_

Name and Address of the claimant	Consumption certificate No. & Date	Name and designation of issuing authority	Date of filling of repayment claim	Date of payment of claim	Amount sanctioned
1.	2.	3.	4.	5.	6.

**112. PETROLEUM SECTOR – EXPLORATION / CONCESSION HOLDING COMPANIES.**

In order to effectively implement the provisions of Act No. LXXXIII of 1976, it has been decided that service companies duly approved from time to time, by the Director-General, Petroleum Concessions, Ministry of Petroleum and Natural Resources would be eligible to import all such machinery, ancillary equipment, materials and supplies for which they have been authorised by the Ministry of Petroleum and Natural Resources, on payment of a consolidated rate of duty of 5-1/4% ad val. (this is inclusive of sales tax and surcharge).

### **113. PETROLEUM SECTORS COMPANIES:**

The list of companies, corporations organizations for the purpose of condition (I) of SRO 1215(1)/96, dated t 7th October, 1996, is as under:--

S. No.	Name of the Company
1.	M/s, Saleemi CNG Autogas Co. (Pvt.) Ltd., Saleemi Chowk, Satiana Road, Faisalabad.
2.	M/s. Stanley House Industries (Pvt.) Ltd" GRE 461, Lasbela owk, Nishtar Road, Karachi.
3.	Hydrocarbon Development Institute of Pakistan, 232, Nazimuddin Road, Islama1abad.

### **114. REFUND OF DEVELOPMENT SURCHARGE TO OIL MARKETING COMPANIES - PROCEDURE REGARDING.**

The import prices of the refined products of petroleum imported into Pakistan are higher than the ex-refinery prices of similar products refined locally in Pakistan. The importers are required to sell the imported products to the marketing companies at the ex-refinery prices. In order to compensate the importers, the Government reimburses to them the price differential between the import price and the ex-refinery price out of the "Development Surcharge" on petroleum products realised by the Govt. The present procedure of reimbursement to the importing companies requiring them to submit claims on quarterly basis to the Natural Resources Division, which, after examination, issues sanction to Collector of C.E. & L.C. Karachi through Central Board of Revenue, was found to be very cumbersome and involved abnormal delay. In order to arrange expeditious payment it has been decided that the work of payment of the price differential on petroleum products to the importing company /Marketing Companies be entrusted to the Karachi Custom House, where all particulars of the imported products are available. The following procedure is accordingly laid down for reimbursement of the price differential to the importing companies:--

- (i) The importing company shall submit, its claim for each vessel covering the total imported products placed in bonded tanks to the Assistant Collector of Customs for Refund & Rebate, Karachi Custom House. This letter will clearly specify the bonded tonnage of the product shared by each company, the rate per ton of price differential and the total amount due to each company. The following documents shall be submitted in support of the claims:--
  - (a) A letter from the Director (Marketing), or Director General (Oil) or Director Refineries or Director Oil Movement Operations, Natural Resources Division, specifying the approved import price for the product imported relative refinery price in respect of that product

and the price differential in Rupees per ton payable to the importing company.

- (b) Triplicate copy of the Into Bond Bill of Entry specifying the bonded quantity in tons. For this purpose the importing company shall obtain triplicate copies of the Into Bond Bills of Entry from those marketing companies who have shared the imported product and shall attach the same with the claim.
- (c) Refund payment order Form (Appendix-I) duly pre-receipted by each company and duly stamped with 80 paisas revenue stamp.
- (ii) After receipt of the claims, the Assistant Collector of Customs, for Refund & Rebate shall get them processed within seven days, and if found in order, he shall sign the refund payment orders. The fact of refund shall be endorsed on all triplicate copies of Bills of Entry to avoid doubt payment.
- (iii) After sanction, the files shall be sent at once to the Accounts Department for payment of the refund amount by cheque to the companies concerned. Payment shall be debited to the head of Accounts XXXVI-Misc. Department Development Surcharge on Petroleum Product refunds, Maximum period 7 (seven) days.
- (iv) The maximum time to be taken in finalisation of refund cases will not be more than 21 days.
- (v) According to T .R. 400 every refund is required to be noted " against original credit in the Departmental Accounts or other documents in which moneys received are entered in detail and a certificate of such a note having been made must be given in all vouchers. Since the refunds cannot be linked with the moneys received, the provisions of T .R. shall stand waived in these cases and the refund will be governed by the above procedure.
- (vi) At the end of the month, Chief Accounts Officer of the Custom House, Karachi shall send a statement (Appendix- II) to the Director Oil Operation, Ministry of Fuel, Power and Natural Resources, Islamabad, showing full particulars of payment made out of the Development Surcharge on petroleum products. It will be the responsibility of the Ministry of Natural Resources to ensure availability of funds in the Development Surcharge Pool. This can be done conveniently as the statement of receipts of Development. Surcharge on Petroleum are sent monthly to the Director of Oil Operations, Natural Resources Division by the Karachi Custom House and the Collectors of Central Excise & Land Customs Collectorate.

IMPORT PRICE DIFFERENTIAL PAYMENT ORDER

Custom House, Karachi

To  
Messrs.

Sir,

With reference to your application for payment of Import Price differential dated -  
----- I have the honour to inform that your claim has been admitted for the sum of Rs .  
\_\_\_\_\_ in respect of the Import Price Differential and that on presentation of this  
order, duly receipted below, the above sum will be paid. Noted in

(Bill of Entry) and certified that  
(Shipping Bills)  
(Register of Miscellaneous receipts)

no previous order for the payment of the same sum has been issued.

I have the honour to be  
Sir,  
Your most obedient servant,

Assistant Collector of Customs

Received the above sum.

(Signature of payee)

stamp for One anna receipt  
sums  
exceeding Rs. 20/-

Passed:  
Accountant, Customs,

Pay  
Treasury Officer,  
Custom House.  
19

STATEMENT SHOWING PAYMENT MADE ON ACCOUNT OF  
PRICE DIFFERENTIAL OUT OF THE DEVELOPMENT  
SURCHARGE ON PETROLEUM PRODUCT FOR

THE MONTH OF \_\_\_\_\_

Name of the Company	Quantity on which refund paid	Rate of which the refund is worked out
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Amount of Refund	Natural Resources Letter No. ----- and date communicating price differential	Remarks
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**115. DECISIONS TO RESOLVE THE DIFFICULTIES BEING FACED  
BY THE OIL DRILLING COMPANIES.**

In order to remove difficulties faced by the oil drilling companies in clearance of the machinery/equipment a "one window" facility has been provided by Customs Department. The following decisions have also been taken for strict compliance by all concerned:--

- (i) Clearance of vehicles under the agreements already signed will be strictly in accordance with the terms of the agreement, and type of vehicles specified therein shall only be allowed release on concessional duty. While seeking clearance from the Customs of various vehicles the Oil Companies will specifically attach the terms and conditions of the agreement under which the said vehicle/vehicles are being claimed for release.
- (ii) Where jeeps and trucks are specifically mentioned in the agreements, single or double cabin pick-ups will be eligible for benefit as substitutes for trucks and jeeps wherever necessary. Saloon cars are not covered under the agreements and will not be allowed.
- (iii) For classification of equipment/vehicles imported by the oil companies the harmonised system of classification will be followed. Future agreements with Oil Drilling Companies shall be specifically provided for this.
- (iv) Clearance and appraisal of material imported under the terms of the concessions Agreements will be done by a centralised appraisal group instead of current system of dealing in respective group where the item is specifically dealt.



- (v) Transfer of equipment/materials from one company to another company shall be allowed as per concession available to the buying company. If buying company is liable to pay taxes the same shall be charged and where the selling company has already paid any taxes but the buying company is entitled to import free or at reduced duty rates no refund shall be allowed to the selling company. Ministry of Commerce will in future give clearance for transfer of equipment/materials from one company to another on receipt of their request.
- (vi) The service companies shall not be entitled to any concession and shall be charged the duty.
- (vii) Export of Crude Oil and machinery by the Oil Companies as per agreements are free of export taxes. The Export Development Surcharge being levied on the companies on these items will not be charged in future and the amount charged previously shall be refunded.
- (viii) A new list of equipment being manufactured locally shall be prepared by the Ministry of Industries and circulated first to the Oil Companies and after receipt of their response it shall be finalized and made applicable. Till such time as the list of locally manufactured items is finalized, the disputed goods will continue to be released on DG(PC)'s recommendations.
- (ix) The issue of undertaking submitted by the Oil Companies to the Collector (Customs) in the past for getting release of their equipment shall be submitted by the Oil Companies to DG(PC). On the recommendations of DG(PC) to this effect the Collectorate of Customs shall release all the undertakings.
- (x) On inter-agency disputes a committee was formed consisting of Chief (Customs) as a representative of the CBR and Director General (PC) as representative of the Ministry of Petroleum and Natural Resources. In case of the non-agreement amongst the committee members, the matter shall be referred to the appellate authority which shall comprise Member (Customs) and Secretary, Petroleum and Natural Resources.
- (x) The matter pertaining to the disposal of scrap and levy of duty thereon shall be resolved by the committee.

#### **116. SPECIFICATONS AND ACCESSORIES OF A STANDARD AMBULANCE.**

Vehicles to be treated as Ambulances must have the following minimum facilities:--

- |                                      |                        |
|--------------------------------------|------------------------|
| (i) Rear Panel and Rear Step.        | (ii) Stretcher.        |
| (iii) Folding seats for 2-4 persons. | (iv) Oxygen Cylinder.  |
| (iv) Red Rotary Lamp and Siren.      | (v) Fire Extinguisher. |

- (vi)

Hooks for intravenous bottle.  
medicines.
- (vii)

Small cabinet for

( DR. JAWWAD UWAIS AGHA )  
Secretary Customs (Coordination & Judicial.)