

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE**

C.No. 3(1)EP/2021- 63634-R

Islamabad, the 19th May, 2021

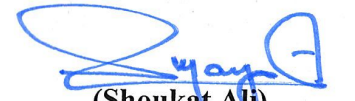
1. ✓ The Pakistan Hosiery Manufactures and Exports Association,
P.H.M.A House, 37-H,
Block 6, P.E.C.S.H,
Karachi.
2. All Pakistan Textile Mills Association,
APTMA House, 44-A, Lalazar,
Moulvi Tamizuddin Khan Road,
Karachi.
3. The Pakistan Business Council,
8th Floor, Dawood Center,
M.T.Khan Road,
Karachi.

**SUBJECT: FEEDBACK ON THE DRAFT AMENDMENTS IN SRO 450(I)/2001
DATED 13.06.2001 AND SRO 327(I)/2008 DATED 29.03.2008**

I am directed to refer to the subject cited above and to enclose copies of the two draft notifications i.e. draft amendments in SRO 450(I)/2001 dated 13.06.2001 (**Annex-A**) and draft amendments in SRO 327(I)/2008 dated 29.03.2008 (**Annex-B**) and to request that feedback thereof may be provided to the Federal Board of Revenue within a week time.

2. A scanned and soft copy of the same may also be emailed at [secretary.exportpolicy@fbr.gov.pk].

Encl: As above.


(Shoukat Ali)
Secretary (Export Policy)

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE**

Islamabad, the May, 2021.

**NOTIFICATION
(CUSTOMS)**

S.R.O.(I)/2021.- The following draft of certain further amendments in the Customs Rules, 2001, which Federal Board of Revenue proposes to make in exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for information of all persons likely to be affected thereby and, as required under sub-section (3A) of section 219 of the Customs Act, 1969 (IV of 1969), notice is hereby given that objections or suggestions thereon, if any, may for consideration of the Board be sent within fifteen days of publication of the draft amendments in the official Gazette. Any objections or suggestions which may be received from any person, before the expiry of the aforesaid period, shall be taken into consideration by Federal Board of Revenue, namely:-

DRAFT AMENDMENTS

In the aforesaid Rules,-

- (1) after rule 230, the following new rule shall be added, namely:-

“230A. Subcontracting from Units of the Tariff Area;-“Units operating in a zone shall be allowed to undertake subcontracting from the units of the tariff area prior permission of the Collector of Customs on such conditions, restrictions and limitations as may be prescribed by the

Collector or as otherwise provided in the Act or the Rules made thereunder.

Provided further that the investor at the time of applying for subcontracting shall declare in his application about the process that he intends to get done from a vendor, along-with particulars of the vendor. The vendor shall have a valid Sales Tax Registration and his name shall be appearing in the Sales Tax Active taxpayers list. The vendor shall have in-house manufacturing facility to perform the stated manufacturing process. The vendor shall not be changed or added except with prior permission of the DC/AC concerned. Two sealed and signed samples of the goods shall be retained at the time of the movement of the goods for vending and the same shall be handed over on arrival of the goods after the stated work is completed on the goods”.

- (2) in second proviso of sub-rule (9) of rule 226, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided further that after expiry of utilization period, the input goods may be put to auction as per customs laws and rules”.

- (3) in clause (b) of sub-rule (1) of rule 297, for the figures “15%” the figure “10%” shall be substituted.

- (4) after clause (d) of sub-rule (1) of rule 297, the following new clause shall be added, namely:-

“(e) local producers of intermediate products used by the exporters operating under DTRE scheme”.

- (5) in rule 305, for the words/expressions “**twelve months**”, the words/expressions “**twenty four months**” shall be substituted.

(6) after clause (d) of rule 342, the following new clause shall be added, namely:-

“(d1) “export” includes supply of goods,—

- (i) by an indirect exporter to a direct exporter;
- (ii) against international tenders;
- (iii) to projects or sectors entitled to import or purchase such goods free of duties and taxes; and
- (iv) to export processing zones;

(7) for the clause (c) of sub-rule (1) of rule 343, the following shall be substituted, namely:-

“(c) banker certificate directly forwarded by the bank to the regulatory authority under sealed envelope regarding financial transactions of the applicant during the last two years **and in case of newly incorporated companies bank certificate directly forwarded by the bank to the regulatory authority under sealed envelope along-with the statement showing funds equivalent to the amount of duty and taxes required for purported imports under these rules.**

(8) in sub-rule (10) of rule 352, for the words/expressions “Federal Excise and Sales Tax, is paid on such wastage before removal”, the words/expressions **“duty and taxes are paid on such wastage before removal as if it had been imported into Pakistan in that form”**, shall be substituted.

(9) in sub-rule (1) of rule 356, the words/expressions “the bond to bond transfer of warehoused goods may be allowed by the Collector”, the words/expressions **“the bond to bond transfer of warehoused goods**

may be allowed after recording such transfers in WeBOC and on intimation to the Collector” shall be substituted.

[C. No.

(Wajid Ali)
Secretary (Law & Procedure)

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE**

Islamabad, the May, 2021.

**NOTIFICATION
(CUSTOMS)**

S.R.O. (I)/2021.- The following draft of certain further amendments in the Export Oriented Units and Small and Medium Enterprises Rule, which it is proposed to be made by Federal Board of Revenue, in exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 10 of the Federal Excise Act, 2005 and section 237 of Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for information of all persons likely to be affected thereby and, as required under sub-section (3A) of section 219 of the Customs Act, 1969 (IV of 1969), notice is hereby given that any suggestions or objections thereon may, for consideration of Federal Board of Revenue, be sent within fifteen days of publication of the proposed draft amendments in the official Gazette. Suggestions or Objections received, if any, before the expiry of the said period, shall be taken into consideration by Federal Board of Revenue, namely:-

In the aforesaid Rules,-

(1) after clause (c) of sub-rule (1) of rule 2, the following new clause shall be added, namely:-

“(c1). “export” includes supply of goods,-

- (i) by an indirect exporter to a direct exporter;
- (ii) against international tenders;
- (iii) to projects or sectors entitled to import or purchase such goods free of duties and taxes; and
- (iv) to export processing zones.”

(2) for the clause (l) of sub-rule (1) of rule 2, the following shall be substituted, namely:-

“(1) "vendor" means "a person who is registered under the Sales Tax Act, 1990 and to whom goods are provided by the licensee for further manufacture of goods".

(3) for clause (c) of sub-rule (1) of rule 3, the following shall be substituted, namely:-

“(c) banker certificate directly forwarded by the bank to the regulatory authority under sealed envelope regarding financial transactions of the applicant during the last two years **and in case of newly incorporated companies bank certificate directly forwarded by the bank to the regulatory authority under sealed envelope along-with the statement showing funds equivalent to the amount of duty and taxes required for purported imports under these rules.**

(4) In the first proviso of sub-rule (2) of rule 9, after the words/expressions “provisional analysis certificate”, the words/expressions “as applied by the licensee” shall be inserted.

(5) in clause (a1) of sub-rule (1) of rule 10, for the words/expressions “the Collector of Customs may allow transfer of input goods” the words/expressions “**the imported goods may be transferred, after recording such transfers in WeBOC and on intimation to the regulatory authority**” shall be substituted.

(6) in sub-rule (7) of rule 10, for the words/expressions “Federal Excise and Sales Tax, is paid on such wastage before removal”, the words/expressions “**duty and taxes are paid on such wastage before removal as if it had been imported into Pakistan in that form**”, shall be substituted.

(7) after sub-clause (a1) of clause (a) of sub-rule (1) of rule 10, the following new clause shall be added, namely:-

“(b) local supply of inputs goods to the licensee shall be exempted from sales tax and federal excise duty.”

[C.No.3(1)EP/2020]

(Muhammad Duad Pirzado)
Secretary (Export Policy)