Government of Pakistan
Ministry of Commerce
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ORDER

Islamabad, the 1st 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 [1][, and application.] — (1) This Order shall be called the Business-to-Business (B2B) Barter Trade Mechanism, 2023.

(2) It shall come into force at once.

[2][(3) This Order shall apply to Afghanistan, Iran and Russia only.]

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 [3][between two countries] 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;
(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;
[4][(i) "Consortium" means private entities, two or more, from Pakistan which enter into a contract for barter trade with a private entity, one or more, of a single trading partner; and
(j) "Sanctioned entity" means any individual or the company that is prohibited from engaging in trade activities due to the enforcement of trade prohibitions by United Nations (UN) and others, as notified by Ministry of Foreign Affairs from time to time.]

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.

[1] Inserted vide SRO 1989(I)/2025- Dated 17.10.2025
[2] Added via SRO 1989(I)/2025 – Dated 17.10.2025
3 Added via SRO 1989(I)/2025 - Dated 17.10.2025
[4] Ins. Ibid

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

(1) state owned enterprises; and

(2) private entities [5][individual or consortium], 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 [6][***] [7][along with an Undertaking by the Pakistani private entity, consortium or concerned Chamber of Commerce and Industry that the foreign company or individual for BT is not a sanctioned entity by the United Nations (UN) and others, 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** [8][**as specified in the Import Policy Order (IPO) and Export Policy Order (EPO) for time being in force**.]

6. Customs procedure. — (1) [9] [The export and import may be made to the extent of value of imported and exported goods, subject to the tolerance mechanism provided hereinafter for any exigency.]

(2) Upon import and export of goods, the importer [10][and exporter] shall submit single declaration in the PSW system.

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[5] Inserted vide SRO 1989(I)- Dated 17.10.2025

[6] Omitted "duly verified by the Pakistani Mission in the country for which barter 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"

[7] Ins. *Ibid*

[8] Added vide SRO 1981(I)/2025 - Dated 17.10.25

[9] Substituted vide SRO 1981(I)/2025- Dated 17.10.25

[10] Inserted vide SRO 1989(I)/2025 - Dated 17.10.2025

(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, licenses, 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.

[11] [(6) [(***)]

(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.

(9) A tolerance of twenty percent shall be allowed for assessed import [12][or export] value exceeding the authorization and, in case of further breach of limit, clearance of goods shall be stopped and the regulatory Collectorate may initiate further action under the applicable laws and procedures including the Customs Act, 1969 (IV of 1969).

(10) A tolerance of twenty percent shall be allowed for export value exceeding the import value on a one-off basis, in accordance with the procedure to be notified by FBR.

(11) All imports [13][and exports] under an authorization issued under this Order shall be accompanied by a certificate of origin issued by the relevant authority of the exporting country for which the barter trade facility has been allowed.

[14] [(12) The Pakistani trader shall be responsible to net -off value of goods on quarterly basis, i.e within one twenty days of the transaction wholly or partially allowed by the concerned regulatory Collectorate of Customs in the authorization. The regulatory Collectorate of Customs shall monitor the net-off value of goods on quarterly basis and in case of failure to net-off value of goods by the trader, the authorization shall become invalid and the regulatory Collectorate of Customs may initiate further action under the applicable laws and procedures including the Customs Act,1969(IV of 1969)

(13) In case of consortium of traders, all entities who are part of a consortium shall be jointly and severally responsible, if found, involved in or has committed any offence or failed to pay duties or taxes under Customs Act, 1969 (IV of 1969) or other law for the time being in force.]

7. Reconciliation. — (1) The Customs computerized system shall reconcile import and export values automatically against each authorization.

(2) The data for all imports, exports under the barter trade facility shall be available to the regulatory Collectorate for audit purposes.

[11] Omitted vide SRO 1989(I)/2025- Dated 17.10.2025
[12] Ins. Ibid
[13] Ins. Ibid
[14] Added vide SRO 1989(I)/2025- Dated 17.10.2025

(3) FBR shall submit a report to Commerce Division on quarterly basis regarding the total number of applications received, authorizations issued and the position of trade balance viz. imports and exports under B2B barter trade authorizations so issued.

8. Other terms and conditions.—(1) An authorization shall be valid for one year from the date of issuance and there shall be no extension or carry forward for the authorized value.

(2) The regulatory Collector reserves the right to curtail the authorized limit or to stop further transactions in case of unsatisfactory performance of non-reconciliation of trade balance.

(3) For the acts or omissions of the parties arising out of a B2B barter trade transaction, there shall be no liability on the Government of Pakistan.

(4) Commerce Division reserves the right to amend, modify, rescind or withdraw whole or any part of this B2B barter trade mechanism through a notification.

(5) Any dispute or clarification regarding any provision of this mechanism or any transaction held under this mechanism shall be referred to Commerce Division for final decision.

9. Penalties. — Subject to provisions of the Act, failure to comply with any of the conditions laid down in this mechanism or the conditions contained in an authorization issued under this Order shall lead to cancelation of authorization, award of penalty or blacklisting of the applicant company for future business under relevant provisions of the law.

10. Provisions to be in addition and not in derogation. — The provisions of this Order shall be in addition to and not in derogation of the provisions of the Export Policy Order and Import Policy Order made under the Act.

[F. No. 2(4)/2021-Imp-III]