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GOVERNMENT OF PAKISTAN  
MINISTRY OF TEXTILE & COMMERCE  
(TEXTILE DIVISION)

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Islamabad the 3<sup>rd</sup> August, 2018

**NOTIFICATION**

**No. 1(42-B)TID/18-TR-II.** In pursuance of Entry 7 of Item 39 of Schedule II of the Rules of Business, 1973, the extension in Prime Minister's Package of Incentives for Exporters approved by the Federal Government in order to provide duty drawback of taxes collected from garments, home textiles and processed fabric to manufacturing cum exporting units and commercial exporters, the Textile Division is pleased to make the following Order, namely;

- 1(1) This may be called the "Duty Drawback of Taxes Order 2018-21".
- (2) The duty drawbacks under this Order shall be allowed for the shipments made from the July 1<sup>st</sup>, 2018 to 30<sup>th</sup> June, 2021 to the whole of Pakistan including exports from Export Processing Zones as under;
  - a) Fifty percent of the rate of drawback shall be provided without condition of increment.
  - b) Remaining fifty percent of the rate of drawback shall be provided, if the exporter achieves an increase of ten percent or more in exports during the financial year 2018-19 as compared to the financial year 2017-18 or exports in financial year 2019-20 as compared to financial year 2018-19 or in financial year 2020-21 as compared to financial year 2019-20;
  - c) The actual rate of drawback against clause (b) shall be determined on the basis of annual performance of the exporter, but in order to improve his cash flow, the disbursement against clause (b) shall be allowed on the performance during July-December of each year, subject to submission of a bank guarantee that the exporter shall return the excess amount, in case his annual exports are less than the eligibility criteria stipulated in clause (b); and
  - d) An additional 2% drawback shall be allowed for exports to non-traditional markets i.e. Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania, at the time of submission of claims mentioned in clause (a). List of eligible countries is attached at **Annex-I**.

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**2. Eligibility.-** (1) The duty drawback shall be provided to manufacturing-cum exporting units and commercial exporters on export of products under specific Tariff Codes of the Pakistan Customs Tariff at rates specified in **Annex-II** of this Order.

(2) The export performance in case of drawback at 1(4)(b) above shall be analyzed separately for each category of eligible products.

(3) Exports shall be calculated on the basis of shipment date.

(4) Drawback claims of only those exports shall be admissible, proceeds of which have been fully realized as per foreign exchange rules notified by SBP from time to time. However, the date of realization shall have no bearing in determining the year in which the transaction shall be accounted for.

(5) The exporters availing the drawback shall be registered with the Textile Division and use Textile Division's online portal to follow subsequent Circular (s) issued by State Bank of Pakistan stipulated under para 1 (4) of this Notification.

(6) The exporter availing the drawback shall be a registered sole proprietor, partnership or a company, and shall be a member of a textiles association or chamber registered with the Directorate of Trade Organizations, Ministry of Commerce & Textile.

(7) The exporters shall furnish data and any information related to its operations, domestic sales, accounts and exports as and when required by the Textile Division.

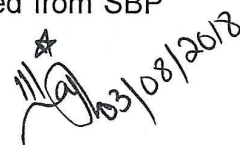
**3. Procedure for Claims:-** (1) State Bank of Pakistan in consultation with Textile Division, shall devise mechanism to ensure prompt clearance of drawback claims in compliance of this order.

(2) For implementation of para 1(4) (a) and 1(4) (d)

a) The exporters shall file claims for the incentive in the Form as devised by the State Bank of Pakistan and submit to the Authorized Dealer. The Authorized Dealer shall scrutinize the claim as per the procedure circulated by the SBP. Claims found in order would be submitted to the field offices of State Bank of Pakistan – Banking Services Corporations (SBP-BSC) along with an undertaking in the prescribed manner.

b) The SBP shall scrutinize the claims and release the amount of claim to the Authorized Dealers, within 30 days, subject to availability of budget, by debiting the relevant Government head of account.

c) The Authorized Dealers shall credit the amount of claim received from SBP within twenty four (24) hours to the exporter.

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d) The FBR shall provide electronic data to SBP for expeditious verification/scrutiny of claims

e) This procedure is applicable for para 1(4)(a) i.e. 50 percent of the rate of drawback shall be provided without condition of increment and para 1(4)(d) i.e. an additional 2% drawback shall be allowed for exports to non-traditional markets.

(3) SBP shall issue a separate circular for implementation of Para 1(4)(b) and 1(4)(c) in consultation with the Textile Division.

**4. Periodical audit.-** (1) The receipt of drawback payments shall be properly reflected in the books of accounts or balance sheets of the exporters.

(2) The Textile Division, Finance Division or SBP, as the case may be, reserves the right to conduct periodical, random, on the spot checks and audits to verify the claims filed and drawbacks received by the exporters under this order

**5. Penalty for Contravention.-** (1) Any exporter/Authorized Dealer which, in contravention of the provisions of this Notification and SBP's Circular, through acts of omission or commission files/verify fraudulent claims shall be liable to penalty as determined by SBP in their circular.

**6. Cut-off date.-** (1) The cut-off date for filing claims to SBP for exports in each financial year shall be the 31<sup>th</sup> May of the subsequent year and after that no claims shall be accepted by the SBP.

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03/08/2018  
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Section Officer (TR)

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KARACHI

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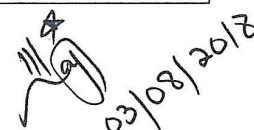
1. Federal Minister for Commerce & Textile, Islamabad
2. Secretary, Textile Division, Islamabad
3. Secretary, Finance Division, Islamabad
4. Governor, State Bank of Pakistan, Karachi

*Wajeeha Bashir*  
**(Wajeeha Bashir)**  
Section Officer (TR)


[see para 1(4)(d)]

## LIST OF NON-TRADITIONAL MARKETS

Africa					
1	Algeria	21	Gambia	41	Rwanda
2	Angola	22	Ghana	42	Saint Helena
3	Benin	23	Guinea	43	Sao Tome and Principe
4	Botswana	24	Guinea-Bissau	44	Senegal
5	Burkina Faso	25	Kenya	45	Seychelles
6	Burundi	26	Lesotho	46	Sierra Leone
7	Cabo Verde	27	Liberia	47	Somalia
8	Cameron	28	Libya, State of	48	South Africa
9	Central African Republic	29	Madagascar	49	South Sudan
10	Chad	30	Malawi	50	Sudan
11	Comoros	31	Mali	51	Swaziland
12	Congo	32	Mauritania	52	Tanzania
13	Cote d'Ivoire	33	Mauritius	53	Togo
14	D.R. Congo	34	Mayotte	54	Tunisia
15	Djibouti	35	Morocco	55	Uganda
16	Egypt	36	Mozambique	56	Western Sahara
17	Equatorial Guinea	37	Namibia	57	Zambia
18	Eritrea	38	Niger	58	Zimbabwe
19	Ethiopia	39	Nigeria		
20	Gabon	40	Reunion		
Latin America					
1	Anguilla	18	Ecuador	35	Saint Vincent and the Grenadines
2	Antigua and Barbuda	19	El Salvador	36	Suriname
3	Argentina	20	Falkland Islands (Malvinas)	37	Trinidad and Tobago
4	Aruba	21	Grenada	38	Turks and Caicos Islands
5	Bahamas	22	Guatemala	39	Uruguay
6	Barbados	23	Guyana	40	Venezuela, Bolivarian Republic of
7	Belize	24	Haiti		
8	Bolivia, Plurinational State of	25	Honduras		
9	Brazil	26	Jamaica		
10	British Virgin Islands	27	Mexico		
11	Cayman Island	28	Montserrat		
12	Chile	29	Nicaragua		
13	Colombia	30	Panama		
14	Costa Rica	31	Paraguay		
15	Cuba	32	Peru		
16	Dominica	33	Saint Kitts and Nevis		


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17	Dominican Republic	34	Saint Lucia		
<b>Annex-I (Continued)</b>					
<b>Commonwealth of Independent States (CIS)</b>					
1	Azerbaijan	5	Moldova, Republic of	9	Ukraine
2	Belarus	6	Russian Republic	10	Uzbekistan
3	Kazakhstan	7	Tajikistan		
4	Kyrgyzstan	8	Turkmenistan		
<b>Oceania</b>					
1	American Samoa	10	Marshall Islands	19	Papua New Guinea
2	Australia	11	Micronesia, Federated States of	20	Pitcairn
3	Christmas Island	12	Nauru	21	Samoa
4	Cocos (Keeling) Islands	13	New Caledonia	22	Solomon Islands
5	Cook Islands	14	New Zealand	23	Tokelau
6	Fiji	15	Niue	24	Tonga
7	French Polynesia	16	Norfolk Island	25	Tuvalu
8	Guam	17	Northern Mariana Islands	26	Vanuatu
9	Kiribati	18	Palau	27	Wallis and Futuna Islands
<b>Non-EU European Countries</b>					
1	Albania	5	Kosovo		
2	Georgia	6	Lichtenstein		
3	Gibraltar	7	Macedonia		
4	Iceland	8	Norway		

  
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**Eligible Product Lines of Processed Fabrics Category @ 2%**

52083100	52083200	52083300	52083900	52084100	52084200	52084300	52084900	52085100	52085200		52085900
52093100	52093200	52093900	52094100	52094200	52094300	52094900	52095100	52095200	52095900	52103100	52103200
52103900	52104100	52104900	52105100	52105900	52113100	52113200	52113900	52114100	52114200	52114300	52114900
52115100	52115200	52115900	52121300	52121400	52121500	52122300	52122400	52122500	53091900	53092900	53109010
53109090	54074200	54074300	54074400	54075200	54075300	54075400	54077200	54077300	54077400	54078200	54078300

54078400	54079200	54079300	54079400	54082200	54082300	54082400	54083200	54083300	54083400	55121900	55122900
55129990	55132100	55132300	55132900	55133100	55133900	55134100	55134900	55142100	55142200	55142300	55151190
55142900	55143010	55143090	55144100	55144200	55144300	55144900	55161200	55161300	55161400	55162200	55162300
55162400	55163200	55163300	55163400	55164200	55164300	55164400	55169200	55169300	55169400	60052200	60052300
60052400	60053200	60053300	60053400	60054200	60054300	60054400	60062200	60062300	60062400	60063200	60063300
60063400	60064200	60064300	60064400	5602	5603	5903	5906	5907	55151290	55151390	55151990
55152190	55152290		55152990	55159190	55159990	60011090	60012190	60012290	60012990	60019190	60019290
60019990	60031090	60032090	60033090	60034090	60039090	5806.40	58021900	60059090	60069090		

**Eligible Products of Made-Ups Category @ 3% HS Codes 9404.3000, 9404.9000, 5608 and Chapters 57 and 63 excluding 6309 and 6310**

**Eligible Products of Garments Category @ 4%: Chapter 62 and 61**

*[Handwritten signature]*  
03/08/2018