

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE & TEXTILE
COMMERCE DIVISION

Islamabad the 13th October, 2017.

ORDER

S.R.O. 1062 (I)/2017.- In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950) and in pursuance of its Notification No. S.R.O. 62(I)/ 2017, dated the 2nd February, 2017, the Federal Government is pleased to make the following Order; namely:-

1. Short title, extent, commencement and application.-(1) This Order may be called the Drawback of Local Taxes and Levies (Non-Textile) Order, 2017.

- (2) It extends to the whole of Pakistan including Export Processing Zones.
- (3) It shall come into force at once.
- (4) The drawback under this Order shall be provided for the shipments made from the 1st July, 2017 to 30th June, 2018 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 10% or more in exports during financial year 2017-18, as compared to the financial year 2016-17;
 - 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, 2017, 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);
 - 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 on the same conditions as at clauses (a) and (b). List of such eligible countries is attached at **Annex-I**.

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

- (a) "Annexure" means an annexure to this Order;
- (b) "authorized dealer" means the SBP's authorized bank nominated by the unit for submission of drawback claim under this Order;

- (c) "BSC" means SBP-Banking Services Corporation established under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001);
- (d) "circular" means a notification or letter etc issued by SBP to the authorized dealers under this Order;
- (e) "DGTO" means Directorate General of Trade Organizations, Ministry of Commerce and Textile, Government of Pakistan;
- (f) "SBP" means the State Bank of Pakistan; and
- (g) "unit" means a manufacturer-cum-exporter (sole proprietor, partnership or company) having a valid National Tax Number (NTN) and registered as such with respective associations or chamber;

3. Eligibility.-(1) The drawback shall be provided to units on exports of products under specific Tariff Codes of the Pakistan Customs Tariff at rates specified in the **Annexure-II**.

- (2) The drawback shall be available only to units.
- (3) The export performance in case of drawback specified in clause (b) of sub-paragraph (4) of paragraph 1 shall be analysed separately for each category of eligible products.
- (4) Exports shall be calculated on the basis of shipment date.
- (5) Only those exports shall be eligible for the drawback claim, proceeds of which have been fully realized. However, the date of realization shall have no bearing in determining the year in which the transaction shall be accounted for.
- (6) The unit availing the drawback shall be a registered sole proprietor, partnership or a company, having valid NTN and shall be a member of respective association or chamber registered with the DGTO, Ministry of Commerce and Textile.
- (7) The unit shall furnish data and any information related to its operations, domestic sales, accounts and exports as and when required by the Ministry of Commerce and Textile.

4. Procedure for claims - (1) The procedure for submission of claims shall be issued by SBP in consultation with Ministry of Commerce and Textile through circular.

- (2) For implementation of clauses (a) and (d) of sub-paragraph (4) of paragraph 1,-
 - a) the authorized dealers shall scrutinize the claim as per procedure circulated by SBP, if found in order, and claim the amount from SBP for onward credit to the unit. The whole procedure shall be completed within fortnight from the receipt of the claim;
 - b) SBP shall release the amount of claim to the authorized dealers within forty-eight hours after receipt by debiting the relevant Government head of account;

c) the authorized dealer shall credit the amount of claim received from SBP within twenty -four hours to the unit.

(3) SBP shall issue a separate circular for implementation of clauses (b), (c) and (d) of sub-paragraph (4) of paragraph 1, in consultation with the Ministry of Commerce and Textile.

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

(2) SBP shall conduct verification of claims on sample basis. The procedure of sampling shall be issued by the SBP.

(3) The Federal Government or person authorised by it reserves the right to conduct periodical, random, on the spot checks and audits to verify the claims filed and drawbacks received by the units under this order.

6. Penalty for contravention.-where any unit or authorized dealer or other person contravenes any provision of this Order, he shall be liable for punishment in accordance with the provisions of the Imports and Exports (Control) Act, 1950(XXXIX of 1950) and the rules and orders made there under without prejudice to any other law for the time being in force.

[see para 1(4)(d)]

LIST OF NON-TRADITIONAL MARKETS

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

Annexure-I (Continued)**Commonwealth of Independent States (CIS)**

| | | | | | |
|---|------------|---|-------------------------|----|------------|
| 1 | Ukraine | 5 | Georgia | 9 | Kyrgyzstan |
| 2 | Belarus | 6 | Azerbaijan | 10 | Tajikistan |
| 3 | Kazakhstan | 7 | Turkmenistan | | |
| 4 | Uzbekistan | 8 | Moldova, Republic of | | |

Oceania

| | | | | | |
|---|------------------|----|---------------------------------------|----|---------------------------|
| 1 | Australia | 10 | Samoa | 19 | American Samoa |
| 2 | New Zealand | 11 | Tonga | 20 | Norfolk Island |
| 3 | Marshall Islands | 12 | Micronesia, Federated States of | 21 | Christmas Island |
| 4 | Papua New Guinea | 13 | Palau | 22 | Wallis and Futuna Islands |
| 5 | Fiji | 14 | Cook Islands | 23 | Niue |
| 6 | New Caledonia | 15 | Northern Mariana Islands | 24 | Cocos (Keeling) Islands |
| 7 | French Polynesia | 16 | Kiribati | 25 | Tokelau |
| 8 | Solomon Islands | 17 | Tuvalu | 26 | Pitcairn |
| 9 | Vanuatu | 18 | Nauru | 27 | Guam |

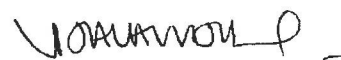
Non-EU European Countries

| | | | | | |
|---|--------------|--|--|--|--|
| 1 | Albania | | | | |
| 2 | Belarus | | | | |
| 3 | Gibraltar | | | | |
| 4 | Iceland | | | | |
| 5 | Kosovo | | | | |
| 6 | Lichtenstein | | | | |
| 7 | Macedonia | | | | |
| 8 | Norway | | | | |

ELIGIBLE PRODUCTS WITH HS CODES AND DRAWBACK RATES

| Sr. No. | Description | Chapters / sub-headings as per Pakistan Customs Tariff | Specified rates |
|----------------|---|---|------------------------|
| 1. | Gloves | 4015.1100,4015.1900,4203.2100, 4203.2910,4203.2920,4203.2930, 4203.2990,6116,6216,7323.1000, 7418.1000, 7615.1000 | 7% |
| 2. | Footballs and Other sports goods | 9506, 9507 | 7% |
| 3. | Leather garments including articles of leather and manufactures thereof | 4203 | 7% |
| 4. | Other Leather manufactures | 4201.0000, 4202.1120, 4202.2100, 4202.3100, 4202.9100 | 7% |
| 5. | Foot wear | 64 | 7% |
| 6. | Leather tanned and finished leather excluding wet blue hides and skins ,(4104.1100/1900, 4105.1000 and 4106.2100) | 4104, 4105, 4106, 4107.1200, 4107.9100, 4107.9200, 4112.0000, 4113.1000, 4113.9000 | 5% |
| 7. | Surgical goods/medical instruments | 9018, 9019, 9020, 9021, 9022, 9025.1110 | 5% |
| 8. | Cutlery | 8211, 8212, 8213, 8214, 8215 | 5% |

[No.5(2)/2017 SO (TP)]



Abdul Salam Shah
Director (p&c)