

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

ORDER

SRO **S81** (I)/2016.- In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to make the following order, namely:-

1. **Short title and commencement.**- (1) This Order may be called the Support for Plant and Machinery for Agro Processing (SME) Order, 2016.

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

2. **Incentive.**--This Order shall provide the following incentives.--

(a) hundred percent markup support on the cost of imported new plant and machinery on all Pakistan basis; and

(b) fifty percent support on the cost of imported new plant and machinery for specified underdeveloped regions of the country i.e., Rural Sindh, Khyber Pakhtunkhwa, Federally Administered Tribal Areas, Baluchistan, Southern Punjab and Gilgit-Baltistan, shall be provided from the commencement of this Order.

3. **Definitions.**- In this order, unless there is anything repugnant in the subject or context,

(a) "Annex" means an annexure to this Order;

(b) "association" or "chamber" means respective association or chambers of the selected sectors duly registered with the DGTO;

(c) "authorized dealer" means commercial banks and their branches authorized by the State Bank of Pakistan to deal in foreign exchange;

(d) "BSC" means SBP-Banking Services Corporation (SBP-BSC), established, under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001);

(e) "DGTO" means Directorate General of Trade Organizations, Ministry of Commerce, Government of Pakistan;

(f) "EDB" means Engineering Development Board of Pakistan;

(g) "FEOD" means Foreign Exchange Operations Department of SBP BSC

(h) "manufacturer" means any person (sole proprietor, partnership or company) having a valid national tax number (NTN) and registered as such with respective association or chamber;

(i) "nominated bank" means any of the authorized dealers selected by the applicant for submission of claim under this Order; and

(j) "SBP" means the State Bank of Pakistan.

facility under any other scheme for investment in plant and machinery being administered by SBP such as long term financing facility etc., or any other similar scheme announced by Federal, Provincial or district government under this scheme concurrently.

(2) The claim documents shall be required to be verified by the chairman, president or secretary of the respective trade association or chamber and the association or chambers shall send the specimen signatures of these officials to FEOD, head office, Karachi, duly verified by office of the DGTO and any changes in these office bearers must be duly updated.

(3) The authentication of claim by association or chamber shall bear a reference number to be used for any further correspondence in this regard by banks, SBP-BSC, Ministry of Commerce or any other concerned department or agency.

(4) The association or chamber shall also provide list of manufacturers registered with them to relevant field office of and FEOD, head office, Karachi on the following format, namely:-

Sr. No.	NTN	Association or Chamber's reference No.	Name of Company or Firm or Sole Proprietorship	Name and CNIC of CEO	Address of Company or Firm or Sole Proprietorship	Phone	Email
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(5) The association or chamber's responsibility for verified claims shall continue irrespective of changes in office bearers and the association or chamber will keep all relevant record of claims verified by them until the disbursements of claims are audited by Government auditors.

6. **Procedure for claims.**-- (1) The applicant shall submit claim application as per format set out in Annex-I for markup support and Annex-II for grant listing the machinery imported, along with the documents prescribed in the Annex-I or II, whichever is applicable, after the verification from their relevant association or chamber, to the bank nominated by it for the purpose. Format of the association or chamber certificate shall be as set out in Annex-IV.

(2) The applicant shall nominate one authorized bank to submit the claims to BSC and shall also give undertaking to the effect that it has only nominated one bank of his choice and that the claims have not been submitted for the same machinery, through any other bank.

(3) The nominated bank shall scrutinize the application and upon verification, submit the same with an undertaking, on the format specified at Annex-III to FEOD or to the concerned field offices of the BSC as stipulated in Annexure V. Such applications shall be received by FEOD or the concerned field office of BSC, as the case may be, during working hours on all working days.

(4) The claim certified by the association or chamber shall only be allowed to be submitted to FEOD or field office of SBP-BSC located in the concerned city or adjoining areas (e.g. the claims certified by association or chamber located in Lahore shall only be entertained at BSC Lahore

office). The list of field offices of BSC which shall deal with claims under this scheme is at Annex-V.

(5) The applications shall be entertained on first come first serve basis. The incorrect or incomplete claims shall be processed on the basis of the date they are re-submitted after corrections or removal of discrepancy.

(6) FEOD shall issue the detailed guidelines to the banks for processing under this Order of such claims and submission to SBP-BSC.

7. Periodic Performance Reports.— (1) The applicant shall submit quarterly reports to the nominated bank and the association or chamber verifying the installation and performance of the manufacturing facility or machinery imported and installed in accordance with this order. These reports shall have to be submitted within fifteen days of the close of the quarter and up to five years of availing the facility:

(2) The applicant shall also submit financial statements to the nominated banks and the concerned association or chamber, such as income statement and balance sheet showing that imported machinery is duly accounted for:

(3) The concerned nominated bank and association or chamber shall have a track record of submission by the applicant of the relevant documents under this order and shall follow up for non-submission of such documents by the prescribed date. They shall forward the list of those applicants which fail to provide the said documents to FEOD or concerned field office of SBP-BSC and said list will be forwarded within one week of the default.

8. Penalties for Contravention. -Where any applicant is found to have filed forged documents or have concealed facts in relation to his claims under this order should be liable to such punishment and fine as provided for under the Imports and Exports (Control) Act, 1950 (XXXIX of 1950) or any other law for the time being in force.

On the Letter head of the Nominated Bank

The Chief Manager
SBP-BSC (Bank)

Date _____

Dear Sir,

Financial Facility Under support for the plant and machinery for agro processing

SMEs order 2016

Claim for the period from to.

Name of Unit/Company : M/S.-----

Association's / Chamber's Registration:		
Number	Date	Valid up-to:

I/We hereby apply to avail the financial facility as provided under Para I of this order against the import of New Plant and Machinery by obtaining loan from _____ (name of commercial bank), eligible under the captioned scheme, in the name of M/s.-----, under support for the plant and machinery for agro processing SMEs order 2016.

a.	Date and amount of loan sanctioned	Date	Amount
b.	Date and amount disbursed	Date	Amount
c.	Name of machinery items		
d.	Location of the manufacturing facility		
e.	HIS Code of Machinery		
f.	Sub-sector		
g.	C and F value of eligible plant and machinery		
h.	Terms of Loan. (Please specify the benchmark rate e.g. KIBOR and bank's spread.		
i.	Terms of re-payment (as mentioned in sanction letter for (a) above.)	No. of installm	Amount of install
			Due date of first

		ents	ment	install ment
j.	Amount of outstanding loan as on _____ (specify the date up-to which mark-up facility is being availed) _____, as per original re-payment schedule.			
k.	In case the loan has been fully paid, specify such date/amount	Date	amount	
l.	Amount of mark-up rate support for above referred period (Detailed working to be attached with the Claim)			
m.	a) Amount of support already released by the SBP-BSC, if any.	Date(s)	Amount	Sub-Sector
	b) Amount of support now requested			
Note: Attach copy of sanction letter and vouchers evidencing the disbursement of above loan				

2. I/We M/s _____ certify that:
- (i) The terms and conditions contained in above referred Scheme of the Government of Pakistan have been complied with;
 - (ii) All the requirements of the captioned Scheme have been fully met;
 - (iii) The above claim does not include any amount of re-finance already availed under any Long Term Financing Facility of SBP or any other Support/ concession of the Government of Pakistan;
 - (iv) I/We understand and agree to payback any amount of support paid to us, on the basis of this claim, along-with a fine of 300% of amount of the support if the SBP finds that such support was wrongfully claimed under above arrangements;
 - (v) The information/data given under the claim form is true and correct;
1. The certified copies of
- (a) Import I.C(s) and evidence of retirement thereof;
 - (b) Goods Declaration form;
 - (c) Shipping documents; Master Bill of Lading along with House Bill of Lading if applicable;
 - (d) Attested copies of Association / Chamber's Registration Certificate and Certificate of commissioning of machines and commercial operation screen closed herewith;

- (e) Names of eligible machinery items;
- (f) C and F value of eligible plant and machinery
- (g) Copy of Commercial/Custom Invoice;
- (h) Freight Invoice where applicable
- (i) Bank Verification Certificate; and
- (j) Loan Repayment Schedule.

Association / Chambers Verification Number:

.....
Signature of the Applicant

.....
Verified by the Chairman / President/ Secretary of
Association / Chamber

.....
Verified by the concerned branch manager

.....
Countersigned by Head of Compliance
or his Regional Representative.

On the Letter head of Claimant Unit

The Director FEOD/Chief Manager
SBP-BSC (Bank)

Date

**Application of Financial Facility Under support for the plant and machinery
for agro processing SMEs order 2016 announced vide SRO No. _____**

Dated _____

Dear Sir,

I /We hereby apply to avail the financial facility as provided under Para 1, Sub Paragraph _____ of the support for the plant and machinery for agro processing SMEs order 2016 issued by Ministry of Commerce vide No. SRO. _____ dated _____ against the import of new plant and machinery, eligible under the captioned Scheme. The necessary required particulars are as under:-

Name of the Company/Firm/Sole Proprietorship	
Address/ location and telephone no.	
Name of the Chief Executive	
NTN No.	
Whether SME or Non-SME	
Name of Association / Chamber registered with	
Registration no. of the Association / Chamber	
Validity period of registration with the Association / Chamber	
Total Amount of Grant Applied For	
Financial Year under which Grant Applied For	
Total Amount of Grant applied previously under the support for the plant and machinery for agro processing SMEs order 2016	

Sector of the Industry	
Details of Machinery Imported along with HS Code (Please use additional sheet if required)	
Date(s) of import of machinery	
GD Form Bill of Entry No.	
Please attach copies of GD Form(s)	
Form No. and name, branch of bank through which payment(s) have been remitted to the machinery suppliers. Please attach copy of the I Form	
Total C&F value of the machinery imported	
Amount of previous payments if any received under support for the plant and machinery for agro processing SMEs order 2016	
Particulars of incentives received (if any) under any other incentive scheme administered by SBP/Federal Govt./Provincial Govt./District Govt.	

UNDERTAKING

2. I/We M/s _____ certify that.-

- (i) The terms and conditions contained in the above referred Scheme of the Government of Pakistan have been complied with;
- (ii) All the requirements of the captioned Scheme have been fully met;
- (iii) The above import does not include any amount of re-finance already availed under any long term financing facility of SBP or any other support or concession of the Government of Pakistan;
- (iv) I/We understand and agree to pay-back any amount paid to us, on the basis of this claim, along-with a fine up to three hundred percent of such amount if the SBP-BSC subsequently finds that such support was wrongfully claimed under the above arrangements;
- (v) I/We authorize our nominated bank to debit our account for the penalty amount mentioned at para 2(iv) in case SBP-BSC recovers the same from the bank.
- (vi) We understand that in case the penalty cannot be recovered from our account, we will be declared as defaulter in CIB.

- (vii) The information/data given under the claim form is complete and correct
- (viii) We have nominated _____ (bank name), _____ (branch name) for submission of claim to SBP BSC and the claim has not been and will not be submitted for the same machinery, through any other bank
3. The certified copies of the following are attached, namely:-
- (a) Import I.C(s) and evidence of retirement thereof;
 - (b) Goods Declaration form Bill of Entry;
 - (c) Shipping documents: Master Bill of Lading along with House Bill of Lading if applicable;
 - (d) Association / Chamber's Registration Certificate;
 - (e) Certificate of commissioning of machines and commercial operations signed by the Chief Executive and endorsed by relevant Association/Chamber of Commerce;
 - (f) Copy of Commercial/Custom Invoice;
 - (g) Freight Invoice where applicable;
 - (h) Bank Verification Certificate (Annex-iv);
 - (i) Association / Chamber Verification Certificate (Annex-V).

Association / Chambers Verification Number:

 Signature of the Applicant
 Name
 Designation
 CNIC

 Verified by the Chairman / President/ Secretary of
 Association / Chamber
 Name
 Designation
 CNIC

 Verified by the concerned Branch Manager

 Countersigned by Head of Compliance
 or his regional representative of the nominated Bank.

**Bank Certificate of Verification for Support for the plant and machinery for agro processing
SMEs Order**

In continuation of M/s _____ claim dated _____ duly certified by us for Rs.
_____ (Rupees _____) under Ministry of
Commerce SRO No. _____ dated _____, this is to certify that M/s
_____ bearing Registration No. _____ of
_____ (Name of Association / Chamber) and NTN _____ had
imported machinery eligible for support for the plant and machinery for agro processing SMEs
order under the said SRO and is eligible for this scheme as certified by us and
(Name of Association / Chamber) under their serial number.

The information in the claim and claim of the applicant manufacturer is genuine and complete in all
respect as per conditions of the above mentioned SRO. It is specifically certified that the imported
machinery has been installed at the claimant's facility and is being used for support for the plant
and machinery for agro processing SMEs Order. We undertake that in case any discrepancy is
found after payment, SBP-BSC may recover the amount of support for the plant and machinery for
agro processing SMEs order 2016 along with penalty on the claimant and on us as under:

- (a) Penalty on claimant: upto 300% of claim
- (b) Penalty on bank: rate to be determined by SBP and / or SBP-BSC which would not be at a
rate less than 3 day REPO rate applicable on the date of grant of support for the plant and
machinery for agro processing SMEs order 2016 by SBP-BSC. This penalty will be payable
from the date of grant till the date it is recovered.

We undertake that the SBP-BSC has the right to debit our account maintained with it with the
amount of support for the plant and machinery for agro processing SMEs order 2016 claimed by us
wrongfully along with the above penalties. We also undertake that the SBP and SBP-BSC has the
right to verify the relevant record and machinery by it or by any of its representatives including any
external auditors, remuneration for which shall be paid by our bank.

(Stamp and Signature of the Authorized Officials of nominated bank)

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

**Association / Chamber Certificate of Verification for Support for the plant and machinery for
agro processing SMEs Order2016**

This is to certify that M/s _____ is our registered member. The company imported machinery eligible for support for the plant and machinery for agro processing SMEs order 2016 under SRO No. _____ dated _____ of Ministry of Commerce. We confirm that the manufacturing facility is operational at this time and the said machinery is being used by our said member itself as per terms of the SRO. The said member is not availing any facility under any other scheme for investment in plant and machinery being administered by SBP such as long term financing facility etc. or any other similar scheme announced by Federal/Provincial/District Government for this machinery concurrently. The claim of Markup Support / Grant under this scheme of Rs. _____ is justified under the SRO. The details of the machinery and claim are given in the claim application dated _____ duly verified by us under our serial number _____.

We affirm that the information in the claim is true and correct.

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

**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.	Rawalpindi Office
7.	Sialkot Office

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


(Aemen Javairia)
Section Officer