Government of Pakistan
Ministry of Commerce & Textile Industry
(Commerce Division)
****

Islamabad, 2nd September, 2013.

ORDER

S.R.O. **760(I)/2013** .- In exercise of the powers conferred by sub-section (1) of section 3 of the Import and Exports (Control) Act, 1950 (XXXIX of 1950), and in supersession of Notification No. S.R.O. 266 (I)/2001, dated the 7th May 2001, the Federal Government is pleased to make the following order namely:-

1. Short title and commencement.- (1) This order may be called the **Import and Export of Precious Metals Jewellery and Gemstones Order, 2013.**

(2) It shall come into force at once.

2. Definitions.- In this Order, unless there is anything repugnant in the subject or context,-

(a) "Annexure" means the Annexure to this Order;

(b) "Authentication" means act of verification of the nature and quantities of eligible items of import and export covered under this Order and recording these entries as permissible in the prescribed jewellery passbook in connection with the import and export under this order by The Trade Development Authority Of Pakistan(TDAP);

(c) "Authorization" means authentication by TDAP and further customs authorization means verification of actual import and export of eligible items as attested by the customs in the passbook;

(d) "Export entitlement" means export of eligible jewellery which includes bangles, chains, plain jewellery and studded or embedded jewellery as duly verified and authenticated in the prescribed jewellery passbook under this Order by The Trade Development Authority Of Pakistan(TDAP);

(e) "Form-E" means the Form – E as prescribed by the State Bank of Pakistan for realization of the export proceeds;

(f) "gemstones" means and includes precious or semi-precious stones, pearls, diamonds and corals either rough, cut, uncut, polished or unpolished;

(g) "Goods Declaration (GD)" means a declaration of goods made at the time of import or export as defined under the Customs Act, 1969 (IV of 1969) as amended from time to time;

(h) "Import Entitlement" means import of eligible items of import covered under this Order and duly verified and authenticated in the prescribed jewellery passbook and includes import of Precious Metals, Gemstones, raw material, tools, machinery and equipment for making jewellery;

(i) "jewellery" means articles made of precious metals (gold , silver, platinum or combination thereof) including jewellery embedded or studded with gemstones;

(j) "Jewellery Passbook" means a prescribed Passbook **(Annex-A)** which shall be issued by the Trade Development Authority of Pakistan, to the registered exporter, for authentication of import or export permission entitlements;

(k) "Precious Metals" mean Gold, Silver and Platinum; and

(l) "Registration" means registration of an exporter with the Trade Development Authority of Pakistan for the purpose of this Order.

3. **General. –**

(1) The exporters of jewellery and gemstones shall be registered with Trade Development Authority of Pakistan as per procedure to be notified by Trade Development Authority of Pakistan.

(2) The import or export of precious metals, gemstones and jewellery made up of precious metals, gemstones or a combination thereof shall be allowed under the following schemes namely:-

(i) Entrustment Scheme; and

(ii) Self consignment Scheme.

(3) Export of jewellery shall be allowed by air, parcel post, courier service and by sea, as accompanied or unaccompanied baggage.

(4) Export of jewellery shall be against advance payment, irrevocable letter of credit, delivery on payment or delivery on acceptance (DP/DA), or consignment basis including self-consignment.

(5) Import of precious metals and export of Jewellery under this Order shall be allowed only after the quantities and values are authenticated by Trade Development Authority of Pakistan in the Jewellery Passbook as at **Annex-B**.

(6) All export proceeds under these schemes shall be realized within one hundred and twenty days.

(7) Export of jewellery shall be made according to the usual Form E procedure of the State Bank of Pakistan.

(8) For jewellery studded or embedded with gemstones, the value of gemstones shall be shown separately in the export documents including Form E, clearly indicating therein the kind, value and weight of gemstones of each article.

(9) The import of precious metals and export of jewellery under this Order shall be restricted to the customs stations where the importer or exporter is registered with TDAP. The notified stations may include customs station at Karachi, Lahore, Islamabad and Peshawar .

4. **Entrustment Scheme.-**

(1) The entrustment scheme provides for export of jewellery and articles made thereof against imported precious metals supplied as partial advance payment, by the foreign buyer to the extent of the quantity of such precious metals to be used including wastage, in the manufacturer of the jewellery to be exported.

(2) The import and export under Entrustment Scheme shall be as per following conditions and procedure namely,:-

(I) **Import.-**

(i) an exporter shall apply as per prescribed form **(Annex-C)** to the Trade Development Authority of Pakistan for authorization to import precious metals;

(ii) Trade Development Authority of Pakistan shall ensure that the contract signed by the supplier is notarized from the relevant foreign country's legal authorities, duly attested by the relevant Pakistan Missions abroad. The contract shall contain inter-alia, all information as prescribed in **Annex-D;**

(iii) the quantity of precious metals imported under this scheme shall be capped at 25 kg on revolving basis;

(iv) the precious metals imported under this scheme shall neither be sold in the domestic market nor used for any other purpose except to make and export jewellery to the supplier as per term and conditions of the contract. Penalties under the prevalent laws shall be applicable in case of violation;

(v) the exporters shall inform Trade Development Authority of Pakistan about precious metals imported against authorization duly attested by the customs in the Passbook within twenty one days;

(vi) the foreign buyer, exporter or authorized representative shall be allowed to send by air or sea cargo or bring precious metals into Pakistan personally. However, he shall inform the customs authorities about arrival of precious metals under Entrustment Scheme including the identity of the person bringing consignment, arrival details such as flight number, time, airport or seaport etc. by which the consignment is scheduled to arrive and all other information as per **Annex-E;**

(vii) on arrival at airport or seaport, the consignment shall be declared to customs authorities indicating there in the quantity and weight at the counter made for the incoming passengers with accompanied precious metals, the custom authorities shall provide preferred handling for both import and export and in the weightment of precious metals variation of 1% shall be allowed;

(viii) the consignment of precious metals shall be cleared immediately after examination and verification of weight as per entitlement, under strict security and privacy. Relevant entries shall be recorded in the Jewellery Passbook by the customs authorities about such import clearance after fulfilling all legal requirements;

(ix) in case such precious metals consignment cannot be released immediately for any reason, the same shall be deposited with custom authorities in safe custody against a receipt for release after completion of formalities; and

(x) the exporter shall also be allowed, under the Entrustment Scheme to import jewellery for repair or remaking and re-export the same for which TDAP may give special authentication in the Jewellery Passbook.

(II) Export.-

(i) TDAP shall authenticate in the Passbook and authorize export as per procedure;

(ii) the exporter shall export eligible and authorized items within 120 days from the date of import of eligible and authorized items into Pakistan. Failure to export jewellery within the stipulated period shall be penalized under the relevant laws;

(iii) exporter shall inform Custom authorities in advance if the consignment would be carried as accompanied baggage and provide all required information as per Form at **Annex-F;**

(iv) the export documents shall clearly indicate the type of eligible jewellery, whether bangles or chain, plain or studded or embedded and purity and Carat of precious metals used in making the jewellery;

(v) at the time of export the customs authorities shall verify the weight of precious metals as per exporter's declaration duly authenticated by TDAP in passbook, and shall asses the minimum value addition norms as specified in this Order;

(vi) random testing of the jewellery export consignments shall be done at the time of export to ensure that they are fully in conformity with the declaration made to the customs, failing which penalties may be imposed against all beneficiaries; and under the relevant rules; and

(vii) after actual exports customs shall also authenticate the Passbook for effected exports.

(III) Export Proceeds. For the purpose of import of precious metals, the exporter shall deposit with his bank a cash margin equal to 1% of the value of precious metals to be imported and obtain from his bank a certificate as per **Annex-G**. The same shall be released or forfeited in the following manner:-

(i) The exporter shall within thirty days from the date of export, submit to the bank an application to release the 1% cash margin and attach Trade Development Authority of Pakistan Passbook and duly authenticated by Customs authorities and the bank certificate in original evidencing that exports were effected.

(ii) The Commercial banks shall forfeit the 1% cash margin in case exports proceeds are not realized within the time limit as prescribed in this Order and inform State Bank of Pakistan and Trade Development Authority of Pakistan, accordingly.

5. Self Consignment Scheme.- Export of jewellery made from locally procured precious metal and gemstones shall be allowed under this scheme as per the following procedure:-

(i) The registered exporter shall apply as per prescribed application form **(Annex-H)** to the Trade Development Authority of Pakistan for export authorization and such application shall be checked and verified by the TDAP and the entries shall be made in the Jewellery Pass Book.

(ii) Customs checking, random sampling etc. shall be same as in the entrustment scheme.

(iii) The sale proceeds shall be realized within 120 days from the date of export.

(iv) Minimum 50% of the export proceed shall be realized in the form of foreign exchange through normal banking channel. The remaining 50% of the export proceed may be realized either in the form of foreign exchange or in the form of precious metals, authorization of import of such precious metals shall be authenticated in the passbook by TDAP.

(v) The unsold jewellery or gemstones shall be deposited with the customs authorities and shall be cleared against relevant entries in Jewellery Pass Book for import of unsold jewellery or gemstones against previous authorization;

(vi) The Commercial Banks shall ensure that sale proceeds of Jewellery and gemstones exported under this Order shall be repatriated in full within 120 days otherwise commercial banks shall inform State Bank of Pakistan as well as to TDAP.

6. Import duties and taxes.- Import of precious metals and gemstones under this Order shall be exempt from normal import tariffs and taxes. Import of other raw materials, tools, machinery and equipments actually required for production and export items shall also be exempt from normal import tariffs and taxes also with prior authentication of Trade Development Authority of Pakistan. Furthermore, if an exporter uses duty-paid raw materials procured from the market, duty drawback shall be admissible according to the standard duty drawback system in force. Refund of sales tax, if paid on any raw material inputs, shall be allowed according to the Sales Tax Refund Rules in force for the time being.

7. **Sale of Jewellery to foreign buyers and overseas Pakistan.-** Foreign nationals and overseas Pakistanis shall be allowed to take out personally precious metals jewellery or gemstones , as accompanied baggage , up to the limit of US Dollars Ten Thousand, against foreign currency encashment certificate, with itemized purchased receipt.

8. **Sale in international fairs and exhibitions.-** Exporters shall be allowed to take out precious metals jewellery and gemstones, for sale in international fair and exhibitions, on same terms and conditions as applicable for export of locally procured jewellery with the condition that 100% of export proceeds realization shall be in form of foreign exchange from normal banking channels. If goods are to be taken for display only, one time permission for export cum-re-import may be obtained from Trade Development Authority of Pakistan as per their exhibition procedure.

9. **Wastage.-** Wastage or manufacturing loss in the production of precious metals jewellery shall be allowed to the exporters as per the Table below:-

TABLE

S.NO.	Description of Jewellery	Percentage of wastage
1.	Plain precious metals jewellery	2% of precious metals content of jewellery by weight
2.	Studded or embedded precious metals jewellery	10% of precious metals content of jewellery by weight

10. **Value addition norms.-** Export of precious metals jewellery shall be allowed with minimum value addition as given below:-

(a) 8% on bangles and chains;
(b) 12% on other plain jewellery; and
(c) 13% on studded or embedded jewellery.

11. **Savings.** (1). The procedure as well as the time limits for re-export and realization of export proceeds in respect of precious metals imported earlier and import authorizations issued by Trade Development Authority of Pakistan upto the 31st July, 2013 under Notification No. SRO 266(I)/2001 dated the 7th May, 2001 shall remain the same as provided under the said Notification.

(2). The commitments and obligations of exporters who have imported precious metals under Notification No. SRO 266(I)/2001 dated 7th May, 2001 upto the 31st July, 2013 shall remain the same as provided under the said Notification.

12. **Penalties.-**In case of mis-declaration or violation of any of the provisions of this Order, penalties shall be imposed under the Imports and Exports (Control) Act, 1950 and any other applicable laws for the time being in force.

13. **Repeal.-** Import and Export of Gold, Gold Jewellery and Gemstones Order, 2001, is hereby repealed.

ANNEX-A

[see clause-2(j)]

TEMPLATE Of PRESCRIBED PASSBOOK FOR EXPORT OF GOLD JEWELLERY UNDER SELF

Exporters Registration No: for example : KE 415/2013

	EXPORT AUTHORIZATIONS													ACTUAL EXPORT				REMITTANCES/SALE PROCEEDS						
S#	TOAP APPROVAL NO	SHIPPING BILL NO &DATE	COUNTRY exported to	FORM 'E'			BANKDRAFT/PAY ORDER OF 0.25% OF EXPORT VALUE	WEIGHT OF GOLD/SILVER/PLATINUM JEWELLEY (GRMS)	WEIGHT OF PURE SILVER/PLATINUM (GRMS)	WEIGHT OF STONE (GRMS)	FOB VALUE ($)	Authentication by TDAP	VALUE ADDITION ($)	GD-1 (BILL OF EXPORTS)		Authentication by Customs	RELEASE OF DRAFT/PAY CHECK BY OFFICER	50% OF GOLD OR LESS	IMPORT AUTHORIZATION BY TDAP	US $ BANK	NO.	DATE	AMOUNT	BANK AUTHENTICATION
				BANK	NO.	DATE								NO.	DATE									

Annex-B

[see clause 3(5)]

A.TEMPLATE OF JEWELLARY PASSBOOK FOR IMPORT OF GOLD UNDER ENTRUSTMENT SCHEME

Exporters Registration No: xample : KE 415/2013

S#	Date	CONTRACT NO & DATE	IMPORT AUTHORIZATION			1% VALUE OF GOLD DEPOSIT AS	CONVERSION (24 K)	IMPOPRT AUTHENTICATION BY	IMPORT (QTY)	AUTHENTICATION ON IMPORT BY
			QTY	VALUE	KARAT					

B. TEMPLAT OF JEWELLARY PASSBOOK FOR EXPORT OF JEWELLERY AGAINST ENTRUSTMENT SCHEME

Date	TDAP APPROVAL NO	E- FORM	ITEMS	FOB VALUE	GOLD CONTENT			AUTHENTICATION OF EXPORT BY TDAP	ACTUAL EXPORT	OUT OF CHARGE G-D	AUTHENTICATION BY CUSTOMS ON ACTUAL EXPORT	RELEASE OF 1% DRAFT/PAYORDER	Bank attestation
					NET	WASTAGE	TOTAL						

Annex-C
[see clause 4(2)(I)(i)]

(TEMPLATE OF APPLICATION FOR IMPORT AUTHORIZATION UNDER ENTRUSTMENT SCHEME)

Director General
Trade Development Authority of Pakistan

Subject: **Request for Import Authorization under Entrustment Scheme.**

We, M/s ________________________, and if with TDAP's registered exportation No______________ would like to receive gold in advance (import) from M/s ___________________ based at ______ for value addition as per contract enclosed with all agreed terms & conditions (enclosed).

You are requested to kindly process it, if is all found in order, kindly authorized in the pass book.

Your truly,

M/s___________________

Annex-D
[See clause 4(2)(I)(ii)]

TEMPLATE OF INFORMATION REQUIRED FOR CONTRACT REGISTRATION

(Following Minimum Information inter-alia to be included in the Contract)

(SUPPLIER DETAIL)

i. Name of Gold provider:
ii. ID of Gold provider:
iii. Name of Company:
iv. Address:
v. Contact No:
vi. Weight of Gold (gms)
vii. Value of Gold (US $)
viii. Terms of Conditions:
  - Period by which Jewellery to be delivered
  - Designs/patterns
  - Mode of Payment
  - Types of Jewellery
  - Dispute Settlement Mechanism
  - Identity of person who brings gold

ix. Signatures/Stamps
x. Signing of contract by the provider to be notarized by legal authority of the country from where gold is imported. This is to be attested by Pakistan's Mission Abroad:

(PAKISTANI MANUFACTURER's DETAIL)

i. Name of Manufacturer:
ii. Passport No of person responsible for custody of the gold in Pakistan:
iii. Name of Company:
iv. NTN:
v. Registration No:
vi. Address:
vii. Details of Jewellery
viii. Signatures/Stamps

Annex-E
[See clause 4(2)(I)(vi)]

ADVANCE INFORMATION TO THE CUSTOMS OF ARRIVAL OF PRECIOUS METAL THROUGH AUTHORIZED PERSON

Section-I (to be filled by Exporter importing Precious Metal):

1. Name of Pakistani exporter importing Precious Metal ____________________
2. Full address: ____________________
3. Telephone No. ____________________ Fax No. ____________________
4. TDAP Reg. No. (for Precious metal): ____________________
5. Quantity of Precious Metal: ____________________ Gms.
6. Name of the representative who is bringing Precious Metal____________________ S/o ____________
7. Passport No. ____________________ date and Place of issue: ____________
8. Flight No. ________ Date ____________ Approximate arrival time:____________
9. Name of the overseas/foreign supplier:____________________

Stamp and signature of exporter: ____________________

Section-II (for Endorsement by Customs A.F.U/Arrivals Lounge):

The particulars of authorized person who is receiving and acknowledging:

Name: ____________________ Designation: ____________________

Date: ____________________ time: ____________________

Customs reference No. ____________________

Remarks if any: ____________________

(Stamp and Signature of Customs)

Annex-F
[See clause 4(2)(II)(iii)]

ADVANCE INFORMATION TO THE CUSTOMS REGARDING JEWELLERY TO BE EXPORTED

Section-I (to be filled by of jewellery):

1. Name of Pakistani exporter of jewellery:
   ____
2. Full address:
   ____
3. Telephone No. __________________ Fax No.
   ____
4. TDAP Reg. No. (for gemstones/jewellery):
   ____
5. Quantity of Jewellery: __________________ GM/Cart.
6. Name of the representative who is taking Jewellery______________ S/o
   ____
7. Passport No. ______________________ date and Place of issue:
   ____
8. Flight No. _______ Date _________ Approximate departure
   time:______________
9. Name of the
   :__________________________________

Stamp and signature of exporter: ________________________

Section-II (for Endorsement by Customs A.F.U/Arrivals Lounge):

The particulars of authorized person who is carrying jewellery.

Name: ____________________ Designation:
____

Date: ___________________ time:
____

Customs reference No.
____

Remarks if any:
____

(Stamp and Signature of Customs)

Annex- G
[See 4(2)(III)]

IMPORT OF PRECIOUS METAL AND EXPORT OF GOLD JEWELLERY UNDER ENTRUSTMENT SCHEME

Bank Certificate

Name of Bank: ______________________________

Certificate No. ____________________________ Date: ________________________

1.Name of Pakistani exporter of precious metal jewellery: ________________________

2.Full address: ____

3.Name of foreign supplier of precious metal under “Entrustment Schems”:_______________

____

4.Contract No.______________________________ Date: ________________________

5.Import authorization/ Export approval of TDAP No. ______________________________

6. Weight of precious metal______________________ value of precious metal_$________

7. Value in Pak Rs.______________________________

8. Amount of cash margin retained Rs_________________________

Stamp and Authorized Signature of Bank

1.Date of import precious metal_ brought into Pakistan _____________________________

2. Date of clearance of precious metal _______________________________________

3. Weight ___________________________ value $ ______________________________

4. Value of Pak Rs.____________________________________

5. Date of export _____________________ For ‘E’ No. ____________________________

6. Customs reference to Export File No. ______________________________________

7. Cash margin retained amount Rs.____

Stamp a Signature of Bank

Annex-H
[See 5(i)]

(TEMPLATE OF APPLICATION FOR EXPORT OF GOLD JEWELLERY UNDER LOCALLY PROCURRED GOLD SCHEME)

Director General
Trade Development Authority of Pakistan
Karachi.

Subject: **Request for Export Authorization under Locally Procured Gold Scheme.**

We, M/s ________________________, with TDAP's registered exportation No______________ would like to export value added jewelery weighing ____________ to ___________. E-form is enclosed showing that sales proceeds would be earned through this shipment.

Details of value added jewellery are reproduced below:

- i. Total Value of gold / silver/ gemstones
  - a. Value in PKR
  - b. Value in US $
- ii. Total weight of gold/ silver/ gemstones jewellery
- iii. Total Value addition in the form of
  - (a) Gemstones
  - (b) Labour Charges
  - (c) Overheads

You are requested to kindly process it, and authenticate on passbook if all is found to be in order.

Your truly,

M/s____________________

Note:- Draft authorization for 50% or less of Gold as export proceeds may only apply to TDAP after customs have authenticated have actual exports

F. No. 1(27)/2013-SO (TP)

(Aemen Javaria)
Section Officer (Trade Policy)