

**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE & TEXTILE
(COMMERCE DIVISION)**

Islamabad the 8th June, 2018

ORDER

S.R.O. 711(I)/2018.- 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, extent, commencement and application-**(1) This Order may be called the Local Taxes and Levies Drawback (Non-Textile) Order, 2018.

(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, 2018 till the 30th June, 2021 (both days inclusive) on the following terms and conditions, namely:

(a) fifty percent of the rate of drawback shall be provided without condition of increment in exports of goods

(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 2018-19, as compared to the financial year 2017-18 or exports in financial year 2019-20, as compared to financial year 2018-19 or in financial year 2020-21, as compared to financial year 2019-20;

(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 of each year, 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 of the countries specified in Annexure-I relating to Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania at the time of submission of claims mentioned in clause (a).

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 exporter for submission of drawback claim under this Order;
- (c) "BSC" means the SBP-Banking Services Corporation established under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001);
- (d) "circular" means a circular, notification or letter etc. issued by SBP to the authorized dealers under this Order;
- (e) "DGTO" means Directorate General of Trade Organizations, Government of Pakistan;
- (f) "exporter" means a manufacturer-cum-exporter or commercial exporter including sole proprietor, partnership or company having a valid National Tax Number (NTN) and registered as such with respective association or chamber;
- (g) "FBR" means the Federal Board of Revenue; and
- (h) "SBP" means the State Bank of Pakistan;

3. Eligibility-(1) The drawback shall be provided to exporter on exports of products specified in column (2) of Annexure-II under specific Tariff Codes of the Pakistan Customs Tariff as specified in column (3) thereof at the rates specified in column (4) of Annexure-II.

(2) The export performance in case of drawback specified in clause (b) of sub-paragraph (4) of paragraph 1 shall be analysed separately by SBP for each category of eligible products.

(3) Exports shall be calculated on the basis of shipment date.

(4) Drawback claims of only those exports shall be admissible, proceeds of which have been fully realized as per foreign exchange rules notified by SBP from time to time. However, the date of realization shall have no bearing in determining the year in which the transaction shall be accounted for.

(5) The exporter 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 duly registered with the DGTO.

(6) The exporter shall furnish data and any information related to its operations, domestic sales, accounts and exports as and when required by the Commerce Division.

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

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

- (a) the exporter 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, within two weeks from receipt of the claim and if found in order, scrutinize the claim as per procedure circulated by SBP and submit the claim to SBP along with 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 exporter;
- (d) the authorized dealer shall credit the amount of the claim to the exporter within twenty-four hours from receipt of the authorization from SBP;
- (e) the FBR shall 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 Commerce Division.

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

(2) Where the Finance Division or Commerce Division, 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 exporters under this Order.

6. Penalty for contravention-Where any exporter 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 thereunder without prejudice to any other action that may be taken under any other law for the time being in force.

7. Cut-off date-The cut-off date for filing claims to SBP for exports in each financial year shall be the 31st March of the subsequent year and after that no claims shall be accepted by the SBP.

8. Repeal- The Local Taxes and Levies Drawback (Non-Textile) Order, 2017 is hereby repealed with effect from the 1st July, 2018.

LIST OF NON-TRADITIONAL MARKETS

S No.	Country	S. No.	Country	S. No.	Country
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		

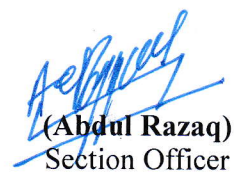
Annexure-II
[see para 3(1)]

**ELIGIBLE PRODUCTS (Non-Textile) WITH PCT CODES AND
DRAWBACK RATES**

Sr. No.	Description	Chapters / sub-headings/PCT Codes as per Pakistan Customs Tariff	Specified rates
(1)	(2)	(3)	(4)
1.	Gloves	4015.1100, 4015.1900, 4203.2100, 4203.2910, 4203.2920, 4203.2930, 4203.2990, 7323.1000, 7418.1000, 7615.1000	3%
2.	Footballs and Other sports goods	9506, 9507	3%
3.	Leather garments including articles of leather and manufactures thereof	4203	4%
4.	Other Leather manufactures	4201, 4202, 4205.	3%
5.	Footwear	64	3%
6.	Surgical goods/medical instruments	9018, 9019, 9020, 9021, 9022, 9025.1110	3%
7.	Cutlery	8211, 8212, 8213, 8214, 8215	3%
8.	Electric fans	8414.5110, 8414.5120, 8414.5130, 8414.5140, 8414.5190, 8414.5990	3%
9.	Transport equipment	8701, 8702, 8703, 8704, 8705, 8706, 8707, 8708, 8709, 8711, 8712, 8713, 8714, 8716, 8901, 8908	3%
10.	Autoparts & accessories	8407, 8408, 8409, 8413.3010, 8413.3020, 8413.3090, 8421.2310, 8421.2320, 8421.2390, 8421.3190, 8481.8030, 8483,	3%

Sr. No.	Description	Chapters / sub-headings/PCT Codes as per Pakistan Customs Tariff	Specified rates
(1)	(2)	(3)	(4)
		8484, 8487.9010, 8502, 8507.1010, 8507.1020, 8507.1090, 8511, 8512, 8536.5022, 8536.5029, 8536.6990, 8537, 8538, 8544.3019, 8544.4221, 9401	
11.	Machinery incl. electrical machinery	8413.1990, 8413.7090, 8415.1010, 8415.1020, 8415.1030, 8415.1090, 8415.9099, 8418, 8450, 8487.9090, 8501, 8504, 8509, 8516, 8518, 8528, 8529, 8532, 8434, 8535, 8544.1110, 8544.1190, 8544.1900, 8544.2000, 8544.4910, 8544.4920, 8544.4990, 8544.7000, 8546	3%
12.	Furniture	9403, 9401	3%
13.	Stationery	7616.9930, 8214.1000, 9608, 9609, 9610, 9612.2000	3%
14.	Fruits& Vegetables	07, 08, 20, 2103.2000, 2106.9020	4%
15.	Meat and meat preparation including poultry	0201, 0202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210	4%

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


(Abdul Razaq)
Section Officer
