

Government of Pakistan
Ministry of Finance, Economic Affairs, Statics and Revenue
(Revenue Division)

Islamabad, the 16th December, 2011.

NOTIFICATION
(CUSTOMS)

S.R.O. **1098** (I)/2011.- In exercise of the powers conferred by sub-section (5) of section 18 of the Customs Act, 1969 (IV of 1969), the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. S.R.O. 693(I)/2006, dated the 1st July, 2006, namely:-

In the aforesaid Notification, after the TABLE, the following proviso shall be added, namely,-

“Provided that in line with Auto Industry Investment Policy (AIIP) of the Auto Industry Development Programme (AIDP) approved by the Economic Coordination Committee (ECC) of the Cabinet in Case No.ECC-168/13/2007 dated 13.11.2007, the additional customs-duty leviable under this notification shall not be charged on sub-components and components, imported in any kit form by an assembler or manufacturer declared to be a new entrant by the Engineering Development Board (EDB) for the vehicles specified in the said Table for a period of three years from the start of assembly or manufacturing of respective vehicles, subject to following conditions, namely:-

- (i) the new entrant assembler or manufacturers shall chalk out a plan for progressive manufacturing of the vehicles spreading over a maximum period of three years within which he shall catch up with the localization or indigenization level of respective vehicles, as approved by Auto Industry Development Committee (AIDC) of the EDB;
- (ii) the continued non-levy of said additional customs-duty shall be

contingent upon the achievement of progressive annual indigenization as determined by AIDC of the EDB. In case of any material deviation by the new entrant, the AIDC shall determine the stoppage or withdrawal of the incentive of non-levy of said additional customs-duty, allowed as such, retrospectively;

- (iii) the new entrant shall abide by all the terms and conditions laid down in the separate notifications issued by the Ministry of Industries and FBR for assembly or manufacturing of the said vehicles under Auto Industry Development Programme (AIDP) and Tariff Based System (TBS);
- (iv) the additional customs duty shall be levied on the sub-components and components which become indigenized by the New Entrant assembler or manufacturers, in accordance with the said plan for progressive manufacturing; and
- (v) the term 'new entrant' shall bear the same meaning as declared or notified by the Ministry of Industries.”

[C. No. 2(16) II & Tariff-III/2007/60/2011]

(Mumtaz Haider Rizvi)
Additional Secretary