

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


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Islamabad, the 27<sup>th</sup> July, 2016.

**NOTIFICATION  
(CUSTOMS)**

**S.R.O. 642 (I)/2016.-** In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), the Federal Government is pleased to direct that equipment and construction machinery, if not manufactured locally, imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL) for the construction of Karachi – Peshawar Motorway (Sukkur – Multan Section) and M/s China Communication Construction Company (M/s CCCC) for the construction of Karakorum Highway (KKH) Phase-II (Thakot - Havellian Section), shall be exempt from whole of customs duties leviable thereon under the First Schedule to the said Act, subject to the following conditions, namely:-

- (i) that the exemption under this Notification shall only be available to contractors named above;
- (ii) that the equipment and construction machinery imported under this Notification shall only be used for the construction of the respective allocated projects;
- (iii) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-A, at the time of import to the extent of customs-duties exempted under this Notification on consignment to consignment basis;
- (iv) that the Ministry of Communications shall certify in the prescribed manner and format as set out in Annex-B that the imported equipment and construction machinery are bonafide requirement for construction of Sukkur – Multan Section (392.0 km) of Karachi – Peshawar Motorway or for the construction of Karakorum Highway(KKH) Phase-II - Thakot to Havellian Section (118.057 km) as the case may be;

- (v) for the clearance of imported goods through Pakistan Customs Computerized System the authorized officer of the Ministry shall furnish all relevant information, as set out in Annex-B, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;
- (vi) that the equipment and construction machinery, imported under this Notification, shall not be re-exported, sold or otherwise disposed of without prior approval of the FBR. In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of duties as may be prescribed by the FBR;
- (vii) in case the equipment and construction machinery, imported under this Notification, is sold or otherwise disposed of without prior approval of the FBR in terms of para (vi) above, the same shall be subject to payment of statutory rates of customs duties as were applicable at the time of import;
- (viii) notwithstanding the condition at para (vi) and (vii) above, equipment and construction machinery, imported under this Notification, may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any customs-duties, for further disposal as may be prescribed by the FBR;
- (ix) the indemnity bond submitted in terms of para (iii) above by the importer shall be discharged on the fulfillment of conditions stipulated at para (vi) or (vii) or (viii) above, as the case may be; and
- (x) that violation of any of the above mentioned conditions shall render the goods liable to payable of statutory rate of customs duties leviable on the date of clearance of goods in addition to any other penal action under relevant provisions of the law.
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**INDEMNITY BOND**  
( On appropriately stamped non-judicial paper )

THIS DEED OF INDEMNITY is made on the \_\_\_\_\_ date of \_\_\_\_\_ BETWEEN Messrs \_\_\_\_\_ having registered office at \_\_\_\_\_ (hereinafter called "the importers" which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of Pakistan through the Collector of Customs \_\_\_\_\_ (hereinafter called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in Notification No. S.R.O. \_\_\_\_\_ dated the \_\_\_\_\_ and subject to the conditions given in the said Notification, has been pleased to direct that such equipment and construction machinery, as are not manufactured locally, shall be exempt from the whole of customs-duties leviable thereon, in accordance with the said Notification, if imported for :-

- (i) construction of Sukkur – Multan Section (392.0 km) of Karachi – Peshawar Motorway or
- (ii) for the construction of Karakorum Highway (KKH) Phase-II - Thakot to Havellian Section (118.057 km).

AND WHEREAS M/S. \_\_\_\_\_ having registered office at \_\_\_\_\_ (hereinafter called the importers) have imported the equipment and/or construction machinery mentioned in the said Notification for purposes of construction of above mentioned project(s) in accordance with the conditions given in the said Notification;

NOW, THEREFORE, in consideration of the release of the equipment and/or construction machinery without recovery of leviable duties, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. \_\_\_\_\_ being the customs duties and charges leviable on the machinery, if the importers fail to fulfill the condition (vi) or (vii) or (viii) of the said Notification as the case may be.

The importers further agree and bind themselves that the amount covered by this Bond shall be recovered as arrears of customs duties under section 202 of the Customs Act, 1969 . This Bond shall become void when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said Notification.

Signed by importers on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_.

**Managing Director**  
(Name and permanent address)

**Collector of Customs**  
(On behalf of President)

Witness \_\_\_\_\_  
(signature, name, designation and full address)  
Witness \_\_\_\_\_  
(signature, name, designation and full address)

Note: The bond shall be written on appropriate non-judicial stamp paper and shall be witnessed by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Schedule Bank

**Annex-B**  
[See condition (iv) & (v)]


NTN or FTN of Importer			Approval No.	
(I)			(II)	
Details of input goods (to be filled by the authorized officer of the Regulatory Authority) to be imported				
Description and specifications.	Quantity/UOM	L/C No. or bank contract No. and B/L.	IGM No. Date & Index No.	Remarks, if any.
(1)	(2)	(3)	(4)	(6)

CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY: It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirement and are bonafide requirement of the project. It is further certified that the above items shall not be used for any other purpose except for the project.

Signature: \_\_\_\_\_  
Name & Designation: \_\_\_\_\_  
Official Stamp: \_\_\_\_\_  
Date: \_\_\_\_\_

**Note: -** For the purposes of this notification, the expression "not manufactured locally" shall mean the goods which are not listed in the locally manufactured items in the Customs General Order issued by the Federal Board of Revenue from time to time.

[C.No. 1(10) Tariff-II/2016]

  
(Shaukat Ali)  
Additional Secretary