

**GOVERNMENT OF PAKISTAN**  
**MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE**  
**(REVENUE DIVISION)**

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Islamabad, the 13<sup>th</sup> June, 2009.

**NOTIFICATION**  
**(CUSTOMS / SALES TAX)**

S.R.O. **492(I)/2009**.— In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), and sub-section (2) of section 13 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 1065(I)/2005, dated the 20<sup>th</sup> October, 2005, the Federal Government is pleased to exempt the whole of the customs–duty and sales tax on temporary importation of goods for subsequent exportation as specified in the Table below subject to the following conditions, namely:–

- (i) this facility shall be available to exporters also registered as manufacturers;
- (ii) the importer shall make an application for grant of exemption to the Collector of Customs, giving full particulars of the goods and the purpose for which they are imported;
- (iii) the importer shall submit a bank guarantee or pay order or indemnity bond along with post-dated cheque equivalent to the amount of customs-duty and sales tax otherwise leviable thereon;
- (iv) the importer shall export temporarily imported goods after due processing thereof within eighteen months of their import. On a request from the importer, the Collector concerned shall allow extension for six months on payment of one per cent surcharge per month on C&F value of the goods for which extension has been sought. The Chief Collector may consider any further extension in exceptional circumstances on payment of one per cent surcharge per month on C&F value of the goods on such terms and conditions as may be deemed appropriate in the matter;

- (v) only such goods, except the goods specified at serial No.2 of the Table, as are capable of identification at the time of their re-exportation, shall be exempt from the aforesaid customs duty and sales tax;
- (vi) packing material, as mentioned in the Table at serial No.10, may be imported empty and exported filled;
- (vii) at the time of importation of goods, the importer shall make a written declaration on the goods declaration to the effect that the goods are imported for the purposes of this notification;
- (viii) after ascertaining correctness of description, classification and importability status of goods at the time of import, the same shall be assessed to value in accordance with the values determined for identical goods cleared for local consumption for the sake of uniformity;
- (ix) at the time of export, the exporter shall make declaration that the goods were imported for the purposes of this notification, giving particulars of import documents (IGM No. & date, G.D. No. & date, Cash No. & date, etc.) and at least 20% value addition has been made as compared to value of goods at the time of import;
- (x) the export shall be allowed only if the Assistant Collector or the Deputy Collector, incharge of export station, is satisfied that the goods temporarily imported have been duly consumed in the manufacture of goods being exported;
- (xi) immediately after the re-exportation of goods, the applicant shall produce evidence to the Collector of Customs concerned that the goods have been re-exported within the stipulated period. On production of such evidence/declaration, bank guarantee, pay order or the indemnity bond along with post-dated cheque submitted at the time of import shall be released. For regular manufacturers-cum-exporters, the concerned export station must immediately inform electronically the concerned bank guarantee section of import Collectorate regarding verification of export against particular Goods Declaration for release of bank guarantee, pay order or the indemnity bond along with post-dated cheque submitted at the time of import;
- (xii) transfer of ownership of temporarily imported goods may be allowed by the Collector of Customs, or the Additional Collector of Customs concerned, at his discretion, subject to the transfer of title of bank guarantee or pay order or indemnity bond along with post-dated cheque submitted at the time of import:

Provided that the transfer of ownership shall be allowed only in cases in which the imported goods have undergone the manufacturing process to reach an intermediary product stage;

- (xiii) in cases where temporarily imported goods are used in addition to other imported raw materials on the import of which duties and taxes have been paid and repayment is admissible on export of ultimately manufactured products, the f.o.b. price for claiming such repayment shall be the value excluding value of the goods temporarily imported under this notification;
- (xiv) only such operations as are listed in the Table shall be carried out with the inputs and raw materials imported under this notification;
- (xv) exemption under this notification shall not be allowed in cases in which physical inspection of manufacturing becomes necessary for the purposes of such exemption;
- (xvi) all the existing licenses and those issued under Chapter XV of the Customs Rules, 2001 shall be deemed to have been issued with immediate effect till the validity of existing licenses already issued. All liabilities of the said licensees shall be deemed to be their liabilities under the said rules;
- (xvii) the Collector of Customs, or the Additional Collector of Customs, may refuse entry of any goods without payment of customs-duty and sales tax if *prima facie* it appears to him that such entry is in violation of any of the conditions of this notification; and
- (xviii) The leftover quantities of raw materials imported which could not be utilized in export for certain reasons, to be recorded in writing, may be allowed removal in its original and unprocessed form for home consumption by the Assistant Collector of Customs, on case to case basis, after filing of GD on payment of duties and taxes leviable thereon.”

2. An application under condition (ii) shall be submitted on the following format, namely:—

## **FORM**

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|----|--|--|
| 1. | Name of the unit with address                          |  |
| 2. | N.T.N. No.   |  |
| 3. | Sales Tax Registration No.                             |  |
| 4. | Station of import.                                     |  |
| 5. | Value of goods exported in the previous financial year |  |
| 6. | Description of imported inputs                         |  |
| 7. | Description of goods to be exported                    |  |
| 8. | Input and output ratio of entries 6 and 7 above        |  |

Name and signature of the applicant

## **TABLE**

<b>(1)</b>	<b>(2)</b>
1.	Materials, excluding fabrics and leather, for manufacturing of –  (a) leather goods and leather garments and sports goods; (b) garments and textile made-ups including foundation garments; and (c) furniture, wood ware and fittings.
2.	Textile designs, artwork, transparencies (bearing design for textiles) for reproduction of finished goods.
3.	Plush fabrics, nylon, polyester fiber, eyes and nose for use in stuffed toys.
4.	Unit soles with heels, soles and heels for manufacture of footwear.
5.	Price labels or tags for affixing on finished goods.
6.	Trimmings, buttons, belts, fur lining, lining, pads and inter lining material, Velcro tapes, hangers, special labels, special buttons, rivets, eyelets, buckles, special brand tags, special thread and other items such as decorative fittings, zippers, locker loops, <sup>1</sup> [HB3 device (earphone and accessories)], etc., for use in ready made garments, foundation garments, textile made ups, footwear and other items mentioned in this table.
7.	Materials for embellishing or decorating goods produced in Pakistan for exportation.

8. Components and sub-components for assembly of –
- (a) machinery and parts thereof;
  - (b) electrical and electronic equipment and parts thereof;
  - (c) bicycles;
  - (d) aluminium-ware, steel ware, kitchen utensils and cutlery, vacuum flasks;
  - (e) surgical instruments; and
  - (f) dolls, toys, and games.
9. Forgings of surgical instruments for processing.
10. Packing material (excluding straw, paper, paper cones, glass wool and like material) for packing of goods.
11. Polypropylene woven and jute bags subject to the condition that such bags bear the particulars of the Pakistani exporters in permanent print on each bag.
12. Materials for general superficial processes such as elementary repairs, cleaning, removal of damaged parts, sorting, straining, sifting, clarification, filtering, marking, sealing, labeling, re-packing, drying, preserving, refrigerating, chilling, fumigating, greasing, anti-rusting, protective coating, printing, etc.
13. Materials, for the manufacture of decorative items, through the process of cutting, knotting or any other process, to be used in gift packs, toys and sweets/chocolate boxes, etc., for decoration purposes.
14. Materials, sub-components and components for the manufacture of stationery items like pencils, glue sticks, fiber tip pens and staples, etc.

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[C.No.11(21)DRD/2009.]

**(Munir Qureshi)**  
**Additional Secretary**

As amended

- 1. SRO.575(I)/2013 dated 10.06.2013
- 2. SRO.674(I)/2019 dated 28.06.2019