



Strategic Trade Policy framework (STPF) 2015-18



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Minister for Commerce

“We aim to get into new sectors by promoting the innovation-driven and efficiency-driven route.”

“Regional trade will be pushed through this policy. Starting from Afghanistan we intend to expand all over Central Asian Republics along with our efforts for export development in ASEAN and SAARC countries.”

(Excerpts from Trade Policy Speech, 22nd March 2016)

Forward

The Strategic Trade Policy Framework (STPF) 2015-18 marks the success of the government in giving the exporters consistency and predictability in the policy for third time in a row. The important feature of this policy is that it has focused on addressing the lessons learnt from the earlier two medium term frameworks.

The STPF 2015-18 has been prepared on the basis of extensive research and stakeholders' consultations. Unfortunately I was not able to be part of the formulation process but I am very pleased and honored to have been able to announce and launch this very well carved out policy.

This policy has a strategic direction by promoting value addition and innovation and through interventions in the niche areas. The STPF 2015-18 has four pillars:

- (i) Product sophistication and diversification
- (ii) Market Access
- (iii) Institutional Development and Strengthening
- (iv) Trade Facilitation

All the initiatives are flowing from these four pillars. However, in order to meet the set target through these various initiatives it is imperative to ensure competitiveness, compliance to standards, sound policy environment and market access. These will ensure the whole of the government approach and can be termed as the key enablers for achieving the set target.

The policy gives a strong hope in making our economy efficiency and innovation driven. However, it is not cast in stone and hence through the room for mid-course corrections continuous efforts will be made to sail through for our better future.

Azmat Ali Ranjha

Secretary Commerce

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Abbreviations

APTTA	Afghanistan Pakistan Transit Trade Agreement
APTTTA	Afghanistan, Pakistan and Tajikistan Transit Trade agreement
ASEAN	Association of Southeast Asian Nations
CARs	Central Asian Republics
CIS	Commonwealth of Independent States
C&T	Commerce and Trade
DTRE	Duty and Tax Remission for Exporters
EDF	Export Development Fund
EDIs	Export Development Initiatives
EDS	Export Development Surcharge
EFS	Export Finance Scheme
EPA	Environmental Protection Agency
EPO	Export Policy Order
EU	European Union
FATA	Federally Administered Tribal Areas
FBR	Federal Board of Revenue
FTA	Free Trade Agreement
GB	Gilgit-Baltistan
GCC	Gulf Cooperation Council
GPA	Agreement on Government Procurement
GSP	Generalized Scheme of Preferences
IP	Intellectual Property
IPO	Import Policy Order
IPO-P	Intellectual Property Organization of Pakistan
IPR	Intellectual Property Rights

ITA	Information Technology Agreement
KPK	Khyber Pakhtunkhwa
LTFF	Long Term Financing Facility
MoC	Ministry of Commerce
NOC	No Objection Certificate
NTC	National Tariff Commission
PHDEC	Pakistan Horticulture Development and Export Company
PITAD	Pakistan Institute of Trade and Development
PSQCA	Pakistan Standards & Quality Control Authority
QTTA	Quadrilateral Transit Trade Agreement
R&D	Research & Development
SAARC	South Asian Association for Regional Cooperation
SMEs	Small and Medium Enterprises
STPF	Strategic Trade Policy Framework
TDAP	Trade Development Authority of Pakistan
TFA	Trade Facilitation Agreement
TIR	Transports Internationaux Routiers
WAPDA	Water & Power Development Authority
WTO	World Trade Organization

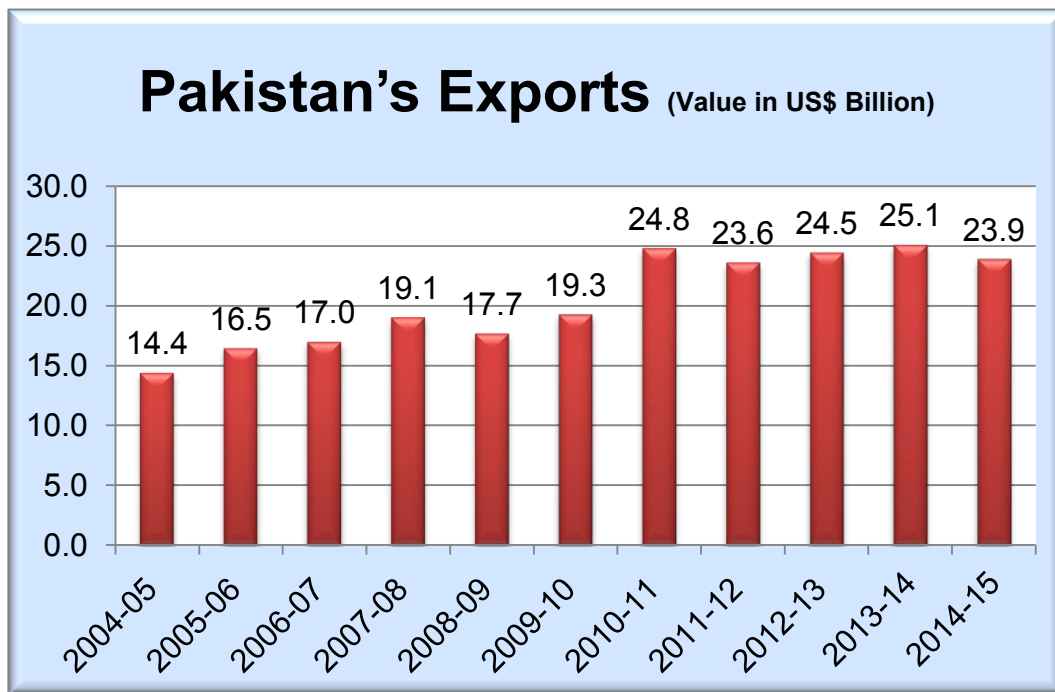
POLICY STATEMENT

Income generation by increasing share in international trade through encouraging SMEs role in export growth by promoting sustainable consumption and production patterns for raising standard of living and ensuring employment generation

INTRODUCTION

2015 marks the third consecutive year in which global trade grew less than 3%. In 2013, world trade growth rate remained 0.5% against the WTO prediction of 2.5% and rose to 2.4% in 2014. World Trade Organization recently lowered by 0.5% its estimate for world trade growth from 3.3% to 2.8% for 2015.

The growth trend of Pakistan's exports during the last ten years show a quantum leap of nearly US\$ 5 billion in 2010-11, when it increased from 19.3 billion to 24.8 billion. This unusual growth is mostly attributed to exogenous factors such as record increase in world commodity prices and global economic revival post 2008-09 depression. Nevertheless, the incentives given by the Government to boost exports contributed to consolidation and sustaining of this level for the next 5 years despite a challenging security environment and energy deficit.



Pakistan's exports crossed the US\$ 25 billion for the first time in 2013-14. However, year 2014-15 has experienced decline in exports of about 4.78% due to exogenous shocks coupled with domestic factors. These factors are both cross cutting

as well as sector specific. Persistent supply side constraints over the past 5 years such as internal security situation and severe power shortage have progressively diminished the productiveness of the manufacturing sector, which has negatively impacted the export sector as well. Furthermore, the persistent capital crunch faced by the textile and garment sector due to stuck up sales tax refunds and other duty drawback refunds has exacerbated the situation by adding to the already increasing cost of doing business. Additionally, the globally depressed commodity prices have resulted in substantial decline of our exports.

YEARLY TRADE STATISTICS

Value in Billion US\$

S.#	Years	Exports	Imports	Trade Balance	% change	
					Exports	Imports
1	2007-2008	19.05	39.97	-20.91	-	-
2	2008-2009	17.69	34.82	-17.13	-7.2	-12.9
3	2009-2010	19.29	34.71	-15.42	9.1	-0.3
4	2010-2011	24.81	40.41	-15.60	28.6	16.4
5	2011-2012	23.62	44.91	-21.29	-4.8	11.1
6	2012-2013	24.46	44.95	-20.49	3.5	0.1
7	2013-2014	25.11	45.07	-19.98	2.7	0.3
8	2014-2015	23.67	45.83	-22.10	-5.7	1.7
9	2014-2015 _(Jul-Jan)	14.115	27.187	-13.072	-	-
10	2015-2016 _(Jul-Jan)	12.083	25.672	-13.589	-14.40	-5.57

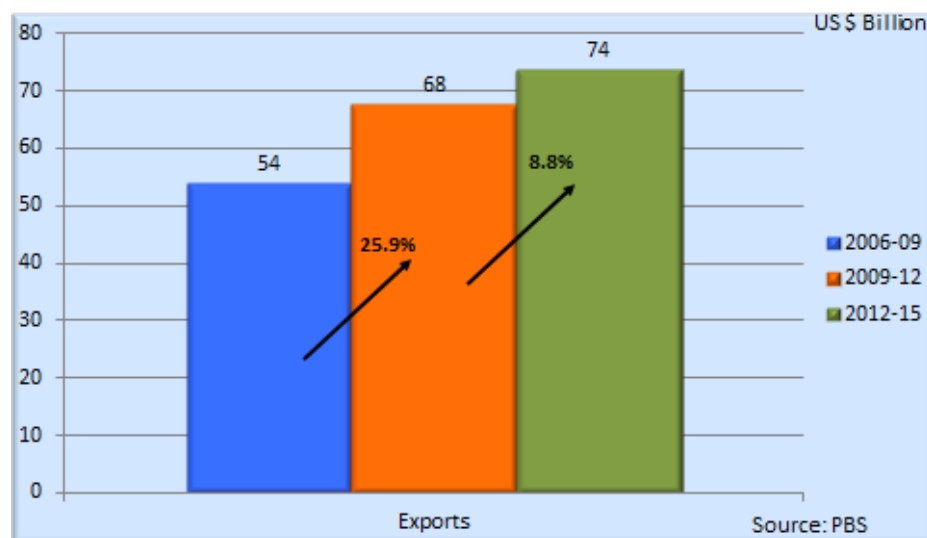
Source: PBS

Value added textile has shown some increase due to grant of GSP Plus opportunity. However, world cotton prices went down and Pakistan earned lesser returns on raw cotton, cotton yarn and cotton cloth.

Pakistan shifted from an annual Trade Policy to a 3-year medium term framework known as the Strategic Trade Policy Framework (STPF) in 2009. This shift from annual to medium term framework was made to provide a predictable environment for export sector. Two medium term frameworks have been successfully completed i.e. STPF 2009-12 and STPF 2015-18. All these earlier trade policies

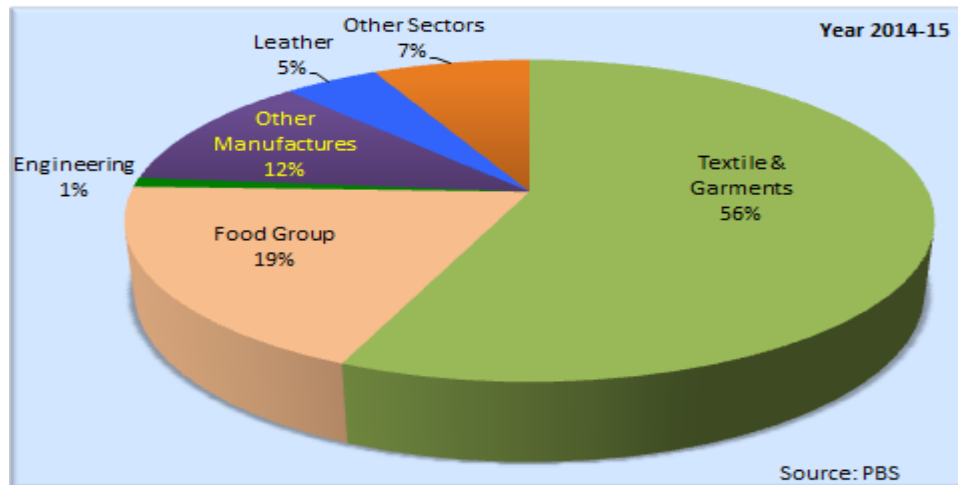
decision processes were well understood, and adequately backed with the required statutory provisions. However the post-policy processes i.e. implementation, evaluation, and review of policy have proven to be the weaker links in terms of achieving policy objectives. Accordingly, this third STPF 2015-18 endeavors to address all such post policy processes. To compare the results of STPF with Annual Trade policies we have taken three years cumulative exports of 2006-09 (on the annual basis) and compared it with the cumulative growth for two STPF periods

Export Performance on 3-year Basis



Pakistan's major exports are in textiles, food products, metals and minerals, other manufactures and leather products. Textile still remains the mainstay of our exports, with 56% share.

Export Product Categories

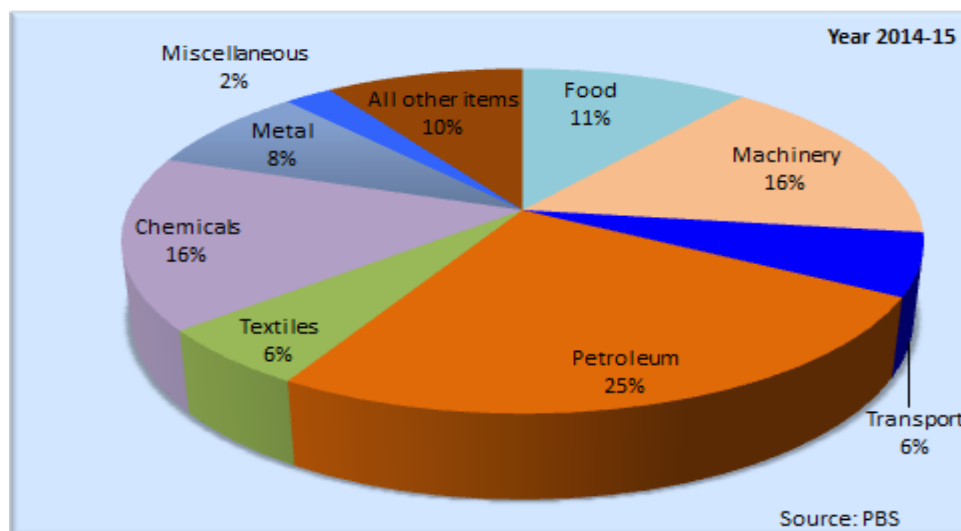


Pharmaceutical products, surgical goods/medical instruments, footwear, furniture, handicraft, gems and some food products' exports have shown significant improvement. Food group as a whole was not able to perform upto the expectations due to the lost share of the basmati rice market. Item wise details are at Annex - I.

This is the composition of our import profile. The imports can be broadly clubbed into two categories:

- (i) The inelastic imports like petroleum products and food items.
- (ii) A substantial part of our imports is raw materials and industrial/farm inputs e.g. textile yarns & fabrics, machinery, fertilizer & pesticides etc.

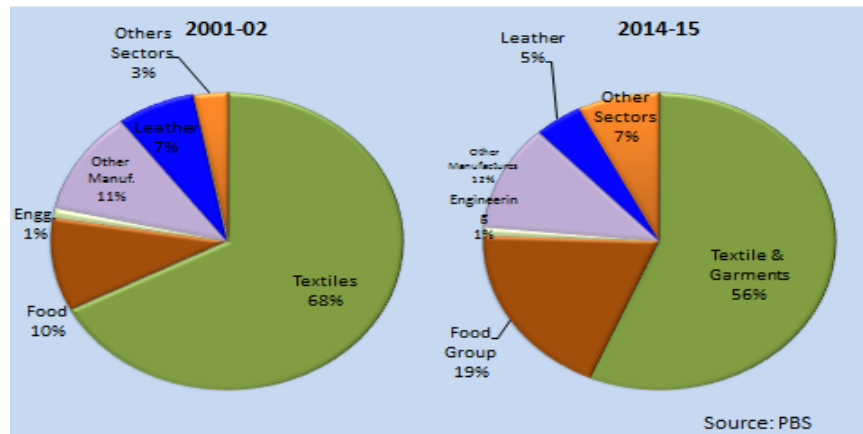
Import Product Categories



Due to inelastic import demand, Pakistan witnessed an increasing trend in imports. Major contributors to this increase in imports are machinery (14.9%), transport group (21.7%), food group (18.5%), chemical group (11%), metal group (20.3%) and miscellaneous group (18.8%). There has been a significant decline in import of petroleum group by 21.3% and in textile group by 4.4%. Item-wise details of imports are at Annex – II.

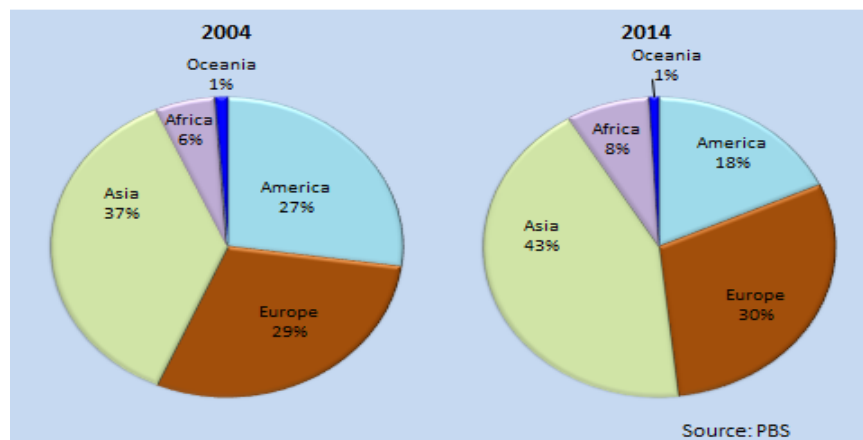
With the policy interventions of Ministry of Commerce, trade promotion activities of TDAP and efforts of the stakeholders some diversification has taken place in our export basket during the last decade. Textile still remains the mainstay of our exports. However, our reliance on textiles has decreased from 68% in 2001-02 to 56% during the last year; On the other hand the share of food items has increased. The most encouraging trend is the increase in the share of non-traditional items from 3% to 7%. The export of engineering sector has remained static. Due to its tremendous potential, it is being adopted as a priority sector under STPF 2015-18.

Product Diversification



Efforts have also been made to diversify Pakistan's export destinations. The figure below presents regional configuration percentage share of our exports. Pakistan's main trading region remains Asia. Share of Exports to Asia has increased from 37% since 2004-05 to 43% in 2014-15.

Market Diversification (Exports)



STPF 2012-15

Let's have a brief overview of the STPF for the outgoing three-year period.

Goals of STPF 2012-15;

Major goals/targets of the STPF were to;

- Increase Pakistan's cumulative exports to \$ 95 billion for the three-year period
- Make export sector an engine of growth
- Enhance Pakistan's export competitiveness in short as well as medium term

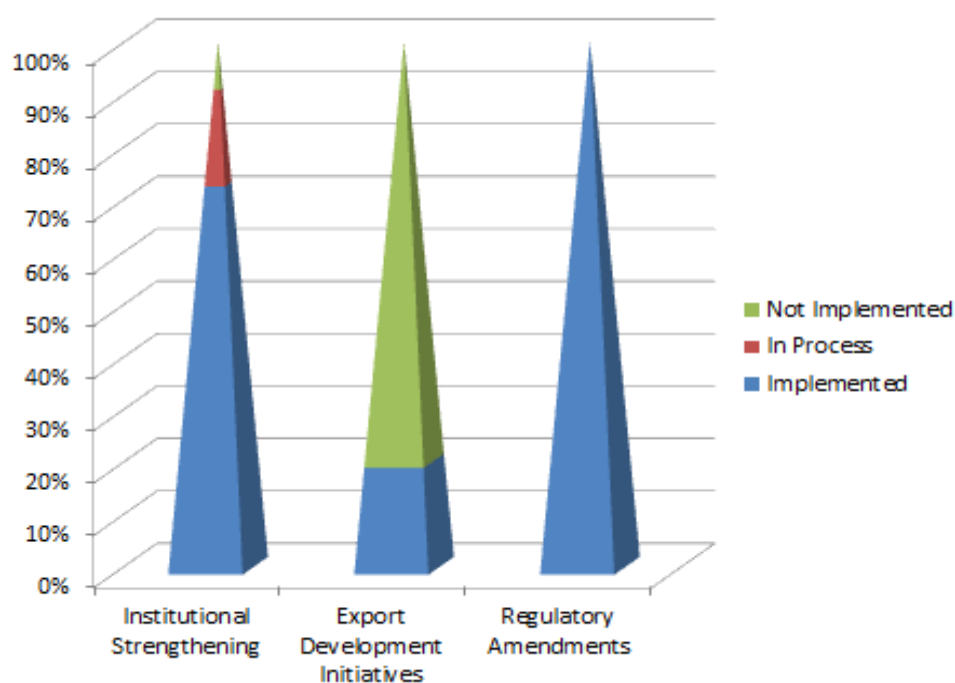
Measures announced to achieve goals

To achieve goals of STPF the following instruments of policy were employed;

- Institutional Strengthening and Governance
- Export Development Initiatives to enhance export competitiveness
- Regulatory Amendments in the trade regulations

Implementation Status

All the regulatory amendments envisaged in the STPF were notified and implemented.



Only two export development initiatives (EDIs) namely Long Term Financing Facility (LTFF) and Export Finance Scheme (EFS) could be implemented. These were implemented through inclusion in 2014-15 Budget by reduction in markup rate i.e. from 11.4% to 9% for LTFF and from 9.4% to 7.5% for EFS. The remaining EDIs

worth Rs. 21.9 billion could not be implemented due to absence of business procedures and resultantly non release of funds. Actually TDAP became almost non-functional due to initiation of legal proceedings on account of financial mismanagement with regard to previous EDIs disbursements.

Following new institutions were created:

- (i) Domestic Commerce Wing in MoC for establishing necessary linkage between domestic commerce and institutional markets
- (ii) Services Trade Promotion Council and Trade in Services Wing in the Ministry for development of trade in services
- (iii) Trade Dispute Resolution Organization to provide comprehensive alternate dispute resolution mechanism in Pakistan
- (iv) EXIM Bank to help reduce cost of borrowing for the export sector on long term basis and help reduce their risk by providing export credit, suppliers credit and export credit guaranties
- (v) Pakistan Land Port Authority

Work on creation of Leather Export Promotion Council to help in better and sustained communication between government and private sectors for promotion of leather exports and is in process

STRATEGIC TRADE POLICY FRAMEWORK (STPF) 2015-18

Keeping in view current trends in global trading environment and the trend in Pakistan's exports, the mid-term strategic trade policy framework has been formulated through an extensive consultative process spanning over almost a year. All stakeholders in the public and private sector including Federation of Pakistan Chambers of Commerce and Industry, district Chambers, trade associations, private businesses, academia, think tanks, trade missions, Ministries/Divisions and other government agencies were actively engaged.

Breakup of Proposals Scrutinized	
Organization	No. of Proposals
Federation of Pakistan Chambers of Commerce and Industry	50
Chamber of Commerce & Industries	110
Trade Associations	160
Private Sector (Industrial Units/ individuals)	50
Pakistan's Missions Abroad	240
Ministries/ Federal Government Departments/provincial Governments	200
Universities/ Academia / Research Organization	27
Total	837

The process culminated with a day-long Advisory Council meeting, chaired by the Minister for Commerce and attended by said stakeholders as well as by prominent exporters and public sector decision makers.

Learning from the previous two medium term frameworks i.e. 2009-12 and 2012-15, it has been ensured that procedural and budgetary bottlenecks are removed in STPF 2015-18. All business processes have simultaneously been formulated. Budgetary allocation of Rs. 6 Billion has been approved to implement the trade policy initiatives for year 2015-16. Continued budgetary support in FY 2016-17 and 2017-18 will be critical for achieving desired results.

Targets

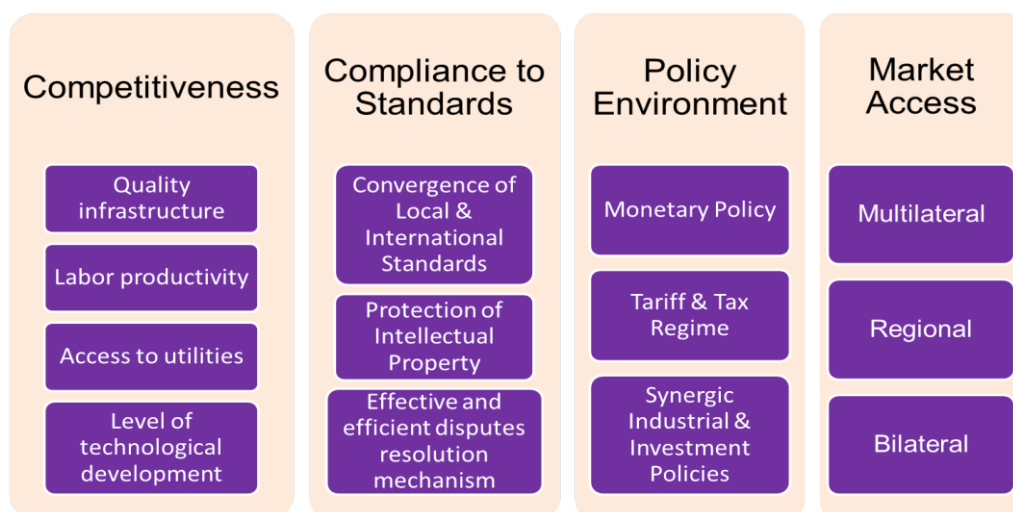
STPF 2015-18 aims to achieve following targets by June 30, 2018:

- a. Enhancement of annual exports to US\$ 35 Billion
- b. Improve Export Competitiveness
- c. Transition from ‘factor-driven’ economy to ‘efficiency-driven’ and ‘innovation-driven’ economy
- d. Increase share in regional trade

Key Enablers

To achieve the above targets, the key enablers are:

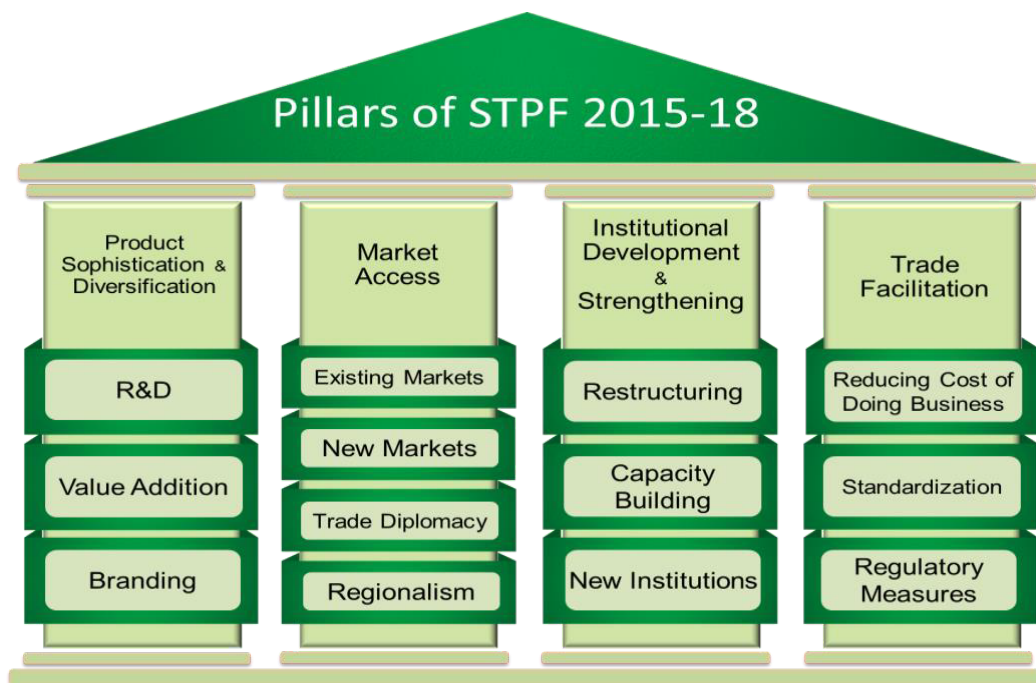
- a. Competitiveness (quality infrastructure, labour productivity, access to utilities, and level of technological development)
- b. Compliance to standards (convergence of local & international standards, protection of intellectual property, and effective and efficient disputes resolution mechanism)
- c. Policy environment (monetary policy, tariff & tax regime, and synergic industrial & investment policies)
- d. Market access (multilateral, regional, and bilateral)



Pillars

STPF 2015-18 has identified four main pillars on the basis of (i) key enablers, (ii) evaluation of STPF 2012-15, (iii) emerging global trade scenario and (iv) extensive consultation with the private sector and other stakeholders. These pillars are as follows:

- Product sophistication and diversification (research and development, value addition, and branding)
- Market access (enhancing share in existing markets, exploring new markets, trade diplomacy and regionalism)
- Institutional development and strengthening (restructuring, capacity building, and new institutions)
- Trade facilitation (reducing cost of doing business, standardization, and regulatory measures)



TRADE POLICY INITIATIVES 2015-18

In order to achieve STPF goals, the following measures will be undertaken in each of the four pillars.

Product Sophistication and Diversification

One of the targets of this STPF is transition from ‘factor-driven economy’ to ‘efficiency-driven’ and subsequently ‘innovation-driven economy’. Research & Development, value addition and branding are vital for effecting this transition. Huge potential is available if these three elements are attended well.

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Potential – Manufactured Goods

Value in Million US\$

	2009-12	2012-15*	2015-18 (linear)	2015-18 (potential)
Fans	105.5	111.4	121.4	828.8
Home Appliances	105.7	105.4	109.2	775.7
Cutlery	232.3	255.5	300.4	1,928.8
Sports Goods	966.2	1,035.7	1,039.4	7,763.2
Surgical	793.7	982.9	1,028.1	7,403.2
Leather	1,252.6	1,783.1	1,648.7	3,297.4
Pharmaceutical	444.2	554.3	622.5	1,245.0

* 2014-15 includes value of June projected on the basis of last two years

Potential – Agro Products

Value in Million US\$

	2009-12	2012-15*	2015-18 (linear)	2015-18 (Potential)
Fisheries	843.1	1,115.5	1,229.6	2,459.2
Meat	426	625.8	843.16	1,686.32
Rice	6,406.2	6,104.8	6,582.9	13,165.8
Fruits & Vegetables	1,873.0	2,239.2	3,252.5	6,505.0

* 2014-15 includes value of June projected on the basis of last two years

Research & Development (R&D)

There is a mismatch in Pakistan's export basket and global import composition. Pakistan export is 55% in Textile & Clothing which has share of about 4% in global imports. On the contrary our exports are insignificant in Engineering Goods/Transport which has over 40% share in global imports.

There is a need to move towards alignment as well as develop sector-wise policy plans for product up-gradation through Research & Development.

Technology Up-gradation

On the basis of research and consultations with stakeholders, it has been identified that use of inefficient technologies is the principal constraint in exports of selected sectors i.e., fans, home appliances, rice, cutlery and sports goods. In order to increase the sophistication level and to realize true potential of these sectors, following incentives for technology up-gradation will be provided in the shape of investment and mark-up support (business process attached as Annex-III):

- a. 20% investment support upto a maximum of Rs. 1 (one) Million per annum per company will be available for import of new plant and machinery.
- b. 50% of markup support on up-gradation of technology will be provided for import of new machinery/plant, subject to a maximum of Rs. 1 (one) Million per annum per company

Product Development

Leather, pharmaceutical, fisheries and surgical instruments are sectors with higher export potential. These sectors can lead to a quantum jump in total exports. In order to further boost export in these sectors, following incentives will be undertaken:

- a. Matching grant upto a maximum of Rs. 5 (five) Million for specified plant and machinery or specified items to improve product design and encourage innovation in SMEs and export sectors of leather, pharmaceutical and fisheries (business process attached as Annex-IV)
- b. Common Facility Center for surgical sector will be established

Branding

Brand & Certification Development Support

The manufacturing in surgical instruments, sports and cutlery sectors in Pakistan is largely done under the brands of foreign companies, resulting in lower prices for manufacturers in these sectors. Brand development needs special attention. Currently, there is no policy instrument provided by the government or private sector for providing finance for this purpose. The Government will, therefore, provide matching grant to facilitate the branding and certification for faster growth of the SME and export sector in Pakistan's economy through Intellectual Property Registration (including trade and service marks), Certification and Accreditation (business process attached as Annex-V).

Value Addition

Drawback of Local Taxes and Levies

To reduce the cost of doing business and increase the competitiveness of the value added non-textile selected sectors*, draw-back for local taxes and levies will be given to exporters on free on board (FOB) values of their enhanced exports if increased by 10% and beyond (over last year's exports) at the rate of 4% on the increase. This is an ongoing initiative announced in the Budget 2014-15 which will be continued for STPF 2015-18 (business process attached as Annex-VI).

** The selected sectors are fish and fish preparations, meat and meat preparation, spices, gloves, football and other sports goods, leather garments, other leather manufactures, footwear, surgical goods/medical instruments, cutlery, electric fans, transport equipment, auto parts, machinery specified for particular industries or other machinery and other electric equipment, furniture and pharmaceutical.*

Plant and Machinery for Agro Processing SMEs

Raw and semi-processed agricultural produce being currently exported can get higher values if exported as processed food. Lack of necessary processing facilities result in the wastage of large quantities, thus restricting the income of farmers.

To reduce the wastage of produce, increase income of the farmers and foreign exchange earnings, following measures will be undertaken in the selected agriculture sectors* (business process attached as Annex-VII):

- a. 50% support on the cost of imported new plant and machinery for specified under-developed regions**
- b. 100% mark-up support on the cost of imported new plant and machinery on all Pakistan basis

** Meat, fruits, vegetables, dates, olives, guar gum*

*** Rural Sindh, KPK, FATA, Baluchistan, Southern Punjab and GB*

Market Access

Enhancing Share in Existing Markets

Sustaining GSP Plus in European Union

Pakistan's exports have sustained despite all the challenges due to the market access in EU countries after the grant of GSP Plus. Pakistan is complying with the mandatory 27 conventions relating to environment, narcotics control, drugs, human rights and labour to retain this market access. In the wake of upcoming review of the GSP Plus in 2016, the Ministry of Commerce will launch a robust public information campaign to disseminate and sensitize stakeholders and the public on compliance issues.

Extensive information dissemination on opportunities available under market access secured by Pakistan, and other export promotional activities like exhibitions and delegations, will continue to be an integral part of the strategy for sustainability and enhancement of share in the existing markets.

Exploring New Markets

In order to diversify our export markets, an outreach strategy for Africa, Commonwealth of Independent States (CIS) and Latin America is being adopted. As part of the market penetration/outreach strategy, these new markets will be explored through the following initiatives:

- a. Market Research
- b. Opening of new Trade Missions
- c. Exhibitions and Delegations
- d. Linkages through Export Import Bank [EXIM Bank]

Trade Diplomacy

The Ministry of Commerce will continue working on its three-pronged strategy of trade diplomacy in the multilateral, regional and bilateral arenas for increasing market access.

a. Multilateral

- Entering into multilateral arrangements for better market access such as Trade Facilitation Agreement (TFA), Information Technology Agreement (ITA), Government Procurement Agreement (GPA)

b. Regional

- Enhancing access to regional markets such as GCC, ASEAN, SAARC, Afghanistan and CARs

c. Bilateral

- Negotiating bilateral preferential access with Thailand, South Korea, Turkey, Iran, China, Malaysia, Indonesia, Nigeria and Jordan

Regional Connectivity

Despite immense potential, the regions of South and Central Asia are amongst the least integrated regions of the world with intra-regional trade less than 5% primarily caused by high costs due to infrastructure, missing links and lack of transit agreements. Opportunities are, therefore, immense for greater regional connectivity and enhanced cooperation through transit trade agreements. The Ministry of Commerce is working on achieving shared prosperity through better connectivity and transit trade through the following initiatives:

a. Resolution of outstanding issues in Afghanistan Pakistan Transit Trade Agreement (APTTA)

b. Negotiation and early conclusion of Afghanistan, Pakistan and Tajikistan Transit Trade Agreement (APTITA)

- c. Effective implementation of Transports Internationaux Routiers (TIR) Convention
- d. Reactivation of Quadrilateral Transit Trade Agreement (QTTA) among Pakistan, China, Kyrgyz Republic and Kazakhstan
- e. Taking institutional lead on formulation of a Pakistan-Afghanistan-Central Asia regional economic integration framework through a Regional Trade Office, established at the Ministry of Commerce

Institutional Development and Strengthening

Restructuring

Restructuring/ Reorganization of Ministry of Commerce and Trade

Promotion Organizations

In a highly competitive environment of international trade, the Ministry of Commerce and its attached organizations are challenged to adopt professionalism, specialization, agility and pro-activeness for an effective service delivery. In order to address these challenges, an exhaustive performance review and organizational analysis of the Ministry of Commerce and its trade related attached organizations have recently been carried out.

The need assessment of human resource for the Ministry has established that almost 80% of positions of officers in the Ministry are of technical nature which require professional expertise and experience in trade promotion, international trade law and trade diplomacy. Administrative anomalies impede the Ministry from developing and deploying professional human resource in the Ministry. For instance, Commerce & Trade Group officers are posted on deputation in Ministry of Commerce i.e., Ministry of Commerce cannot post to its own offices the C&T Group officers who are under its administrative control. Similarly, unlike Foreign office, MOC has administrative limitations in management of trade offices abroad.

An inter-ministerial Committee headed by the Secretary Establishment with Secretaries of Commerce, Finance and Foreign Affairs as members will be set up for

restructuring, professionalization and empowerment of Ministry of Commerce. The Committee will finalize its recommendations within 60 days.

Trade Development Authority of Pakistan (TDAP) and Pakistan Horticulture Development and Export Board (PHDEC) are our main trade promotion organizations. However, they are under-resourced and are not geared to face export promotion challenges. To boost their performance, restructuring of these organizations will be done in consultation with relevant stakeholders on modern lines to cater for export promotion needs.

Placement of Intellectual Property Organization–Pakistan (IPO-P) in Ministry of Commerce

The current core work of IPO-P is Intellectual Property (IP) legislation and enforcement of Intellectual Property Rights [IPR]. However, due to its detachment from the Ministry of Commerce, the most important function of a national IP organization i.e. innovation and creation of marketable and exportable IP products and services does not exist. It is for these reasons that countries like United States of America, China, India, and Thailand etc. have placed their Intellectual Property Offices under the Ministry working on trade and commerce. Accordingly, IPO-P will be placed under the administrative control of Ministry of Commerce. Accordingly, a separate summary for the Prime Minister shall be moved to amend the Rules of Business.

Export Development Surcharge to Export Development Fund (Prospective)

Currently, only around 20% of the total annual receipts from Export Development Surcharge are being transferred each year by Ministry of Finance to Export Development Fund (EDF). Beginning from FY2015-16 and henceforward, the entire amount of Export Development Surcharge will be transferred to the EDF.

Capacity Building

In compliance with the decision of the Cabinet on STPF 2012-15, new institutions like Domestic Commerce Wing, Trade Dispute Resolution Organization, and Services Trade Development Council have been established. These newly created institutions require technical support and training to build their capacities in order to

become fully functional and cope with the upcoming challenges. The capacity building of these institutions will further improve the various perception based competitiveness indices/ ranking of Pakistan. A detailed assessment of their capacity building needs has already been carried out and the organizations will be strengthened by meeting their needs.

Apart from these newly created institutions, existing institutions such as Pakistan Institute of Trade and Development (PITAD), National Tariff Commission (NTC) and Trade Missions' Support system require strengthening. NTC has been restructured to make its role more effective in administering trade remedy laws and functioning as a think tank on matters related to competitiveness of industry. PITAD is being re-engineered as a think tank and as a regional hub for human resource development in trade-related disciplines.

Shortage of well-trained skilled manpower is impeding growth of our manufacturing industry. A detailed performance diagnostics of the 11 training and product development Institutes, running under MOC/TDAP have been conducted. These institutes will be strengthened in the light of the performance audit report. This would help these institutions produce better quality human resource for our industry. As a first step the strengthening of skill development institutes of fan, cutlery and leather industry will be carried out. Capacity building programs to cater for the needs of all the above institutions is being designed in line with the modern demands.

Creation of New Institutions

Establishment of Export Development Councils




After successful establishment of Services Export Development Council and Leather Export Development Council, Ministry of Commerce intends to venture into non-traditional export sectors where value-addition and product diversification can be achieved. Accordingly, following two new export development councils will be established:

- a. Pharmaceutical & Cosmetics Export Promotion Council
- b. Rice Development & Export Promotion Council

Trade Facilitation

Reducing Cost of Doing Business

Inland Water Transport (in numbers)

	Road 	Rail 	Inland Navigation ² 
Transport capacity of one traffic unit	25 Nt	40 Nt	3,700 Nt
Number of traffic units for same transport volume	148	93	1
Transport widths for a goods ton with same energy consumption	100 km	300 km	370 km
External costs in €/1000 tkm	24	8.7	7.3
CO ₂ - emissions in kg/1000 tkm	77.2	27.8 ¹	25.2

¹ with 40% efficient production of energy

² specific energy consumption and CO₂ emissions could be reduced by 20% with better extent of utilisation of the ship

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Railway Services

Extra inland freight costs erode export competitiveness on a range of exports. The cost of transport through roads is expensive as compared to rail and water. Therefore, a task force will be established to conduct expeditious work on improving railway services for exports. The task force will be headed by Secretary Railways and will comprise Secretaries Commerce, Planning & Development and Board of Investment. While the Secretariat of the task force will be in the Ministry of Railways, the funds required for studies/consultancies shall be met from the STPF allocations. Task Force will submit its report to the Cabinet Committee on Production & Exports, along with an action plan.

Inland Water Navigation

A task force will be setup to conduct expeditious work on improving inland water navigation for exports. This task force will be headed by the Secretary Water & Power and comprising Secretaries Ports and Shipping, Commerce, Planning &

Development, Communication, Chairman WAPDA, respective provincial Departments of Irrigation and Chairman Inland Water Transport Development Company. The Secretariat of the task force will be in Ministry of Water & Power. The task force will submit its report to the Cabinet Committee on Production & Exports, along with an action plan.

Exporters' Tax Refund

Lengthy delays and administrative hurdles in refunds of sales tax as well as other taxes and levies are cited by exporters as the principal cause of liquidity crunch and increasing their financial cost of doing business. Accordingly, the payment of all tax refunds in full will be made expeditiously.

Regulatory Measures

The regulatory amendments in the Import and Export Policy Orders 2013 have been developed after extensive consultation with private sector and relevant ministries and government organizations. These amendments would further facilitate Pakistan's trade and contribute to the ease of doing business by simplifying the procedures and strengthening the regulatory processes.

a) Import of Plastic Waste And Scrap

Procedure for import of the Plastic Scrap is subject to the conditions laid down in the Import Policy Order 2013 including, inter alia, submission of environmental audit report which is not possible for the units importing for the first time. The units importing plastic scrap for the first time, therefore, be exempted from the requirement of submitting an Annual Environmental Audit Report.

b) Import of Shredded Tyres

Import of waste and scrap of second-hand/used tyres is allowed in favor of industrial consumers subject to fulfilment of environmental requirements of using tyres as a fuel as prescribed by the Federal/Provincial Environmental Authorities. Existing facility is not extended to Pyrolysis plants. The pyrolysis plants, which are

duly registered with the respective EPAs and FBR, will also be allowed now to import such scrap subject to the same terms and conditions as are prescribed for industrial consumers plus environmental audit report.

c) Import of Air Pistols

Import of only air guns is presently allowed. The import of Air Pistols, and slugs, will also be allowed now.

d) Import of Aerial Vehicles and Night Vision Goggles

At present, there is no restriction either on the import of the aerial vehicles with HD Camera and having high-speed WIFI Transmission capability with ground station or on Night Vision Goggle. Since these articles could be misused, the import needs to be regulated. The import of the above mentioned equipment will, therefore, be allowed subject to the NOC from Ministry of Defence.

e) Import of 3D Printers

At present there is no restriction on the import of 3D Printers. To check the misuse of 3D Printers, the import will, thus, only be allowed with prior permission from the Ministry of Interior.

f) Import of Mobile Phones

Mobile phones are importable subject to the provision of NOC/Type and International Mobile Equipment Identity (IMEI) verification approval from Pakistan Telecommunication Authority (PTA). However, these conditions are not reflected in the Import Policy Order. In compliance to the Supreme Court of Pakistan order in suo-moto case No. 16 of 2011, the terminal equipment such as mobile hand sets and tablets will not be allowed to be imported without PTA's Type Approval Certificate.

g) Import of Security Papers

Paper required in security printing is importable subject to NOC from Security Papers Limited (SPL)-an associated company. Pakistan Security Printing Corporation

(PSPC), a wholly owned government organization, has proposed that the policy should be changed in such a way that PSPC is not required to get an NOC from SPL. to meet their own requirement. Pakistan Security Printing Corporation (PSPC) will, therefore, be exempted from taking NOC from Security Paper Limited (SPL) for importing security papers for its own requirement.

h) Import of Inputs by Manufacturer-Cum-Exporters

Items of industrial use that are on restricted list are importable subject to conditions laid therein. Since import of restricted items is not allowed to manufacturers cum exporters under various schemes of manufacturing for exports except DTRE, that compels the exporting units to acquire their imports from commercial importers; hence it adds cost to the process. The import of inputs reflected in the restricted list will also be allowed to be imported by manufacturer-cum-exporter under DTRE, Temporary importation, Bonded Warehouses, Common Bonded Warehouses and Export Oriented Unit Schemes subject to conditions mentioned therein.

i) Import of Specialized Vehicles including Transit Mixer

Current Import Policy Order allows import of second hand/ used machinery/ equipment/specialized vehicle in favour of construction companies, public sector companies etc. to meet their contractual requirements. This category of machinery also includes transit mixture, prime movers, dumpers and other specialized vehicles. The import of such second hand/used specialized vehicles mentioned in the Import Policy Order will be allowed subject to pre-shipment inspection in the exporting country from any of the internationally recognized companies listed in the said Order to the effect that such vehicles are (a) Euro-II compliant, (b) manufactured as such by the original equipment manufacturers (OEM) and (c) not older than five years.

j) Import of Pesticides

Insecticides etc. are importable in accordance with the provisions of the Agricultural Pesticides Ordinance 1971. The certification by PSI or Survey Agencies duly listed with the Department of Plant Protection is required under Rule 9(6) of the

Agricultural Pesticides Rule 1973. The import of pesticides will, inter alia, be allowed subject to prior Pre-Shipment Inspection (PSI) certification issued by the recognized PSI agencies to be specified by the Department of Plant Protection.

k) Import of Digital Enhanced Cordless Telecommunication (DECT)

6.0 Phone

Digital Enhanced Cordless Telecommunication Phones (DECT) 6.0 are causing interference in frequencies allocated with recently launched 3G/4G services across Pakistan. The import of such phones will be banned to ensure compliance to provisions of the PTA Act 1996.

l) Import of Poultry and Poultry Products

Ban on import of poultry and poultry products is continuing since 2004 due to avian influenza (bird-flu). However, the bird flu outbreak has been resolved as per OIE report. The ban on import of poultry and poultry products will be lifted from South Korea, Russia, Kazakhstan, Mongolia, Turkey, Greece, Croatia, Italy, Azerbaijan, Ukraine, Iraq, Bulgaria, Slovenia, Slovakia, Austria, Bosnia and Herzegovina, subject to certification from respective veterinary authority of the exporting country that birds are only from such flocks where no incidence of Bird-Flu has been reported for the last eleven years.

m) Import of Plug Wrap Paper

Cigarette paper is importable only by the cigarette manufacturers registered with the Federal Board of Revenue. Plug Wrap Paper also classified under the category of cigarette paper, but the same cannot be imported by the manufacture, manufacturing cigarette filter rods. The import of plug wrap paper will also be allowed to manufacturer of cigarette filter rods, duly registered with the Federal Board of Revenue.

n) Import of Mercury and Mercury Compounds

At present there is no restriction on the import of mercury and mercury compounds. Pakistan signed Minamata Convention on mercury on October, 2013. As per the convention mercury has to be phased out in the manufacturing process as well

as its use in the other products till 2020. Its import will, therefore, be restricted to industrial consumers having valid environmental approval from the concerned Federal/ Provincial Environmental Protection Agency/Department.

o) Import of Two or Three Wheeler Auto Vehicles

At present import of two or three wheeler vehicles is allowed subject to one time certification of each model by PSQCA that the vehicle conforms to the prescribed Pakistan Standard. The condition of Euro-II compliance will, therefore, be put in place for import of these vehicles.

p) Import of Ozone Depleting Substances

Sr. No. 18, Part-I, Appendix-B allows Import of ozone depleting substances specified at Appendix-F shall be subject to the policy/quota allocations to be laid down by the Ministry of Climate Change from time to time. After quota allocation by M/o Climate Change, M/o Commerce issues import authorization. Obtaining authorization for import of ozone depleting substances from Ministry of Commerce will be dispensed with. Ministry of Climate Change will however, continue to determine the quota policy in this regard.

q) Import of cars under Disabled Persons Scheme

Para 16 of the IPO allows the import of duty free cars to the disabled persons. Such import is exempt only from customs duty while all other taxes are applicable. Many Disabled Persons misunderstand the word “Duty Free” as exemption from all kind of duties and taxes. The words “duty free” will be replaced with the words “exempt from customs duty” provided in the disabled scheme for import of cars. Furthermore, new three wheeler motor cycles will also be allowed under the Scheme.

r) Allowing the re-consignment

The terms import, export and re-export are not defined in the IPO or EPO. The goods in their original form are not allowed to be re-exported except under certain conditions. Under the WTO’s Trade Facilitation Agreement “WTO Members must, subject to their laws and regulations, allow an importer of goods that are rejected to re-consign or return rejected goods.” The goods rejected or denied import will be allowed

to be re-consigned or returned to the foreign exporter subject to the laws and regulations pertaining to the trade of contraband goods.

*s) **Fireworks***

While import of explosives is allowed on the restricted list of Import Policy Order, import of fireworks is banned. To remove this anomaly, fireworks will be placed on the restricted list, with the conditions of compulsory physical examination by explosives expert and that Department of Explosives of Ministry of Industries shall allow import only to applicants and companies having valid licenses under the Explosives Rules, 2010.

*t) **Export of Gift Parcels***

Under para 4 (e), the export of gift parcels is allowed irrespective of their status in Schedule I (negative list). The export of gift parcels will not include items borne on the banned list of exports.

*u) **Export of Relief Goods to Afghanistan***

The humanitarian relief organizations will be allowed to export goods (excluding banned/ restricted) to Afghanistan without form-E subject to the provision of encashment certificate of foreign exchange from authorized dealers.

Standardization

An inter-ministerial working group comprising Ministries of Science & Technology, Commerce and National Food Security & Research will be constituted to work on quality standardization and harmonization of Pakistan standards besides, revision of list of pre-shipment inspection companies in the Appendix D and H of IPO.

SHORT-TERM EXPORT ENHANCEMENT MEASURES

The Short Term Export Enhancement Strategy includes the identification of focus products, focus markets and market linked focus products.

Focus Products

For short-term export enhancement, the following four product categories would be focused: (i) Basmati rice, (ii) horticulture, (iii) meat and meat products; and (iv) jewellery. The selection of products has been made on the basis of the availability of export surplus and potential for growth with short-term policy intervention and support.

Basmati Rice

Iran and Saudi Arabia jointly constitute 55% of total import market of Basmati rice in the world. Pakistan's share in these markets is 0.52% and 4.4% respectively. There is a preference for parboiled basmati rice in these markets. The support for import of parboiling machinery has been included in the Technology Upgradation Support envisaged in the STPF. Besides the incentive for branding and certification, support will be provided for development of warehousing facilities for rice in Iran and Saudi Arabia. "Pakistani Basmati Rice" will be branded in both the markets to generate consumer preference.

Horticulture

Pakistani horticulture products have already created a niche in global market. In view of the short shelf life the most feasible markets for horticulture products due to manageable sailing time are Middle East and South East Asia. The focus products in horticulture sector will be kinnow, mango, potato, onion and fresh vegetables. The short term strategy measures will include the institutional strengthening of PHDEC, support for international certifications, packaging, development of common facility centres e.g. Pack Houses and Vapour Heat Treatment facilities and development of market linkages with the outlets of international chain stores in Pakistan.

Meat Products

There is considerable potential for enhancement of export of meat products in Iran and Middle East. Under the STPF 2015-18, support for certification and approval of processing facilities by the authorities of importing countries will be provided. Besides, the exporting concerns will be facilitated in establishing market linkages through Pakistan's trade offices abroad.

Jewellery

Pakistan's Jewellery exports have shown a sharp decline since the amendment in regulatory regime for jewellery imports and exports in 2013, which was introduced to check the malpractices in Jewellery exports. The regulatory regime will be reviewed to ensure that the legitimate exports of Jewellery are not damaged due to over-regulation.

Focus Markets

The Focus Markets for short-term export enhancement will be (i) Iran, (ii) Afghanistan, (iii) China, and (iv) European Union. These markets have been selected on the basis of potential for enhancement of Pakistan's market share in the short term.

Iran

The economic sanctions on Iran are being eased and there is a likelihood of normalization of trade channels with the neighboring country in the next 6-12 months. In view of the emerging opportunities, under the market-linked focus product strategy, basmati rice, kinnow and meat products will be promoted in Iran. The strategy would be to support the warehousing and branding of basmati rice, certification of kinnow, meat products and rice, development of border markets and development of infrastructure for approach to the Iranian market through land routes.

China

There is considerable potential for increase in export of rice, cotton yarn, fabrics and garments in China in the short-term through strategic interventions. The stakeholders in export sectors will be informed, through a series of seminars and

information events, of the available concessions under the China Pakistan FTA. The review of FTA and conclusion of 2nd Phase of FTA will be fast-tracked.

Afghanistan

Under the market-linked focus product strategy, the export of wheat, rice, meat products and cement can be increased in the short term. Strategic measures would be the opening of rail linkage with Afghanistan at the earliest.

European Union

Pakistani products are benefitting from the GSP Plus status in European Union. Currently only two fisheries establishments are approved for export to EU. The process for approval of five more fisheries processing facilities will be fast tracked. Mango exports to EU during the last two years have been held back due to the voluntary restraints imposed by Pakistan in view of fruit fly infestation in mangoes. The certification of mango farms and pack houses will be supported to increase the availability of produce according to the SPS requirements of EU.

Comparative Exports of Selected Commodities
DURING JULY-JUNE 2013-14 AND JULY-JUNE 2014 -15*

Value in Million US\$
Unit value \$ per unit

Groups/Commodity	Unit	July-June 2013-14			July-June 2014-15 *			% change July-June 2014-15* / July-June 2013-14		
		Quantity	Value	Unit Value	Quantity	Value	Unit Value	Quantity	Value	Unit Value
A. Food Group			4,625.2			4,559.7			-1.4	
% share			18.4			19.1				
1 Rice	M. T.	3,717,217	2163.1	581.9	3,786,111	2035.1	537.5	1.9	-5.9	-7.6
i) Basmati	M. T.	667,523	770.0	1153.5	490,831	587.6	1197.1	-26.5	-23.7	3.8
ii) Others	M. T.	3,049,694	1393.1	456.8	3,295,280	1447.5	439.3	8.1	3.9	-3.8
2 Fish & fish preparations	M. T.	150,498	369.5	2454.9	140,639	349.6	2485.5	-6.6	-5.4	1.2
3 Fruits	M. T.	784,378	435.3	555.0	706,254	439.0	621.6	-10.0	0.9	12.0
4 Vegetables	M. T.	568079	209.1	368.1	712,524	232.5	326.4	25.4	11.2	-11.3
5 Leguminous vegetables	M. T.	3,227	2.8	873.9	0	0.0		-100.0	-100.0	
6 Tobacco	M. T.	6,658	22.6	3395.9	3,956	14.3	3609.2	-40.6	-36.9	6.3
7 Wheat	M. T.	20,037	7.0	349.8	10,441	3.1	293.7	-47.9	-56.3	-16.0
8 Spices	M. T.	17,545	56.9	3243.1	19,036	65.2	3426.7	8.5	14.6	5.7
9 Oil seeds,nuts and kernal	M. T.	60,081	81.7	1360.6	37,540	64.2	1710.0	-37.5	-21.5	25.7
10 Sugar	M. T.	647,333	286.7	443.0	708,968	322.1	454.3	9.5	12.3	2.6
11 Meat and meat preparations	M. T.	73,664	229.9	3121.3	74,236	243.6	3281.8	0.8	6.0	5.1
12 All other food items			760.5			790.9			4.0	
B. Textile Group			13,720.1			13,476.0			-1.8	
% share			54.6			56.4				
13 Raw Cotton	M. T.	114,671	205.1	1788.9	95,017	147.1	1548.2	-17.1	-28.3	-13.5
14 Cotton Yarn	M. T.	663,895	1,997.3	3008.5	671,293	1,842.4	2744.6	1.1	-7.8	-8.8
15 Cotton cloth	000 SQM	2,520,516	2,770.0	1.1	1,963,277	2,454.6	1.3	-22.1	-11.4	13.8
16 Cotton carded or combed	M. T.	5,735	7.1	1244.6	5,568	6.4	1148.9	-2.9	-10.4	--
17 Yarn other than cotton yarn	M. T.	13,065	43.9	3358.1	14,149	42.9	3029.2	8.3	-2.3	-9.8

18	Knitwear	000 Dozen	108,135	2,293.7	21.2	111,068	2,416.7	21.8	2.7	5.4	2.6
19	Bedwear	M.T.	316,735	2,137.7	6749.3	323,601	2,095.6	6475.7	2.2	-2.0	-4.1
20	Towels	M.T.	166,567	767.5	4607.5	166,002	781.1	4705.4	-0.34	1.8	2.1
21	Tents, canvas & Tarpaulin	M.T.	28,541	77.8	2724.5	44,950	135.3	3008.9	57.5	73.9	10.4
22	Readymade garments	000 Dozen	28,955	1,909.3	65.9	30,549	2,101.2	68.8	5.5	10.0	4.3
23	Art silk & synthetic textile	000 SQM	331,926	385.0	1.2	239,108	330.7	1.4	-28.0	-14.1	19.3
24	Madeup articles (Include other tex.)	-		659.9			661.6			0.3	
25	Other textile materials	-		465.8			460.4			-1.2	
C. Petroleum Group & Coal				721.4			585.6			-18.8	
	% share			2.9			2.5				
26	Petroleum crude	M.T.	67,028	57.5	858.5	457541	277.6	606.8	582.6	382.4	-29.3
27	Petroleum products (Excl.Top Naphta)	M.T.	108,941	111.2	1020.9	79,303	71.7	904.3	-27.2	-35.5	-11.4
28	Petroleum top naphita	M.T.	660,889	552.6	836.2	259,150	236.3	911.9	-60.8	-57.2	9.1
29	Solid fuels (coal)	M.T.	261	0.04	137.9	50	0.01	120.0	-80.8	-83.3	-13.0
D. Other manufactures Group				4,657.4			3,838.7			-17.6	
	% share			19.5			16.1				
30	Carpets rugs & mats	000 SQM	3,212	125.3	39.0	2,489	119.4	48.0	-22.5	-4.6	23.1
31	Sports goods			364.2			329.0			-9.7	
	i) Footballs	000 Dozen	4,207	194.0	46.1	3,450	167.5	48.6	-18.0	-13.6	
	ii) Gloves	000 Dozen	3,186	103.4	32.5	2,737	100.0	36.5	-14.1	-3.3	12.6
	iii) Others sports goods			66.8			61.5			-8.0	
32	Leather tanned	000 SQM	29,349	551.4	18.8	21,108	488.7	23.2	-28.1	-11.4	23.2
33	Leather manufactures			625.0			595.4			-4.7	
	i) Leather garments	000 Dozen	1,393	406.1	291.5	957	366.5	383.0	-31.3	-9.7	31.4
	ii) Leather gloves	000 Dozen	7,949	202.5	25.5	6,971	216.4	31.0	-12.3	6.8	21.8
	iii) Other Leather manufactures			16.4			12.5			-23.8	
34	Footwears	000 Pairs	16,082	119.1	7.4	13,919	131.2	9.4	-13.4	10.2	27.3

	i) Leather footwear	000 Pairs	7,398	98.8	13.4	7,439	110.1	14.8	0.6	11.5	10.9
	ii) Canvas footwear	000 Pairs	80	0.3	3.7	109	0.41	3.8	36.3	40.5	3.1
	iii) Other footwear	000 Pairs	8,604	20.0	2.3	6,371	20.7	3.2	-26.0	3.3	39.6
35	Surgical goods/medical instruments			337.8			339.1			0.4	-
36	Cutlery			88.3			85.5			-3.1	
37	Onyx manufactured	M.T.	3,942	8.9	2263.3	3,193	7.9	2459.1	-19.0	-12.0	8.7
38	<u>Chemicals & pharmaceutical products</u>			<u>1171.5</u>			<u>978.3</u>			<u>-16.5</u>	
	<u>% share</u>			<u>4.9</u>			<u>4.1</u>				
	i) Fertilizer manufactured	M.T.	0	0.0	--	0	0.000	--	--	--	--
	ii) Plastic materials	M.T.	251,311	350.6	1395.2	211,694	264.7	1250.4	-15.8	-24.5	-10.4
	iii) Pharmaceutical products	M.T.	15,182	175.7	11575.1	14,621	208.0	14229.2	-3.7	18.4	22.9
	iv) Other chemicals			645.1			505.5			-21.6	
39	<u>Engineering Goods</u>			<u>326.7</u>			<u>226.6</u>			<u>-30.6</u>	
	<u>% share</u>			<u>1.4</u>			<u>0.9</u>				
	i) Electric fans	000 Nos	2,042	39.2	19.2	1,517	34.5	22.8	-25.7	-11.9	18.6
	ii) Transport equipment			13.1			11.4			-12.8	
	iii) Other electric machinery			87.9			62.7			-28.7	
	iv) Machinery specialized for particular industries			33.9			31.3			-7.6	
	v) Auto parts			23.9			19.6			-18.3	
	vi) Other machinery			128.6			67.0			-47.9	
40	Gems	M.T.	11	6.7	607545	14	7.5	538857.1	27.3	12.9	-11.3
41	Jewellery			323.7			7.6			-97.7	
42	Furniture	000 Nos.	400	7.3	18.3	328	7.5	23.0	-18.0	2.9	25.5
43	Molasses	M.T.	197,342	24.3	122.9	84,083	10.23	121.6	-57.4	-57.8	-1.0
44	Handicrafts			0.71			3.9			447.3	
45	Cement	M.T.	8,818,309	508.2	57.6	7,682,711	443.6	57.7	-12.9	-12.7	0.2

46	Guar & guar products	M.T.	24,407	68.4	2802.2	23,038	57.1	2476.8	-5.6	-16.6	-11.6
	Others			1385.5			1425.4			2.9	
	% share			5.5			6.0				
	TOTAL:			25,109.6			23,885.4			-4.88	
				100.0			100.0				

* Provisional

Source: Pakistan Bureau of Statistics.

**COMPARATIVE IMPORTS OF SELECTED COMMODITIES
DURING JULY-JUNE, 2013-14 AND 2014-15***

Value in Million US\$
Unit value in \$ per unit

Groups/Commodities		Unit	July-June, 2013-14			July- June ,2014-15*			% change 2014-15* (July-June)/(July-June)2013-14			Change
			Quantity	Value	Unit Value	Quantity	Value	Unit Value	Quantity	Value	Unit Value	
A.	<u>Food Group</u>			4,243.6			5,027.7		18.5		784.1	
	% share			9.4			10.9				1.5	
	1 Milk Cream Incl milk food for infants	M.T	56,325	163.4	2901.4	76,555	289.7	3783.9	35.9	77.3	30.4	126.3
	2 Wheat unmilled	M.T	377,441	107.2	284.1	686,673	185.5	270.1	81.9	72.9	-5.0	78.2
	3 Dry Fruit	M.T	130,319	102.5	786.9	165,434	117.3	709.3	26.9	14.4	-9.9	14.8
	4 Tea	M.T	133,145	300.1	2253.8	152,243	340.8	2238.7	14.3	13.6	-0.7	40.7
	5 Spices	M.T	111,562	92.5	829.2	132,126	109.1	825.9	18.4	18.0	-0.4	16.6
	6 Soyabean oil	M.T.	118,093	117.2	992.0	56,176	56.3	1002.4	-52.4	-51.9	1.0	-60.8
	7 Palm oil	M.T.	2,264,748	1902.2	839.9	2,396,730	1779.3	742.4	5.8	-6.5	-11.6	-122.9
	8 Sugar	M.T.	9,824	6.2	626.2	10,201	6.2	611.3	3.8	1.4	-2.4	0.1
	9 Pulses	M.T.	499,251	308.3	617.4	660,983	409.1	618.9	32.4	32.7	0.2	100.8
	10 All other food items			1144.0			1734.3		51.6			590.3
B.	<u>Machinery Group</u>			6,457.8		-	7,419.8		14.9			961.9
	% share			14.3			16.1					1.8
	11 Power Generating Machinery		-	1081.1		-	1372.5			27.0		291.4
	12 Office Machinery(Inc.data processing equip.)			217.4		-	398.1			83.1		180.7
	13 Textile Machinery		-	599.6		-	449.3			-25.1		-150.3
	14 Construction & mining machinery		-	260.9		-	270.4			3.7		9.6
	15 Electrical machinery & apparatus			1116.5		-	1204.3			7.9		87.8
	16 Telecom		-	1345.6		-	1377.2			2.3		31.6
	i) Mobile phone		-	611.4		-	722.6			18.2		111.2
	ii) Other Apparatus		-	734.2		-	654.6			-10.8		-79.6
	17 Agricultural machinery & implements		-	71.7		-	104.3			45.5		32.6

18	Other machinery	-	1765.1	-	-	2243.6	27.1	<u>478.5</u>
C.	<u>Transport Group</u>		2,214.1			2,694.5	21.7	480.4
	% share		4.9			5.9		0.9
19	Road motor veh. (Build unit, CKD/SKD)	-	1248.7	-	-	1605.3	28.6	<u>356.6</u>
	19.1 CBU	-	334.2	-	-	406.7	21.7	72.5
	i) Buses, trucks & oth.heavy vehicles	-	139.4	-	-	129.8	-6.9	<u>-9.6</u>
	ii) Motor cars	-	190.6	-	-	275.2	44.4	<u>84.6</u>
	iii) Motor cycles	-	4.2	-	-	1.7	-58.2	<u>-2.4</u>
	19.2 CKD/SKD	-	546.0	-	-	770.3	41.1	224.3
	i) Buses, trucks & oth.heavy vehicles	-	123.1	-	-	198.7	61.4	<u>75.6</u>
	ii) Motor cars	-	350.9	-	-	481.1	37.1	<u>130.2</u>
	iii) Motor cycles	-	72.0	-	-	90.5	25.7	<u>#REF!</u>
	19.3 Parts	-	274.6	-	-	320.1	-67.1	<u>-184.2</u>
	19.4 Others	-	93.9	-	-	108.2	240.9	<u>226.2</u>
20	Aircraft, ships & boats	-	867.8	-	-	862.5	-87.5	<u>-759.6</u>
21	Others transport equipments	-	97.6	-	-	226.6	783.9	<u>765.0</u>
D.	<u>Petroleum Group</u>		14,860.6		-	11,695.1	-21.3	-3165.4
	% share		33.0			25.4		-7.5
22	Petroleum products	M.T	9084.7	12,045,874	754.2	7596.9	-16.4	<u>-1487.8</u>
23	Petroleum crude	M.T	7,009,780	7,009,780	824.0	4098.3	-29.0	<u>-1677.6</u>
E.	<u>Textile Group</u>		2,677.2		-	2,560.7	-4.4	-116.5
	% share		5.9			5.6		-0.4
24	Raw cotton	M.T	266,245	266,245	2155.4	343.8	-40.1	<u>-230.1</u>
25	Synthetic Fibre	M.T	219,574	219,574	2011.2	530.4	20.1	<u>88.8</u>
26	Synthetic & artificial silk yarn	M.T	239,801	239,801	2581.5	681.7	10.1	<u>62.7</u>
27	Worn clothing	M.T	443,700	443,700	394.4	124.0	-29.1	<u>-51.0</u>
28	Other textile items		867.7			880.8	1.5	<u>13.0</u>
F.	<u>Chemical Group</u>		6,706.3			7,448.2	11.1	742.0
	% share		14.9			16.2		1.3
29	Fertilizer manufactured	M.T.	1,833,243	1,833,243	381.8	866.7	23.8	<u>166.7</u>
30	Insecticides	M.T.	23,546	23,546	5223.3	138.8	12.8	<u>15.8</u>
31	Plastic material	M.T.	948,620	948,620	1769.5	1800.6	7.3	<u>122.0</u>
32	Medicinal products	M.T.	21,297	21,297	37146.7	947.8	19.8	<u>156.7</u>
33	Others		3413.6			3694.4	8.2	<u>280.8</u>



GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

ORDER

S.R.O. (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 Technology Up-Gradation Fund Order, 2016.

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

2. **Benefits.**— This Order shall provide the following benefits, namely:-

- (a) twenty per cent investment support upto a maximum of rupees one million per annum per company may be available for import of new plant and machinery; and
- (b) fifty per cent of markup support on up-gradation of technology may be provided for import of new machinery or plant, subject to a maximum of Rs. one million per annum per company.

3. **Definitions.**— In this Order, unless there is anything repugnant to the context:-

- (a) “Annex” means annexes to this Order;
- (b) “Association” means respective associations of the selected sectors duly registered with the DGTO.
- (c) “authorized dealer” means those commercial banks and their branches who have been authorized to deal in Foreign Exchange by the State Bank of Pakistan;
- (d) “BSC” means SBP-Banking Services Corporation (SBP-BSC), a wholly owned subsidiary of State Bank of Pakistan;
- (e) “DGTO” means Directorate General of Trade Organizations;
- (f) “FEOD” means Foreign Exchange Operations Department of SBP-BSC;
- (g) “manufacturer” is any person i.e. sole proprietor, partnership or company with a valid NTN and registered as such with respective association;
- (h) “nominated bank” means any of the authorized banks selected by the applicant for submission of claim under this Order; and
- (i) “SBP” means the State Bank of Pakistan.

4. **Eligibility Criteria.-** (1) The manufacturing unit shall hold a valid National Tax Number (here in after NTN) number and should have filed tax returns for the last five years immediately before the date of application.

(2) The manufacturing units which are currently beneficiary of any other financing 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 shall not be eligible under technology up-gradation fund concurrently. Further, no such facility shall be available to the beneficiary of technology up-gradation fund (TUF) for the same machinery after five years of availing technology up-gradation fund. The concerned trade association shall give a certificate that the applicant is not the beneficiary of any other financing scheme.

(3) An applicant shall not be a person other than manufacturer and shall be registered with the respective trade association and should hold a valid registration number and membership status of the association.

(4) The facilities availed under this order shall be non-transferable and non-saleable for the following five years, from the date of installation. The imported items shall be hypothecated with the nominated bank.

(5) The grant facility under technology up-gradation fund shall only be available against actual import of the specified machinery and payments made there against after the date of issuance this Order.

(6) An application for grant can only be lodged if import payment has been made on letter credit.

(7) In cases where import payment is to be made in installments, the application for grant shall be submitted against each installment.

(8) Claim must be filed within one month of the import payment.

(9) Commercial importers and machinery purchased locally are not eligible for this scheme.

(10) Markup shall be reimbursed as per the repayment schedule of loan.

(11) The support shall be available for the import of new plant and machinery actually required for the technology upgradation in sectors i.e. fans, home appliances, rice, cutlery and sports goods. The plant or machinery so imported under this order shall be subject to verification by the Engineering Development Board to the extent that such Machinery is being used bonafidely in these sector under this order.

5. **Role of Association .-** (1) The association shall be responsible to authenticate the information in respect of the manufacturers as provided in Annex-I and the association shall also give a certificate that the unit is operational at the time of application for grant and 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 or District Government under this order. The format of the association certificate is given at Annex-IV.

(2) The claim documents shall be verified by the Chairman, President or Secretary of the respective trade association. The associations will send the specimen signatures of these officials to FEOD head office Karachi duly verified by office of the DGTO. Further any changes in these office bearers must be duly updated.

(3) The authentication of claim by association shall bear a reference number.

(4) The association shall also provide list of manufacturers registered with them on the following format, namely:-

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

(5) The association's responsibility for verified claims shall continue irrespective of changes in office bearers and the association shall 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 the claim application as per format given in Annex-I for markup support and Annex-II for grant listing the machinery imported in compliance to Annex- I, along with the documents as prescribed in the Annex-II after the verification from their relevant association, to the bank nominated by it for the purpose. Format of the association certificate is as per Annex-IV.

(2) The applicant shall nominate one authorized bank to submit the claims to BSC. The applicant shall also give undertaking to the effect on the prescribed format 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 SBP-BSC. 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 shall only be allowed to be submitted to FEOD or field office of BSC located in the concerned city or adjoining areas (e.g. the claims certified by association located in Lahore will 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 incomplete or incorrect claims shall be processed on the basis of the date they are re-submitted after corrections or removal of discrepancy.

FEOD, shall issue the detailed guidelines to the Banks for processing 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 verifying the installation and performance of the manufacturing facility or machinery imported and installed under this order. These reports shall have to be submitted within fifteen days close of the quarter and up to five years of availing the facility.

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

(3) The concerned nominated bank and association shall keep record of submission of the applications by the applicant and shall follow up for non-submission of such applications by the prescribed date. They shall forward the list of those applications who fails to provide the requisite documents to FEOD or concerned field office of BSC within one week of such 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 Technology Up-gradation Fund Order

Claim for the period from _____ to _____.

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

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

I /We hereby apply to avail the financial facility as provided under Para 1 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 Technology Up-gradation Fund (TUF) Scheme of the Government of Pakistan.

a.	Date and amount of loan sanctioned	Date	Amount	
b.	Date & amount disbursed	Date	Amount	
c.	Name of machinery items			
d.	HS Code of Machinery			
e.	Sub-sector			
f.	C & F value of eligible plant & machinery			
g.	Terms of Loan. (Please specify the benchmark rate (e.g. KIBOR) and bank's spread.			
h.	Terms of Repayment	No. of	Amount of	Due date

	(as mentioned in sanction letter for (a) above.)	installments	installment	of first installment
i.	Amount of outstanding loan as on_____ (specify the date up-to which mark-Up Facility is being availed)_____, as per original repayment schedule.			
j.	In case the loan has been fully paid, specify such date/Amount	Date	Amount	
k.	Amount of Mark-up Rate Support for above referred period (Detailed working to be attached with the Claim)			
l.	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 undertake and agree to pay-back any amount of Support paid to us, on the basis of this claim, along-with a fine upto 300% of amount of the Support if the SBP subsequently finds that such Support was wrongfully claimed under above arrangements;
 - (v) The information/data given is complete and correct;
1. Certified copies of
 - (a) Import LC(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) Association or Chamber's Registration Certificate and Certificate of commissioning of machines and commercial operation sareen.
- (e) Names of eligible machinery items
- (f) C & F value of eligible plant & machinery
- (g) Copy of Invoice
- (i) Freight Invoice where applicable
- (j) Bank Verification Certificate
- (j) Loan Repayment Schedule

Associations Verification Number:

Signature of the Applicant

Verified by the Chairman / President/ Secretary of Association

Verified by the concerned branch manager

Countersigned by Head of Compliance
or his Regional Representative.

On the Letter head of Claimant Manufacturing Unit

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

Date _____

Dear Sir,

Application of Financial Facility Under Technology Up-Gradation Fund order
2016 Announced vide SRO No. _____ Dated _____

I /We hereby apply to avail the financial facility as provided under Para 1 Sub Paragraph _____ of the Technology Up-Gradation Fund Incentive Scheme against the import of New Plant and Machinery (C and F value). The necessary required particulars are as under:-

Name of the Company/Firm/Sole Proprietorship	
Address and telephone no.	
Name of the Chief Executive Officer	
NTN	
Whether Small and Medium Enterprises or Non – Small and Medium Enterprises	
Name of Association registered with	
Registration no. of the association	
Validity period of registration with the association	
Total Amount of Grant Applied For	
Financial Year under which Grant Applied For	
Total Amount of Grant applied previously under the scheme	
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) Number Please attach copy(i.e.) of GD Form(s)	
Form-I # and Name, Branch of Bank through which payment(s) have been remitted to the machinery suppliers. Please attach copy of the Form-I	
Total C&F value of the machinery imported	
Amount of previous payments if any received under scheme	
Particulars of incentives received (if any) under any other incentive scheme administered by State Bank of Pakistan/Federal Govt./Provincial Govt./District Govt.	

UNDERTAKING

2. I/We M/s _____ certify that:
 - (i) The terms & conditions contained in above referred Order/Scheme of the Government of Pakistan 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/ concession of the Government of Pakistan;
 - (iv) I/We understand and agree to payback any amount paid to us, on the basis of this claim, along-with a fine up to 300% of such amount if the SBP-BSC subsequently finds that such Support was wrongfully claimed under 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 reported 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
 - (a) Import LC(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's Registration Certificate
- (e) Certificate of commissioning of machines and commercial operations signed by the Chief Executive Officer and endorsed by relevant Association or Chamber of Commerce.
- (f) Copy of Invoice
- (g) Freight Invoice where applicable
- (h) Bank Verification Certificate
- (i) Association Verification Certificate

Associations Verification Number:

Signature of the Applicant
Name
Designation
CNIC

Verified by the Chairman / President/ Secretary of
Association
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 Technology Up-Gradation Fund Order

In continuation of M/s _____ TUF claim dated _____ duly certified by us for Rs. _____ (Rupees _____), this is to certify that M/s _____ bearing Registration No. _____ of _____ (Name of Association) and NTN _____ had imported machinery is eligible for technology Up-gradation Fund and _____ (Name of Association) under their unique serial number _____.

The information in the claim and claim of the applicant manufacturer is genuine and complete in all respect. It is certified that the imported machinery has been installed at the claimant's facility and is being used for Technology Up-Gradation Fund order. We undertake that in case any discrepancy is detected after payment, SBP-BSC may recover the amount of Technology Up-gradation Fund along with penalty on the claimant and on us as under:

Penalty on claimant: upto 300% of claim

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 Technology Up-gradation Fund 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 Technology Up-gradation Fund 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 & Signature of the Authorized Officials of nominated bank)

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

Association Certificate of Verification for Technology Up-Gradation Fund order

This is to certify that M/s _____ is our registered member. The company imported machinery eligible for TUF. We confirm that the unit is operational at this time and the said machinery is being used by our said member itself. The said member is not availing any facility under any other scheme for investment in plant and machinery being administered by State Bank of Pakistan such as Long Term Financing Facility etc. or any other similar scheme announced by the Federal/Provincial/District Government for this machinery concurrently. The claim of Markup Support / Grant under \TUF of Rs. _____ is justified. The details of the machinery and claim are given in the claim application dated ____ duly verified under unique serial number _____.

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.

(Stamp and 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.	Rawalpindi Office
7.	Sialkot Office

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

(Aemen Javairia)
Section Officer



GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

ORDER

S.R.O (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 Product Development Incentive Order, 2016.

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

2. **Incentive.-** This Order shall provide the incentive in shape of fifty per cent matching grant upto a maximum of five million rupees for specified plant and machinery to improve product design and encourage innovation in SMEs and export sectors specified under this order.

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

- (a) “Annex” means an annex to this Order;
- (b) “association” means respective associations of the selected sectors duly registered with the DGTO.
- (c) “authorized dealer” means those commercial banks and their branches who have been authorized by the SBP 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;
- (f) “FEOD” means Foreign Exchange Operations Department of SBP-BSC;
- (g) “manufacturer” is any person i.e. sole proprietor, partnership or company with a valid national tax number (NTN) and registered as such with respective association;
- (h) “nominated bank” means any of the authorized dealers selected by the applicant for submission of claim under this Order;
- (i) “SBP” means the State Bank of Pakistan; and
- (j) “SME” means a small and medium enterprise.

4. **Eligibility Criteria.-** (1) The manufacturing unit shall hold valid NTN number and should have filed tax returns for the preceding last five years from the date of application.
- (2) The manufacturing units which are currently beneficiary of any other financing 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 or Provincial or District Government shall not be eligible under this Order concurrently. Further, no such facility will be available to the beneficiary under this Order for the same machinery for five years of availing benefit. The concerned trade association shall give a certificate that the applicant is not the beneficiary of any other financing scheme.
- (3) An SME company shall not be allowed to avail this facility for more than five million rupees per financial year on matching basis. This limit for non SME applicant shall be two million Rupees per financial year.
- (4) The applicant shall be a manufacturer and shall be registered with the respective trade association and shall hold a valid registration number and membership status of the association.
- (5) The facilities so availed under this order shall be non-transferable and non-saleable for next five years from the date of installation. To ensure this the imported items shall be hypothecated with the nominated bank for five years.
- (6) The facility under this Order shall only be available against actual import of the specified machinery and payments made there against after the date of issuance this Order.
- (7) An application for this incentive may only be lodged if import payment has been made on letter credit basis through the banking channel.
- (8) In cases where import payment is to be made in installments, the application for grant shall be submitted against each installment.
- (9) Claim shall be lodged within one calendar month of the import payment.
- (10) Commercial importers and machinery purchased locally from another importer are not eligible for this scheme.
- (11) The support shall be available for the import of new plant and machinery actually required for the technology upgradation in sectors i.e. leather, pharmaceutical, fisheries and surgical instruments. The plant or machinery so imported under this order shall be subject to verification by the Engineering Development Board to the extent that such Machinery is being used bonafidely in these sector under this order.

5. Role of Association.- (1) The Association shall be responsible for carrying out authenticity of information in respect of the claim provided in Annex-I and the association shall also give a certificate that the unit is operational at the time of application for grant and 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 or Provincial or district government under this scheme concurrently. The format of the Association certificate is given at Annex-III.

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

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

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

Sr. No.	NTN	Association'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's responsibility for verified claims shall continue irrespective of changes in office bearers and the association shall keep all relevant record of claims verified by them until the disbursements of claims are audited by Government's auditors.

6. Procedure for claims.- (1) The applicant shall submit claim application as per format set out in Annex-I, along with the documents as prescribed in the Annex-I, after the verification from their relevant Association, to the bank nominated by it for the purpose. Format of the association certificate shall be as set out in Annex-III.

(2) The applicant shall nominate one authorized bank to submit the claims to SBP - 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-II, to FEOD or to the concerned field offices of the BSC as stipulated in Annex-IV. Such applications shall be received by FEOD or the concerned field office of BSC as the case may be during normal working hours on all working days.

(4) The claim certified by the association 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 located in Lahore shall only be entertained at BSC Lahore office). The list of field offices or BSC department which shall deal with claims under this scheme is at Annex-IV.

(5) The applications shall be entertained on first come first serve basis. The discrepant claims shall be processed on the basis of the date of re-submission after corrections or removal of discrepancy.

(6) FEOD, shall issue the detailed guidelines to the banks for processing of such claims and submission to BSC.

7. Periodic Performance Reports.- (1) The applicant manufacturing units shall submit, within fifteen days, quarterly reports to the nominated bank and the association verifying the installation and performance of the machinery, imported in accordance with this Order and installed. 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 to the nominated bank and the concerned association financial statements such as income statement or balance sheet showing that imported machinery is duly accounted for;

(3) The concerned nominated bank and association will maintain 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 documents to FEOD or concerned field office of BSC and such list shall be forwarded within one week of the default.

8. Penalties for contravention.- Where any applicant is found to have filed forged documents or concealed facts in relation to claim under this order shall be liable to such punishment and time as provides for under the Import and Export (Control) Act, 1950 (XXXIX of 1950) or any other law for the time being in force.

On the Letter head of Claimant Manufacturing Unit

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

Date _____

Dear Sir,

**Application of Financial Facility Under Product Development Incentive
Order 2016 Announced vide SRO No. _____ Dated _____**

I /We hereby apply to avail the financial facility as provided under Para 1 Sub Paragraph _____ of the Product Development Incentive Order (PDIS) 2016 issued by Ministry of Commerce vide SRO . No. _____ dated _____ against the import of New Plant & Machinery (C & F value), eligible under the captioned Scheme. The necessary required particulars are as under:-

Name of the Company/Firm/Sole Proprietorship	
Address and telephone no.	
Name of the Chief Executive	
NTN number	
Whether SME or Non-SME	
Name of Association registered with	
Registration no. of the association	
Validity period of registration with the association	
Total Amount of Grant Applied For	

Financial Year under which Grant Applied For	
Total Amount of Grant applied previously under the PDIS 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) Number Please attach copy(ies) of GD Form(s)	
I Form # 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 PDIS 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 & conditions contained in above referred Order/Scheme of the Government of Pakistan 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 refinance 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 paid to us, on the basis of this claim, along-with a fine up to 300% of such amount if the SBPBSC subsequently finds that such Support was wrongfully claimed under 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 reported 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

- (a) Import LC(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'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-III)
- (i) Association Verification Certificate (Annex-IV)

Associations Verification Number:

Signature of the Applicant

Name

Designation

CNIC

Verified by the Chairman / President/ Secretary of

Association

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 Product Development

In continuation of M/s _____ PDIS 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) and NTN _____ had imported machinery eligible for PDIS under the said SRO and is eligible for PDIS as certified by us and _____ (Name of Association) under their unique 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 product development. We undertake that in case any discrepancy is detected after payment, SBP BSC may recover the amount of PDIS along with penalty on the claimant and on us as under:

Penalty on claimant: upto 300% of claim

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 PDIS 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 PDIS 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 & Signature of the Authorized Officials of nominated bank)

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

Association Certificate of Verification for Product Development

This is to certify that M/s _____ is our registered member. The company imported machinery eligible for PDIS under SRO No. _____ dated _____ of Ministry of Commerce. We confirm that the unit 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 PDIS 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 unique serial number _____.

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.

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

**LIST OF THE SBP BSC OFFICES DEALING
WITH CLAIMS UNDER MOC 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

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

(Aemen Javairia)
Section Officer

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

ORDER

S.R.O. (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 application and commencement.— (1) This order may be called the Brand and Certification Development Support order 2016.

(2) It shall apply to Small and Medium Enterprises (SMEs) and export sector in Pakistan through intellectual property registration on matching grant basis, including trade and services marks certification and accreditation.

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

2. Definitions.— (1) In this order, unless there is anything repugnant in the subject or context:-

- (a) “Annex” means an annexure to this Order;
- (b) “association” means respective associations 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) “brand” means brand name or registered trade mark with intellectual property right association;
- (e) “DGTO” means Directorate General of Trade Organizations,
- (f) “FEOD” means Foreign Exchange Operations Department of SBP;
- (g) “IPO” means the Intellectual Property Organization of Pakistan (established under the Intellectual Property Organization of Pakistan Act, 2012 (XXII of 2012);
- (h) “exporter” means any person (sole proprietor, partnership or company) having a valid NTN and registered as such with respective bodies and associations under the relevant laws;
- (i) “Madrid system” means one stop solution for registering and managing marks worldwide;
- (j) “nominated bank” means the bank authorized by SBP for the purpose of this Order;
- (k) “WIPO” means World Intellectual Property Organization;
- (l) “SBP” means the State Bank of Pakistan; and
- (m) “SME” means a small and medium enterprise as defined under the Small and Medium Enterprises Development Authority, Ordinance, 2002 (XXXIX of 2002); and
- (n) “USPO” means United States Patent Office.

(2) Words and expressions used but not defined herein shall have the same meanings as assigned to those in the Imports and Exports (Control) Act, 1950 (XXXIX of 1950).

3. **Eligibility Criteria.**— (1) For the purpose of exports under this Order, as exporter shall be required to.—

- (a) hold a valid NTN number and filing tax returns for last five years;
- (b) have a registered brand or trade mark from IPO;
- (c) produce registered mark with international system; and
- (d) be registered with their respective association and hold a valid association registration number.

(2). The facilities so availed under this Order shall neither be transferable nor saleable for next three years.

4. **Role of association.**— (1) The association shall be responsible for carrying out authenticity of information in respect of the exporter on its official letterhead.

(2). The claim documents shall be verified by the chairman of the association or any other office bearer as designated by the respective Chairman on his behalf³. The authentication of claim by association shall bear a unique reference number

(3). The Association shall also provide list of exporters registered with them to relevant field office of SBP-BSC and FEOD SBP-BSC head office, Karachi on the following format, namely:-

Sr. No.	NTN	Association's unique reference No.	Name and address
(1)	(2)	(3)	(4)

5. **Role of IPO.**— IPO shall certify the—

- a. registered mark at home and abroad; and
- b. registration fee spent on mark registered with the foreign markets.

6. **Procedure for claims.**— (1) An applicant shall submit application for claim of brand registration fee, along with the documents as prescribed in the Annex-I, after the verification from their relevant association, to the nominated bank of BSC-SBP.

(2). The exporter shall nominate one authorized bank to submit the claims to the SBP - BSC. The exporter shall also give undertaking to the effect that it has only nominated one bank of its choice and that the claims have not been submitted 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 in Annex-II, to the field offices of the SBP-BSC. Such applications shall be received by the said offices in the normal public dealing hours on all working days.

(4). The claim certified by the association shall only be allowed from SBP offices that are located in the concerned city (e.g. the claims certified by association office Lahore will only be entertained at SBP BSC Lahore). The list of field offices which shall deal with claims under this scheme is as set out in Annex-III.

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

7. **Penalties for contravention.**- Proceedings may be initiated for contravention of any provisions of this Order as specified in the Import and Export (Control) Act, 1950 (XXXIX of 1950).

On the Letter head of the Nominated Bank

The Chief Manager
SBP-BSC (Bank)

Date _____

Dear Sir,

Financial Facility Under Brand Registration Scheme

Claim for the period from to.

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

Associations' Registration:		
Number	Date	Valid up-to:

I /We hereby apply to avail the reimbursement fee as provided under paragraph 1, sub-paragraph _____ of the Brand and Certification Development Support Order, 2016 in the name of M/s.-----
----- Brand Registration and Development Scheme of the Government of Pakistan.

2. I /We M/s _____ certify that:-
- (a) the terms and conditions contained in above referred Order of the Government of Pakistan have been complied with;
 - (b) all the requirements of the captioned Order have been fully met;
 - (c) I/We understand and agree to pay back any amount of support paid to us, on the basis of this claim, along-with a fine of 100% of amount of the support if the SBP subsequently finds that such support was wrongfully claimed under above arrangements;
 - (d) the information/data given under the claim form is complete and correct;
3. The certified copies of the following are attached, namely:-
- (a) brand or mark registration with IPO-P;
 - (b) foreign brand registration duly certified by IPO-P;
 - (c) attested copies of association's registration certificate;
 - (d) names of countries where brand is registered;
 - (e) proof of registration fee paid; and
 - (f) bank verification certificate (Annex-II).

Signature of the Applicant

Countersigned and verified by the Chairman Association

Verified by the IPO

Verified by the concerned branch manager

Countersigned by Area Chief Manager

Bank Certificate of Verification for Brand Registration

This is to certify that M/s _____ bearing Registration No. _____ of _____ (Name of Association) and NTN _____ had brand registration number _____ and name as _____

The above information and form verified by the bank is genuine and complete in all respect as per conditions of the Brand Certification and Development Support Order, 2016.

We undertake that in case any discrepancy is detected subsequently, the SBP may debit the amount involved along with the penalty as prescribed in this order to our account.

(Stamp and Signature of the Authorized Officials)

**LIST OF THE SBP-BSC OFFICES DEALING
WITH CLAIMS UNDER THE BRAND AND
CERTIFICATION DEVELOPMENT ORDER,
2016**

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

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

(Aemen Javairia)
Section Officer

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

O R D E R

S.R.O (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(I)/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.

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 percent on yearly basis so that the FOB realized value of exports made during financial year, 2015-16 and 2016-17 should exceed beyond ten percent 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.

(5) Exports of a year shall be calculated on the basis of shipment date to be determined from the shipping document.

(6) Only those exports shall be eligible for the drawback of local taxes and levies (DLTL) 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.

(7) The manufacturer shall be required to hold a valid NTN number and have filed tax returns for the preceding two years.

(8) The manufacturer shall furnish data or any information related to his operations, domestic sales, accounts and exports as required by the relevant Association or chamber or by BSC and SBP at any time.

4. Role of association and chambers.-(1)The associations and chambers shall be responsible for carrying out authenticity of the information provided by the manufacturer and ensuring compliance of the Pakistan Customs Tariff. The drawback shall be allowed only in respect of commodities as per HS code of the aforesaid Tariff in use at the time of shipment and mentioned in the relevant shipping documents.

(2) Names of associations and chambers who can authenticate the drawback applications for the relevant industry and sector have been listed in Annex I.

(3) The claim documents shall be verified by the chairman, vice chairman, president or secretary of the relevant association and chamber, the specimen signatures of whom shall be sent to Director, FEOD, Karachi duly verified by the DGTO. Further any changes in these office bearers must be duly notified to the Director FEOD, through the same process.

(4) The authentication of claim by association or chamber shall bear a reference number identifying the relevant association or chamber performing the authentication along with a running serial number of authentications performed by that association or chamber for future reference.

(5) The verifying association or chamber shall also be required to issue a certificate on the format set out in Annexure VI.

(6) The associations and chambers shall also provide list of manufacturers registered with them, to the relevant field office of BSC and FEOD head office, Karachi on the following format, namely:-

S. No.	Name of Company / Firm / Sole Proprietorship	Association Registration No.	NTN	Name and CNIC of CEO	Active Status of Membership (Yes / No)	Exporter (Yes / No)	Address of Company / Firm / Sole Proprietorship	Phone	Email
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(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:-

- 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;
- 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;
- based on the certificates of all the certifying banks, the claimant manufacturer shall prepare the claim on Annex II and submit the same along with 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 along with all the duly certified documents as set out in Annex III, certificates of all banks and certificate of the association or chamber along with 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 its 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	31 st May, 2017	30 th June, 2017
2016-17 over 2015-16	31 st 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 (XXXIX of 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.

**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	
12.	Transport equipment and	4008.1110, 4008.1910,	

	Auto Parts	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, 9106.1020, 9401, 9402, 9613.8010, 9613.8020	
13.	Machinery specified for a particular industries or other	84, 85	

	machinery and Other electric equipment		
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.

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 back any amount paid to us, on the basis of this claim, along-with a fine of 150% of such amount if the SBP-BSC 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 along with 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 III
[see paragraph 5]

Name of the Exporter: _____
NTN : _____
Details of the Two Years Export Performance for the FY _____ & FY _____
(-----To be filled by Applicant -----)(-----To be filled by banks -----)

Sr. No.	Eform No.	Amount of Eform (FCY)	MBL/ MAWBL/ TR No.	Shipped on Board Date	HS Code	Sector	Quantity	Date of Realization	Value Realized (FCY)	Rate of Exchange*	Equivalent PKR	Freight, Commission, Insurance (PKR)	Net FOB Realized after deduction freight, insurance, commission, etc	Name of Bank	Month	Reporting Schedule	Page	Sr.#

* Please read the instruction given in para 5(i) of the SRO
*soft data of table in this Annexure may be provided to SBP BSC .

Signature & Stamp of Chief Executive of Claimant
Signature and Stamp of Authorized official(s) of relevant bank
Verification Signatures and Stamp of Association/Chamber

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

This is to certify that Messers _____ bearing
_____ Association/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 SBP 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.

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 along with 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 along with 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 address _____ with 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.

**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 DLTL 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 MOC INCENTIVE
SCHEME**

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

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

(Aemen Javairia)
Section Officer



GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 1st July, 2016

ORDER

SRO (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.

4. **Eligibility Criteria.**— (1) The manufacturer shall hold a valid NTN number and should have filed tax returns for the last five years immediately before the date of application.

(2) The manufacturers which are currently beneficiary of any other financing 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 shall not be eligible for the benefit under this Order concurrently, and no such other facility shall be available to the beneficiary under this Order for the same machinery for five years of availing the facility. The concerned trade association or chamber will give a certificate in the form at Annexure-IV that the applicant is not the beneficiary of any other financing scheme.

(3) No company or applicant shall be entitled to avail this facility for more than five million rupees per annum.

(4) An applicant shall not be a person other than a manufacturer and shall be registered with the respective trade association or chamber and shall hold a valid registration number and membership status of the association or chamber concerned.

(5) The facilities availed under this order shall be non-transferable and non-saleable for the following five years from the date of installation and for this purpose the imported items shall be required to be hypothecated with a nominated bank for five years.

(6) The support under this order shall only be available against actual import of the specified machinery and payments made against it after the commencement of this Order.

(7) An application for support can only be made if import payment has been made on letter credit basis through banking channel.

(8) In cases where import payment is to be made in installments, the application for support shall be made against each installment on matching basis.

(9) Claim must be made within one month of the import payment or payment of installment, as the case may be.

(10) Commercial importers and machinery purchased locally from another importer are not eligible for benefit under this Order.

(11) Markup shall be re-imbursed as per the repayment schedule of loan on yearly basis.

(12) The support shall be available for the import of new plant and machinery actually required for the technology upgradation in sectors i.e. meat, fruits, vegetables, dates, olives, guar gum. The plant or

machinery so imported under this Order shall be subject to verification by the EDB to the extent that such machinery is being used bonafidely in these sector under this Order.

5. Role of association or chamber.-(1)The association or chamber shall be responsible for carrying out authenticity of information in respect of the manufacturers as provided in Annex-I and the association or chamber shall also give a certificate on the format set out in Annex- IV that the manufacturing facility is operational at the time of application for grant and 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 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 filed 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 1 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.	HS 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 installments	Amount of installment	Due date of first installment
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 LC(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;
- (i) Freight Invoice where applicable
- (j) 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 LC(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





**MINISTRY OF COMMERCE
GOVERNMENT OF PAKISTAN**