

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE & TEXTILE
COMMERCE DIVISION

Islamabad the 14th December, 2017.

ORDER

S.R.O. 1248(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 Local Taxes and Levies Drawback (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 till the 30th June, 2018 (both days inclusive) 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 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); and

(d) an additional two percent 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 at clause (a). List of such eligible countries is attached at **Annexure-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, Commerce Division, 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 association 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 claims, 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.

(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 the Ministry of Commerce and Textile through circular.

(2) For implementation of clauses (a) and (d) of sub-paragraph (4) of paragraph 1,-

- (a) the unit shall submit claims to the authorized dealer on the form and as per procedure to be prescribed by SBP through circular;

- (b) the authorized dealer shall scrutinize the claim as per procedure circulated by SBP within two weeks from the receipt of the claim and if found in order, submit the claim to SBP alongwith an undertaking in the prescribed manner for further processing;
- (c) upon receipt of the claim, SBP shall scrutinize and release the amount of the claim to the authorized dealer within thirty days by debiting the relevant government head of account for further payment to the unit;
- (d) the authorized dealer shall credit the amount of the claim to the unit within twenty-four hours from receipt of the authorization from SBP;
- (e) the Finance Division will provide a revolving limit to SBP and the SBP shall request the Finance Division for further release of funds once the limit is utilized upto eighty percent; and
- (f) the Federal Board of Revenue will provide the SBP access to the electronic data for expeditious verification and scrutiny of claims.

(3) The SBP shall issue a separate circular for implementation of clauses (b) and (c) 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) Where the Commerce Division, Finance Division or, as the case may be, the SBP considers it expedient, the accounts maintained under sub-paragraph (1) may be subject to 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.

7. Repeal.- The Drawback of Local Taxes and Levies (Non-Textile) Order, 2017 is hereby repealed.

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	Cameroon	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	Côte 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
7	Belize	24	Haiti		
8	Bolivia, Plurinational State of	25	Honduras		
9	Brazil	26	Jamaica		
10	British Virgin Islands	27	Mexico		

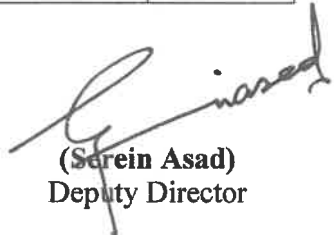
11	Cayman Islands	28	Montserrat		
12	Chile	29	Nicaragua		
13	Colombia	30	Panama		
14	Costa Rica	31	Paraguay		
15	Cuba	32	Peru		
16	Dominica	33	Saint Kitts and Nevis		
17	Dominican Republic	34	Saint Lucia		
Commonwealth of Independent States (CIS)					
1	Azerbaijan	5	Moldova, Republic of	9	Ukraine
2	Belarus	6	Russian Federation	10	Uzbekistan
3	Kazakhstan	7	Tajikistan		
4	Kyrgyzstan	8	Turkmenistan		
Oceania					
1	Australia	10	Marshall Islands	19	Papua New Guinea
2	American Samoa	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
Non-EU European Countries					
1	Albania	5	Kosovo		
2	Georgia	6	Lichtenstein		
3	Gibraltar	7	Macedonia		
4	Iceland	8	Norway		

Annexure-II
[see para 3(1)]

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, 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%

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


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