



# FOREIGN EXCHANGE OPERATIONS DEPARTMENT

RESEARCH & DEVELOPMENT SUPPORT

GARMENTS / HOME TEXTILE

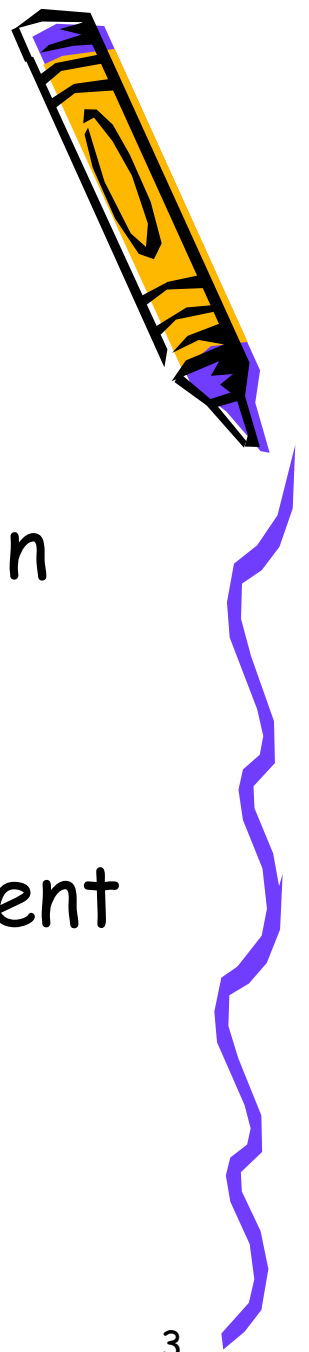


# RDS SCHEME - INTRO



- Ministry of Commerce vide their SRO No. 437 (I)/2005 dated May 18, 2005.
- FE Circular 6 issued on June 18, 2005
- The purpose was to encourage Garment manufacturers to export to specific markets
- Under WTO, no rebate or subsidy can be given. So Government used this terminology to give support to Garment exporters.
- Similar Scheme is running in Bangladesh, India, and some other Asian countries



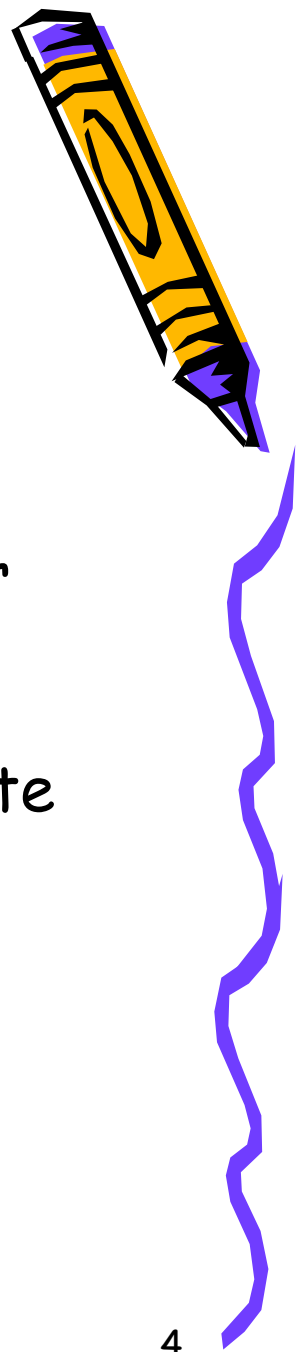


# RDS - Basic Requirements

- Garment Export under HS Code chapters 61 & 62 to USA and EU on or after April 12, 2005
- Realization of export proceeds
- Membership of 5 registered Garment Exporters Associations



# RDS - Documentary Requirements



- Annexure I - Exporters claim
- Annexure II - ADs undertaking
- Annexure III - Customs certificate (no longer required)
- Annexure IV - ADs certificate of realization
- Annexure V - Exporters Association Certificate
- Copy of E Form
- Invoice
- Goods Declaration Form
- Bill of Lading



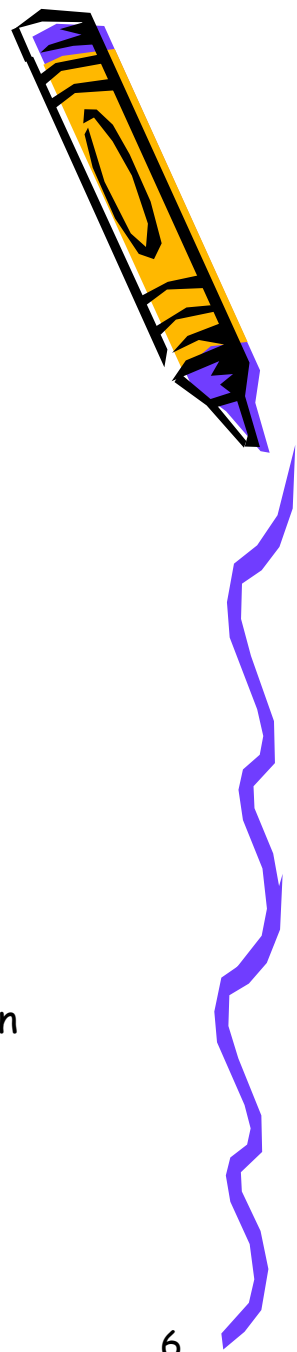
# RDS - Modifications



- Date of submission for Zero Period cases was extended to July 31, 2005 and later to August 30, 2005.
- Initially 30 days after realization of export proceeds were given to submit cases. This was extended to 90 days.
- Copy of Triplicate E Form was also allowed besides Duplicate
- Canada was included in the list of countries export to which were eligible for RDS.
- A fifth Exporters Association was also allowed to forward RDS cases
- On May 15, 2006, a category of Time Barred cases were allowed to be submitted upto June 20, 2006.
- Vide FE Circular 4 dated April 14, 2006, exports from Export Processing Zones were also made eligible for RDS.
- FE Circular 12 dated August 28, 2006 allowed RDS on home textiles and dyed / printed cloth manufacturing units.



# RDS - Reasons for Delay in Disposal



- Incorrect Annexure II
- Incomplete GD Form
- Non-Negotiable copy of Bill of Lading
- Carrier AWB and ADs certification not submitted with HAWB / FCR
- Claim lodged for amount in excess of Realization
- Claim lodged for amount in excess of shipment
- Commission not deducted
- Duties not deducted in cases of DDU shipment
- Freight & Insurance not deducted in case of CIF shipment
- Higher rate of foreign exchange conversion
- Ineligible commodity
- Ineligible destination
- Less freight deducted
- Non availability of month and serial number of Returns in which realization reported
- Less reported in relevant Schedule
- Miscalculation on An I



# RDS - How to Process the Case



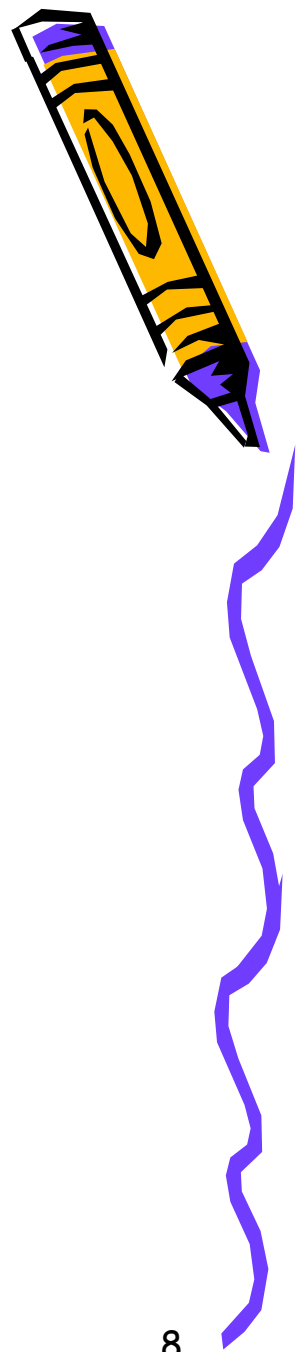
- Forwarding letter in the form of processing sheet
- Preliminary checking of Annexure I
- Annexure II is complete and amount in words & figures match
- Amount of Annexure II is same as on Annexure I
- Annexure IV is complete as per prescribed format.
- Realized amount on Annexure I is not greater than amount on Annexure IV
- Annexure V is issued by an authorized association and party name, eform number & amount match with the case



# Contents of Documents

## Covering Letter

- Paper of different color is used for each scheme:
  - White Sheet for Garments case
  - Blue Sheet for Home Textile case
  - Yellow Sheet for Leather Footwear case
- Necessary facts of the case are mentioned on this sheet.



# Contents of Documents

## Annexure I

- Letter head of Exporter
- All details should be mentioned
- Calculations must include effect of freight, insurance and commission, if term is C&F, CIF, DDU, DDP, etc



# Contents of Documents

## Annexure II



### Common Errors:

- Unsigned and un stamped
- Amount in words and figures do not tally
- Incomplete wording e.g. 4% above the bank rate not mentioned
- Name of party / exporter differ



# Contents of Documents

## GD FORM

- All pages of GD should be submitted.
- Sometimes not attested
- Do not rubber stamp the mandatory narration
- MR stamp and examination report missing on the back of GD



# Contents of Documents

## BILL OF LADING

- Bill of Lading should be Negotiable, with "Shipped on Board" stamp
- E Form number missing on B/L
- Port of delivery / discharge should be mentioned
- Unattested



# Contents of Documents

## CARRIER AWB

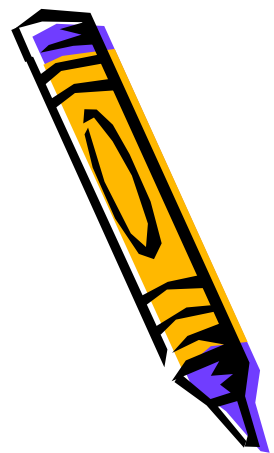
- HAWB alone is not enough. Should be supplemented by Carrier AWB, example include PIA, Saudi Airline, KLM, Thai Airline, etc
- Legible copy of AWB
- Attested copy of AWB
- Link with HAWB



# Contents of Documents

## ANEXURE IV

- Not properly signed and stamped
- Amount in FX not mentioned
- Rate of currency some time not correct
- Detail of schedule not mentioned
- Not presented in the proper letter head
- Should be in the proper letter head
- Should be in the prescribed format



# Contents of Documents

## ANEXURE V

- Alteration of amount and other contents are not properly rectified
- Photocopy of Annexure V not acceptable



# Contents of Documents

## **COPY OF SCHEDULE**

- Should be submitted to avoid delay due to non availability of Schedule



# Main Issue in Home Textile

- Bifurcation of claim into 5% and 3%
- According to SRO No.803 of August 2006, Dyed items will get 5%, whereas Fabric and Bleached items will get 3%



# Clarification Regarding FCR, HAWB & Waybill



- These documents are not negotiable documents
- These documents should be supplemented by Realization Certificate other than Annexure IV / Appendix I (PRC)



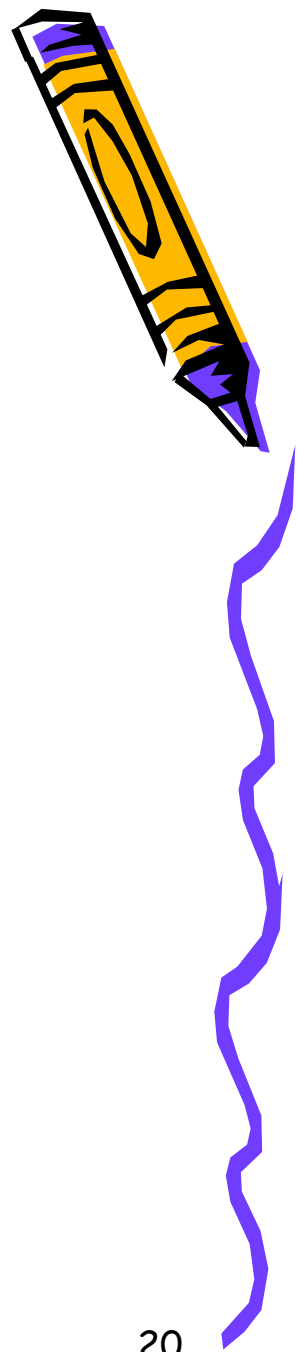
# Narration of Realization Certificate



"We, (Name of Bank) certify that the payment of goods exported by (Name of Exporter) against FCR / HAWB / Waybill No. \_\_\_\_\_ dated \_\_\_\_\_ for US \$ / Euro / GBP / etc \_\_\_\_\_ against E Form No. \_\_\_\_\_ has been realized



# RDS - List of EU Countries



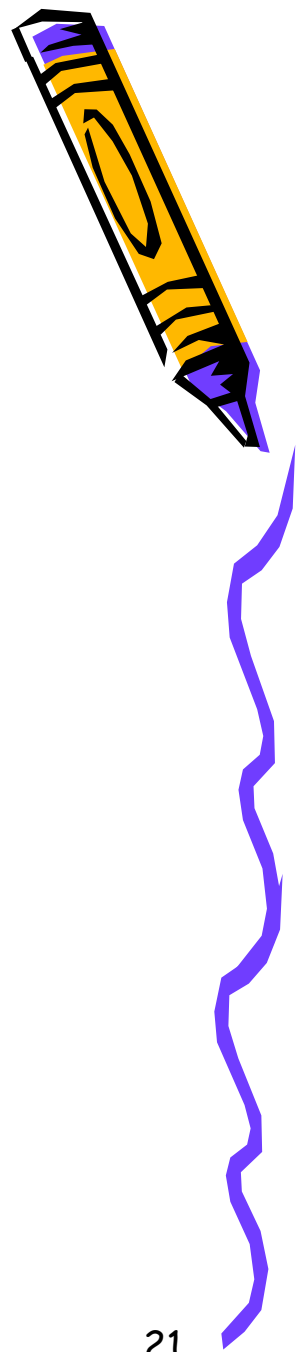
- Austria
- Belgium
- Bulgaria (2007)
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- The Netherlands
- Poland
- Portugal
- Romania (2007)
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom



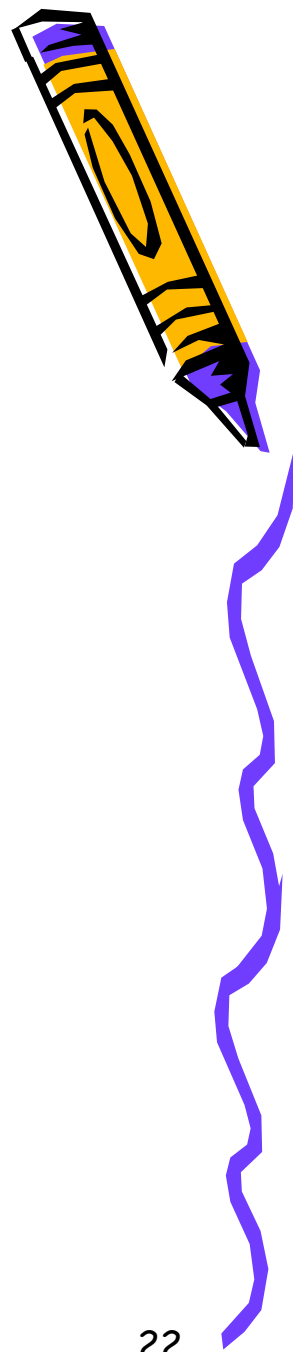
# RDS - Frequent Invalid Destination

European Countries:

- Norway
- Romania
- Croatia



# RDS - Frequent Invalid Destination



South American Countries:

- Costa Rica
- Puerto Rico
- Mexico
- Port of Spain
- Other Caribbean Islands



# RDS - Frequent Invalid Destination

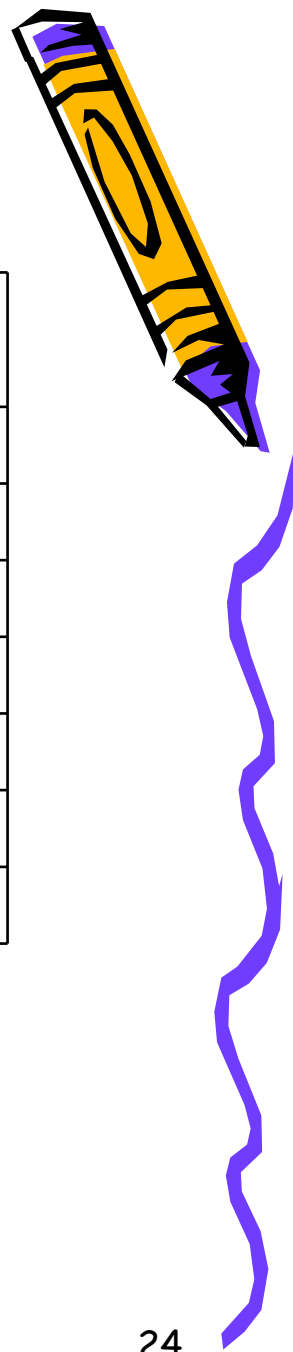


Other Countries:

- Jordan
- KSA
- Dubai



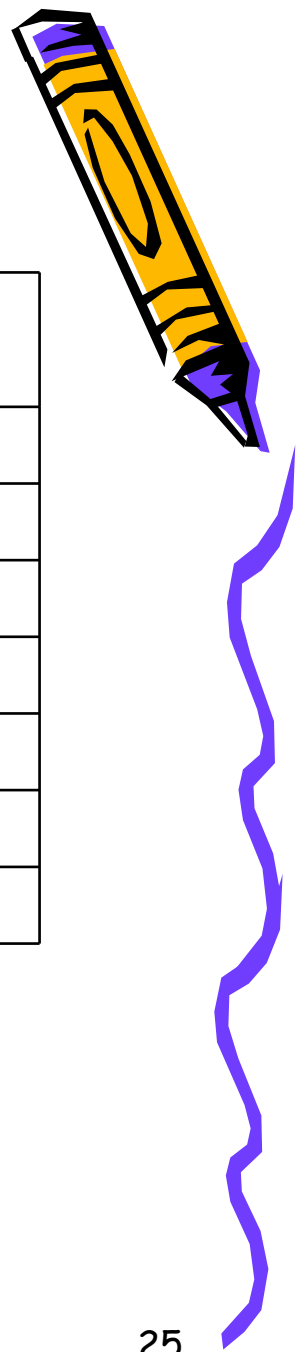
# Payments Statistics & Trend



Month	Cases Received	Cases Paid	Amount
Jan-07	6,281	6,542	668,686,356.00
Feb-07	7,818	7,837	848,166,485.00
Mar-07	8,479	10,440	1,176,908,084.00
April-07	9,070	7,114	707,546,352
May-07	7,927	7,402	743,779,658
June-07	8,304	7,486	757,978,535
July-07	7,452	5,969	737,535,878



# Payments Statistics & Trend



Month	Cases Received	Cases Paid	Amount	
Aug-07	8,421	6,628	1,413,787,876	
Sep-07	8,179	7,312	768,724,171	
Oct-07	7,470	7,039	822,179,820	
Nov-07	10,497	7,969	899,668,987	
Dec-07	7,632	5,665	644,640,725	
Jan-08	9,345	10,402	1,080,528,457	
Feb-08	8,502	6,844	802,786,380	

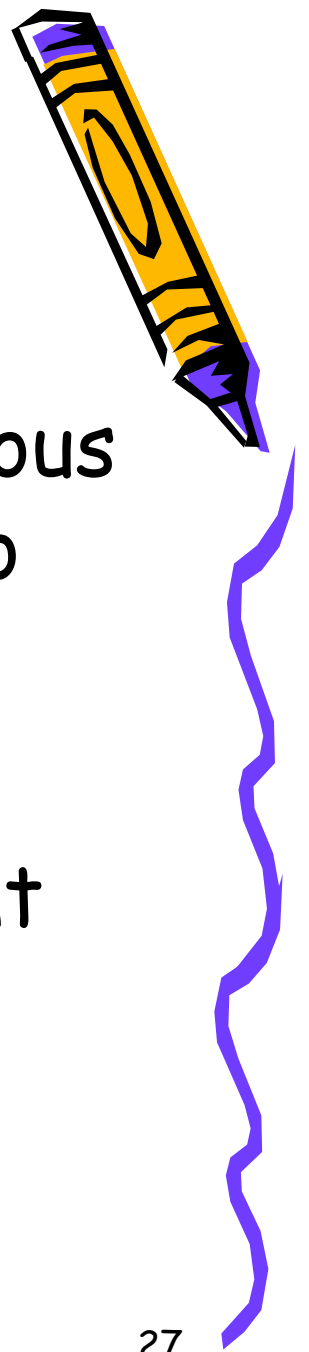


# Positive Steps by FEOD



- According to FE 6 and 12, cases are to be submitted up to 11:00 a.m. on all working days, but we relax it to 1:30 p.m. and sometimes receive the case even at 5:00 p.m. if it is the last day for submission
- Often we overlook the mandatory condition of rubber stamp on GD form and E Form
- Do not return the cases if freight and commission have not been deducted
- Unattested documents





# RDS - Basic Requirements

- Home Textile exported under various HS Codes mentioned in the SRO to various countries given in the SRO
- Realization of export proceeds
- Membership of registered Garment Exporters Associations



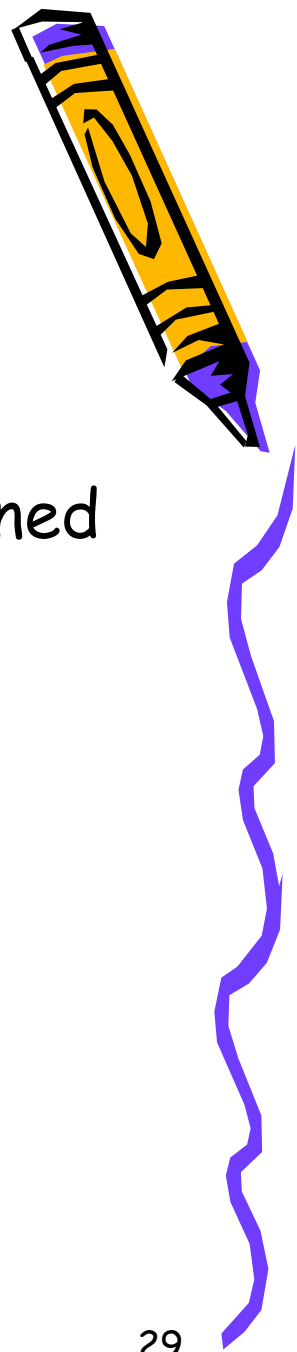
# RDS - Frequent Invalid Destination



- Panama
- Iran
- Syria
- Lesotho
- Croatia
- Romania
- Saudi Arabia, etc



# Realized Value in Excess of Shipped Value



- Sometimes the realized amount shown in Annexure I is more than the value of consigned goods shown on GD Form / Invoice



# Eligible Countries

- Argentina
- Armenia
- Australia
- Austria
- Azerbaijan
- Belarus
- Belize (23-5-2007)
- Bangladesh
- Belgium
- Bolivia
- Brazil
- Bulgaria (2007)
- Cambodia (16-8-2007)
- Canada
- Chile
- China
- Colombia
- Costa Rica (23-5-2007)
- Cyprus
- Czech Republic

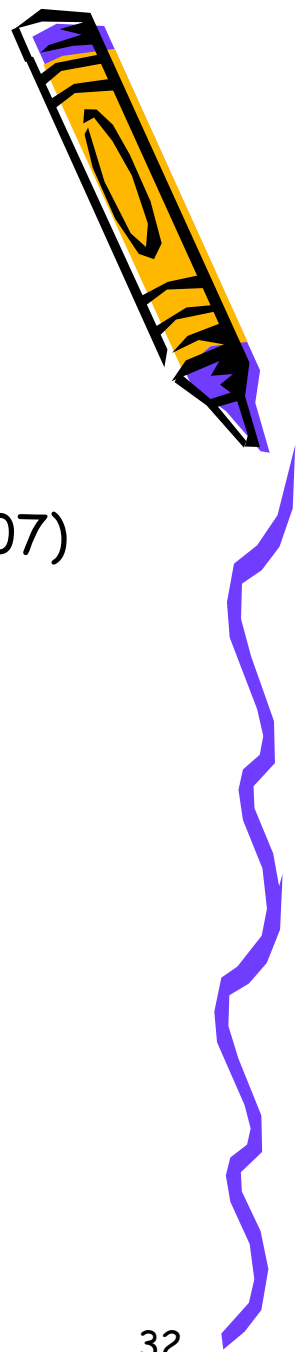


# Eligible Countries

- Denmark
- Ecuador
- Egypt
- Estonia
- El Salvador (23-5-2007)
- Finland
- France
- Georgia
- Germany
- Greece
- Guatemala (23-5-2007)
- Guyana
- Honduras (23-5-2007)
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Jordan



# Eligible Countries

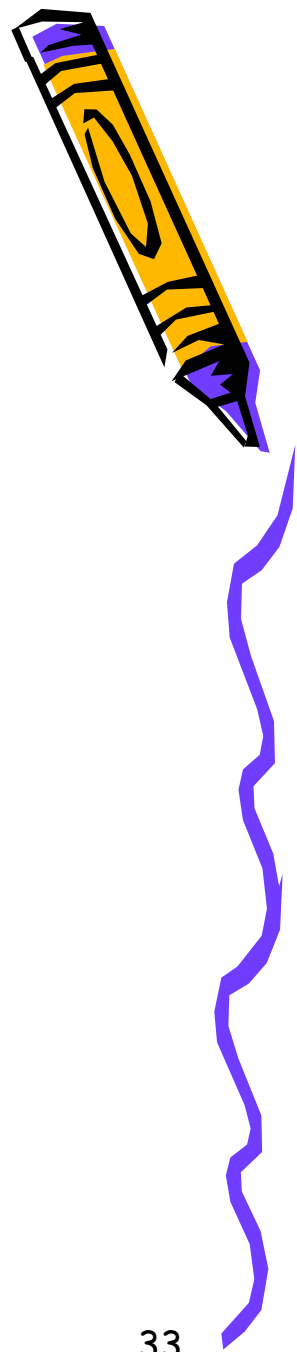


- Kazakhstan
- Kyrghistan
- Latvia
- Lebanon
- Lithuania
- Luxembourg
- Malaysia
- Malta
- Mexico
- Moldavia
- New Zealand
- Nicaragua (23-5-2007)
- Norway
- Panama (23-5-2007)
- Papua New guinea
- Paraguay
- Peru
- Poland
- Portugal
- Romania (2007)



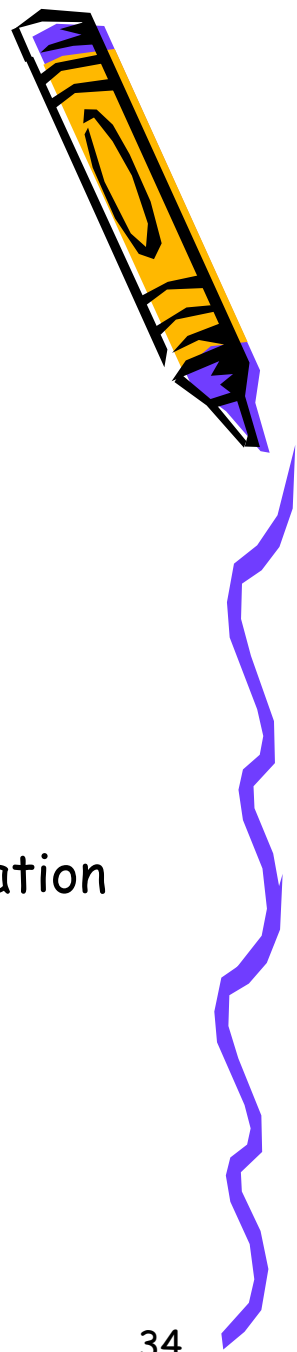
# Eligible Countries

- Russian Federation
- Singapore
- Slovakia
- Slovenia
- South Africa
- Spain
- Srilanka
- Suriname
- Sweden
- Switzerland
- Tajikistan
- The Netherlands
- Turkey
- Turkmenistan
- U.S.A
- Ukraine
- United Kingdom
- Uruguay
- Uzbekistan
- Venezuela
- Vietnam (16-8-2007)

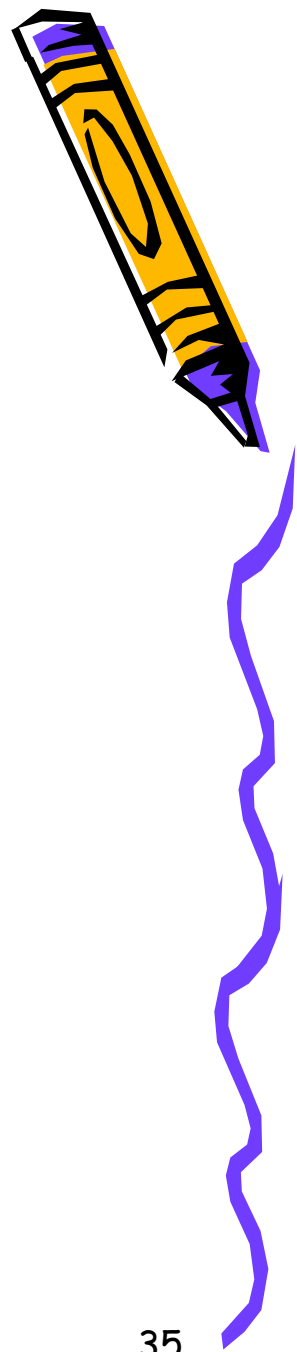


# Allowed Associations

- All Pakistan Bed sheets & Upholstery Manufacturers Association (APBUMA)
- All Pakistan Textile Mills Association (APTMA)
- All Pakistan Textile Processing Mills Association
- Pakistan Bed Wear Exporters Association (PBEA)
- Pakistan Cloth Merchants Association
- Pakistan Denim Manufacturers and Exporters Association (PDMEA)
- Pakistan Hosiery Manufacturers Association
- Pakistan Textile Exporters Association (PTEA)
- Towel Manufacturers Association (TMA)



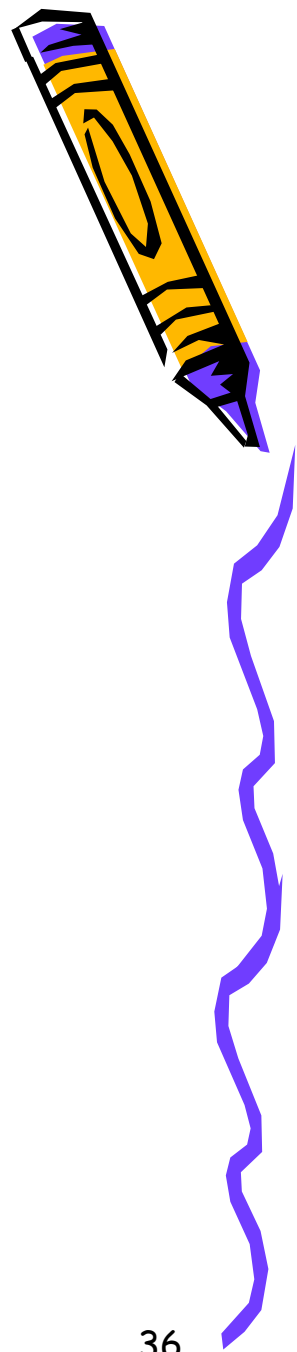
# HOW TO ACCESS CIRCULARS FROM SBP WEBSITE



- [WWW.SBP.ORG.PK](http://WWW.SBP.ORG.PK)
- Click Circulars & Notifications
- Click Circulars
- Click Exchange Policy Department
- Click relevant year
- Open required Circular or Circular Letter



# IMPORTANT CONTACT INFORMATION



- Mrs Samreen Tahir
  - Email: [samreen.tahir@sbp.org.pk](mailto:samreen.tahir@sbp.org.pk)
  - Phone: 2455371
- Muhammad Saeed Arshad Shaikh
  - Email: [saeed.arshad@sbp.org.pk](mailto:saeed.arshad@sbp.org.pk)
  - Phone: 2455358
- Muhammad Akram Zaki
  - Email: [akram.zaki@sbp.org.pk](mailto:akram.zaki@sbp.org.pk)
  - Phone: 2455370
- Syed Muhammad Nadim
  - Email: [muhammad.nadim@sbp.org.pk](mailto:muhammad.nadim@sbp.org.pk)
  - Phone: 2455370



# Questions and Query

