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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

MINISTRY OF COMMERCE

ORDER

Islamabad, the 1st July, 2016

S. R. O. 582 (I)/2016.—In exercise of the powers conferred by sub-section (I) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), and in supersession of its Notification No. S.R.O. 415(1)/2015 dated the 15th February, 2015, the Federal Government is pleased to make the following Order, namely:—

1. **Short title, application and commencement.**—(1) This Order may be called the Drawback of Local Taxes and Levies (Non-Textile) Order, 2016.

(2) This Order shall be applicable on the exports made during financial years 2015-16 and 2016-17.

(3) It shall come into force at once and remain in force till the 30th June, 2018.

(2067)

Price : Rs. 10.50

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

- (a) “Annex” means an annex to this Order;
- (b) “association or Chamber” means respective association or chamber of the selected sectors duly registered with the -DGTO;
- (c) “BSC” means SBP-Banking, Services Corporation established, under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001);
- (d) “DGTO” means Directorate General of Trade Organizations, Ministry of Commerce, Government of Pakistan;
- (e) “FEOD” means Foreign Exchange Operations Department of SBP-BSC;
- (f) “FOB realized value” means fully realized value of an export shipment, less freight, insurance and commission paid by the exporter;
- (g) “manufacturer” is any person (sole proprietor, partnership or company) having a valid National Tax Number (NTN) and registered as such with respective associations or chamber;
- (h) “nominated bank” means the SBP’s authorized bank nominated by claimant for submission of his claim under this Order; and
- (i) “SBP” means the State Bank of Pakistan.

3. **Eligibility.**—(1) The drawback shall be available on annual basis on FOB-realized value of enhanced exports for shipments made if increased beyond ten per cent on yearly basis so that the FOB realized value of exports made during financial year, 2015-16 and 2016-17 should exceed beyond ten per cent from FOB realized value of exports made during financial years, 2014-15 and 2015-16 respectively.

(2) Only manufacturer-*cum*-exporters are eligible for the drawback under this Order.

(3) The export performance shall be analyzed separately for each category of eligible products.

(4) The drawback shall be provided to the manufacturer-*cum*-exporter on export of products as specified in Annex-I. The drawback shall be available at the rate of four per cent of FOB-realized value of enhanced exports for shipments made if increased beyond ten per cent on yearly basis.

(7) The list under sub-paragraph (6) shall be provided by the 17th March, 2017 and any up-gradation in the same shall be promptly communicated to the offices mentioned in sub-paragraph (6).

5. **Procedure for claims.**—Subject to any further guidelines which may be issued by SBP-BSC for submission and processing of claims of drawback of local taxes and levies (DLTL), the following procedure shall be adopted for submitting, DLTL claims under this Order, namely:—

- (a) the manufacturer shall file claim for drawback on the format as set out in Annex II. The details of exports as mentioned in Annex III shall be prepared separately for each bank including the nominated bank through which exports have been processed. Where a manufacturer is claiming drawback in more than one sector, a separate Annex III shall be prepared for each sector. For the purpose of conversion of foreign currency into Pakistan Rupee, SBP's method of calculation using the average rate of the base year shall be applicable;
- (b) each certifying bank, including nominated bank, shall fill in the columns of Annex III pertaining to it and sign the Annex III for export transactions pertaining to it. Each bank shall also give a certificate in the format as set out in Annex IV and certify the documents relevant to transactions routed through it;
- (c) based on the certificates of all the certifying banks, the claimant manufacturer shall prepare the claim on Annex II and submit the same alongwith all the details under Annex III and the required documents duly certified by concerned banks to relevant association or chamber for verification;
- (d) the association or chamber shall perform due diligence in verifying the claim. It may obtain additional documents which it may think fit for verification of the claim. Upon satisfaction to the correctness of the claim, the association or chamber shall certify the claim and issue its certificate on the format as set out in Annex V;
- (e) claimant manufacturer shall submit his claim on the format as set out in Annex II alongwith all the duly certified documents as set out in Annex III, certificates of all banks and certificate of the association or chamber alongwith supporting documents as mentioned in Annex II to its nominated bank. The claimant manufacturer shall nominate one authorized bank to submit the claims to the SBP - BSC. The claimant manufacturer shall also give an undertaking to the effect that he has only nominated one bank of his choice and that the claims have not been submitted for the same

shipments, through any other bank. All claims shall be required to have the National Tax Number (NTN) of claimant manufacturer;

- (f) the nominated bank shall scrutinize the application carefully and upon verification, submit the same with an undertaking, on the format as set out in Annexure-VI, to FEOD, BSC or the relevant field office of BSC. Such applications shall be received by the FEOD or field office as per list given in Annex-VII in the working hours on all working days;
- (g) the last dates for submission of claims to nominated bank by the claimant manufacturer and by the nominated bank to SBP BSC shall be as under:—

Claim for year	Last date for submission to nominated bank	Last date for submission to SBP BSC
2015-16 over 2014-15	31st May, 2017	30th June, 2017
2016-17 over 2015-16	31st May, 2018	30 June, 2018;

- (h) the admissible drawback payment as approved by the FEOD and field office of the SBP-BSC shall be made by crediting the account of the nominated bank, which shall pay the amount to the manufacturers within twenty-four hours thereafter;
- (i) in order to avoid delays or rejection of the drawback claims, the authorized banks, while certifying the documents shall ensure that the description of the commodity and Pakistan Custom Tariff Codes recorded in the form are correct and correspond with the documents attached;
- (j) applications containing discrepancies shall be returned by the BSC to the nominated banks within thirty days from the date of submission of claims. The authorized banks, after rectification of the discrepancies, shall re-submit claims within thirty days of return. While re-submitting the applications, authorized banks shall quote the reference of the letter under which the application was originally submitted. In case of non-submission within thirty days, the claims shall be liable to be rejected without any further process;
- (k) the claim applications shall be entertained on first come first serve basis. The incorrect and incomplete claims shall be processed on the basis of the date they are re-submitted after corrections; and
- (l) FEOD, shall issue the detailed guidelines to the banks for processing of such claims and submission to SBP-BSC.

6. **Periodic audits.**—The receipt of drawback payments shall be properly reflected in the book of accounts or balance sheets of the exporting manufacturer.

7. **Penalties for contravention.**—Any manufacturer who files fraudulent or false claims, through acts of omission or commission, shall be liable to such punishment and fine as provided for under the Imports and Exports (Control) Act, 1950 (XXX IX or 1950) or any other law relating to this Order for the time being in force.

8. **Appellate authority.**—The appellate authority for penalties on manufacturers shall be the Committee constituted by Managing Director, SBP Banking Services Corporation whose decision shall be final.

ANNEX-I

[See paragraph 3(4), 4(2)]

LIST OF SECTORS ELIGIBLE FOR DUTY DRAW BACK FOR LOCAL TAXES AND LEVIES SUPPORT

Sr. No.	Description	Chapters / sub-headings as per Pakistan Customs Tariff	Name of Relevant Association/Chamber
1.	Fish and Fish Preparations	03.1603. 1604, 1605	
2.	Meat and meat preparation	1601, 1602 excluding 1602.9000 0201, 0202, 0204, 0206, 0207, 0208, 0210	
3.	Spices	0904, 0906, 0907. 0908. 0909, 0910	
4.	Gloves	4015.1100, 4015.1900, 4203, 2100, 4203.2910, 4203.2920, 4203.2930, 4203.2990, 6116, 6216, 7323.1000, 7418.1000, 7615.1000	
5.	Footballs and other sports goods	9506, 9507	
6.	Leather garments	4203	
7.	Other Leather manufactures	4202.1120, 4202.2100, 4202.3100, 4202.9100	
8.	Leather Foot wear	64	
9.	Surgical goods/medical instruments	9018, 9019, 9020, 9021, 9022, 9025.1110	
10.	Cutlery	8211, 8212, 8213, 8214, 8215	
11.	Electric Fans	8414.5110, 8414.5120, 8414.5130, 8414.5140, 8414.5190, 8414.5910	

Sr. No.	Description	Chapters / sub-headings as per Pakistan Customs Tariff	Name of Relevant Association/Chamber
12.	Transport equipment and Auto Parts	4008.1110, 4008.1910, 4008.2110, 4008.2910, 4009.1110, 4009.1120, 4009.1130, 4009.2110, 4009.2120, 4009.2130, 4009.3110, 4009.3120, 4009.3130, 4009.4110, 4009.4120, 4009.4130 4010.3110, 4010.3210, 4010.3310, 4010.3410, 4010.3510, 4010.3610, 4010.3910, 4011, 4016.9920, 4016.9930, 4016.9940, 5703.2020, 5703.2030, 5703.3020, 5703.3030, 6813, 7007.1111, 7007.1119. 7007.2111, 7007.2119, 7009.1010, 7009.1090, 7014.0010, 7014.0020, 7307.9120, 7315, 7320, 8206, 8301.2010, 8301.2090, 8302.1010, 8302.1020, 8302.1030, 8302.3010, 86, 87,88, 89,9026.1010, 9026.1020, 9026.1030, 9029.2011, 9029.2012, 9029.2013, 9030.3310, 9030.3320, 9032.8910, 9032.8920, 9104, 9106.1010, 9104, 9106.1010, 9106.1020, 9401.9402, 9613.8010, 9613.8020	
13.	Machinery specified for a particular industries or other machinery and Other electric equipment	84.85	
14.	Furniture	9403	
15.	Pharmaceutical	3002.2010, 3002.2020, 3002.2090, 3002.3000, 30.03, 30.04, 30.05, 3006.1010, 3006.5000, 3006.6000, 3006.7000, 3006.9100	

Note: The Ministry of Commerce reserves the right to add or delete any machinery in the above list on recommendation of the respective Association/chamber, duly certified by Engineering development board (EDB) for use in specific sector, through notification.

Annexure-II
[see paragraph 5]

Application for Payment of Drawback of Local Taxes and Levies on Exports

The Director, FEOD, SBP-BSC, Karachi/
The Chief Manager, SBP BSC.....(city)

Dear Sir,

I/We, M/s.....(Name & address of the manufacturer) having NTN.....being member of..... (Name of Association/Chamber) with registration No..... (registration No. of Association/Chamber) hereby apply for payment of drawback of local taxes and levies under Ministry of Commerce SRO No..... dated.....of Rs..... (Rupees.....) through our nominated Bank.....(Name of Bank and Branch). The details of the claim are as under:

					Amount in Rs.
Sector	Exports - Base Year (such as FY 2012-13)	Exports - Performance Year (such as FY 2013-14)	Increment Amount	Increment %age	Drawback Amount @ 4% of Increment
Total					

Undertakings / Certifications:

- (a) I/We certify that the claim has not been submitted for the same shipments through any bank other than the abovementioned nominated bank.
- (b) I/We understand and agree to pay hack any amount paid to us, on the basis of this claim, alongwith a fine of 150% of such amount if the SBP-BSCB subsequently finds that it was wrongfully claimed. These amounts may be recovered from my/our account maintained with nominated bank for which I/we hereby give our irrevocable authority for recovery.

- (c) I/we hereby also undertake that in the event our banking relationship with our nominated bank is discontinued by us or by the bank for any reason, SBP BSC will have the right to recover amount of payment and penalty thereon as at (b) above from any of our account(s) maintained with any other bank(s).
- (d) I/We authorize our Nominated Bank to debit our account for the penalty amount mentioned at above in case SBP-BSC recovers the same from the bank.
- (e) I/We understand that in case the penalty cannot be recovered from our account, we will be reported as defaulter in Credit Information Bureau (CIB) maintained at SBP.
- (f) The information/data given under the claim form is complete and correct.

We further enclose the following documents in support of our claim: (all photocopies are to be attested by the relevant bank).

- (a) Details of the Export Performance as per Table attached as Annex-III.
- (b) Shipping documents, Master Bill of Lading/Master Airway Bill alongwith House Bill of Lading/house Airway Bill (where applicable)/Original Truck receipt.
- (c) Copies of relevant E-forms.
- (d) Copies of Goods Declaration Forms (in case of manual GD Form, containing examiner's report and MR date) prescribed under the Customs Act, 1969.
- (e) Copies of Commercial/Custom Invoices for E-forms in case of having multiple categories.
- (f) Copies of insurance Premium Paid Certificates (in case of CIF Exports) where applicable.
- (g) Copies of Freight Invoices where applicable.
- (h) (number) Bank Verification Certificates (Annex- IV).
- (i) Certificate from the nominated bank (Annex-V).
- (j) Certificate by the Association/Chamber (Annex-VI).

Signatures and Stamp of Chief Executive.

Name:

CNIC #

Annex- IV
[see paragraph 5]

Bank Certificate for verification for Payment of Drawback of Local Taxes and Levies on Exports

This is to certify that Messers.....bearingAssociation/Chamber's Registration No..... and NTN.....had exports realization through our bank on the shipments made during FY.....(base year e.g., 2012-13) and FY..... (performance year e.g., 2013-14) as follows.

	Rupees	
Sector	Realized Exports - Base Year (FY.....)	Realized Exports - Performance Year (FY.....)
Total		

The above information and Annexure III verified by the bank is genuine and complete in all respect as per commodities given in and conditions set forth in Ministry of Commerce's SRO No.....dated.....

We undertake that in case any discrepancy is detected after payment, SBP-BSC may recover penalty from us at a rate to be determined by SBP and / or SUP BSC which would not be at a rate less than 3 day REPO rate applicable on the date of grant of DLTL, by SBP BSC,. This penalty will be payable from the date of grant till the date it is recovered and will be applied over the amount of DLTL disbursed due to discrepancy in information provided by us.

We undertake that the SBP-BSC has the right to debit our account maintained with it with the amount of penalty. We also undertake that the SBP and SBP BSC has the right to verify the relevant record by it or by any of its representatives including any external auditors, remuneration for which shall be paid by our bank.

.....
(Stamp & Signature of the Authorized Officials of Certifying bank)

.....
Countersigned by Head of Compliance
or his regional representative of Certifying bank.

Annex-V
[see paragraph 5]

Nominated Bank Certificate for verification for Payment of Drawback of Local Taxes and Levies on Exports

This is to certify that DLTL, claim of Messers..... bearing.....Association /Chamber's Registration No..... and NTN.....for Rs..... (Rupees.....) is genuine on the basis of export transactions carried out through us and other banks as certified by them. The summary of their export performance is as under:

	Amount in Rupees				
Sector	Exports (Base Year)	Exports (Performance Year)	Increment	Increment %age	Drawback
Total					

The above summary information is correct based on the information and documents given by relevant certifying banks of the above mentioned exporter and complete in all respect as per conditions of the Ministry of Commerce's SRO No.....dated.....

We undertake that in case any discrepancy is detected after payment, SBP-BSC may recover the amount of DLTL alongwith penalty on the claimant as per SRO No..... dated.....

We undertake that the SBP- BSC has the right to debit our account maintained with it with the amount of DLTL claimed by us wrongfully alongwith the above penalties. We also undertake that the SBP and SBP-BSC has the right to verify the relevant record by it or by any of its representatives including any external auditors, remuneration for which shall be paid by our bank. Correspondence in respect of this case may be sent to fax No.....or email addresswith a hard copy through surface mail at our address.

.....
(Stamp & Signature of the Authorized Officials of nominated bank

.....
Countersigned by Head of Compliance or his regional representative of nominated bank.

Annex- VI
[see paragraph 4(5)]

**Association/Chamber Certificate for verification for Payment of Drawback
of Local Taxes and Levies on Exports**

This is to certify that M/s.....bearing NTN
is our registered member with registration number.....The said
member is eligible for DLT claim amounting to Rs.....
(Rupees.....)
in term of Ministry of Commerce SRO No.....dated.....for beyond
10% increase in FOB realized value of exports of eligible commodities in the
FY.....as compared on sector-wise basis to FY.

We confirm that the information in the claim is true and in case we find out
anything to the contrary, we will promptly inform SBP BSC.

Correspondence in respect of this case may be sent to our fax No. or
email address.....

.....
(Stamp & Signature of the President / Chairman / Secretary of Association)

**LIST OF THE SBP-BSC OFFICES DEALING
WITH CLAIMS UNDER MINISTRY OF
COMMERCE INCENTIVE SCHEME**

Sr. No.	Name of Office/Department
1.	Faisalabad Office
2.	Gujranwala Office
3.	Karachi (FEOD SBP BSC HOK)
4.	Lahore Office
5.	Multan Office
6.	Peshawar Office
7.	Quetta Office
7.	Rawalpindi Office
8.	Sialkot Office

[File No. 1(2)/2014-SO (TP).]

AEMEN JAVAIRIA,
Section Officer.