

Government of Pakistan  
Ministry of Commerce



ORDER

Islamabad, the 1<sup>st</sup> June, 2023

**S.R.O. 642 (I)/2023.** — 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 following Order, namely:-

**1. Short title and commencement.** — (1) This Order shall be called the Business-to-Business (B2B) Barter Trade Mechanism, 2023.

(2) It shall come into force at once.

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

- (a) “Act” means the Imports and Exports (Control) Act, 1950 (XXXIX of 1950);
- (b) “Annex” means an Annex to this Order;
- (c) “Appendix” means an Appendix to this Order;
- (d) “banned item” means a commodity whose import or export is prohibited under the Import Policy Order (IPO) or Export Policy Order (EPO) in vogue, respectively;
- (e) “barter trade” means exchange of goods by way of import and export without involvement of any currencies for the purpose of this Order;
- (f) “place of origin” or “origin” means the country of supply where goods are produced or manufactured;
- (g) “regulatory Collector” means the Collector of Customs in whose jurisdiction the place of business or manufacturing unit or head office of the applicant, duly registered under the Sales Tax Act, 1990, is located; and
- (h) “restricted items” means a commodity whose import or export is subject to compliance with conditions as contained in IPO or EPO in vogue, respectively.

**3. Powers to allow export and import of goods under B2B barter trade.** — The regulatory Collector having territorial jurisdiction may allow export and import of goods against an authorization, subject to the conditions stipulated under this Order.

**4. Eligibility criteria.** — The barter trade facility under this Order may be admissible to the following:—

- (1) state owned enterprises; and
- (2) private entities, subject to following conditions, namely:-
- (i) its name appears on active taxpayers’ list of Federal Board of Revenue;
- (ii) it is subscribed to Pakistan Single Window (PSW) System; and
- (iii) it possesses a valid import and export contract registered by Customs authorities in the Customs computerized system (WeBOC).

**5. Authorization process.**— (1) Application for authorization of import and export of goods under the B2B barter trade facility shall be submitted online by the trader or

their authorized agent through the online BT Module in WeBOC system to the regulatory Collector. The application shall contain the following information:-

- (i) name and address of importer;
- (ii) name and address of exporter;
- (iii) description, quantity and value of goods to be imported;
- (iv) description, quantity and value of goods to be exported;
- (v) validity and expiry dates of the contract; and
- (vi) declaration that the goods shall originate from the respective countries for which the Barter Trade facility has been allowed.

(2) Copy of the contract duly verified by the Pakistani Mission in the country for which barter trade facility has been authorized, certifying the facts that the subject foreign company, individuals and proposed goods for BT are 'Non-Sanctioned', as notified by Ministry of Foreign Affairs from time to time, shall be uploaded in support of the application.

(3) The application shall be reviewed and examined under the provisions of IPO and EPO in vogue and the conditions set out in this Order. If the application is found in order, an approval (authorization) may be accorded by the regulatory Collectorate of Customs and an approval number shall be generated by the system against the NTN of the applicant.

(4) Ministry of Commerce may impose country or commodity specific conditions or restrictions for imports and exports of goods under this B2B barter trade mechanism. **Export and import under this Order shall be allowed in respect of the commodities and from the countries as specified in Appendix-A to this Order.**

**6. Customs procedure.** — (1) Trade of goods under a B2B BT arrangement shall be allowed on the principle of "import followed by export". The export would be made to the extent of value of imported goods, subject to the tolerance mechanism provided hereinafter for any exigency. However, a Pakistani trader shall be responsible to net-off value of goods on quarterly basis, i.e. within 90 days after issuance of authorization.

(2) Upon import and export of goods, the importer shall submit single declaration in the PSW system.

(3) The importer and exporter shall tag the relevant approval number to allow for waiver of the financial instrument required for regular imports and exports.

(4) Import and export of goods under a B2B BT arrangement shall be subject to the provisions of Import and Export Policy Orders for the time being in force and shall comply with all relevant regulatory requirements including permits, licences, certificates, quotas, etc. as specified in the IPO and EPO.

(5) The import and export of goods shall be subject to applicable duties, taxes, fee and other charges, etc.

(6) Imports and exports under the B2B barter trade facility shall be admissible to benefits offered under various concessionary and export facilitation schemes, etc.

(7) The 'assessed value' of goods shall be taken for the purpose of calculation of the monetary limit of the authorization.

(8) The value of the goods to be imported and exported under this facility shall not exceed the monetary value of the authorization as entered in the WeBOC system for automatic debiting of the monetary value of imported and exported goods.