

GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE  
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Islamabad, the 4<sup>th</sup> September, 2019.

**NOTIFICATION  
(CUSTOMS)**

S.R.O. 994(I)/2019.- In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Customs Rules, 2001, which have been previously published *vide* Notification No.S.R.O 805(I)/2019, dated the 11<sup>th</sup> July, 2019, namely:—

In the aforesaid Rules,-

(1) in rule 226,-

(i) in sub-rule (4), for the proviso, the following provisos shall be substituted, namely:-

“Provided that the investors in Export Processing Zone shall retain machinery for a period of five years from the date of its import into the Zone:

Provided further that the investors in Export Processing Zone shall be allowed to dispose of machinery in the tariff area after filing Goods Declaration subject to the fulfillment of conditions of Import Policy Order upon payment of duty and taxes on the following terms, namely :-

Sr No	Disposal period	Duty and taxes
(1)	(2)	(3)
1	If sold or otherwise disposed of before the expiration of three years from the date of import in EPZ.	Full

2	If sold or otherwise disposed of after three and before four years from the date of import in EPZ	75%
3	If sold or otherwise disposed of after four and before five years from the date of import in EPZ	50%
4	If sold or otherwise disposed of after five years from the date of import in EPZ	0%

“; and

- (ii) in sub-rule (9), in the proviso, for the full stop at the end, a colon shall be substituted and thereafter the following second proviso shall be added, namely:-

“Provided further that the Chief Collector may consider any further extensions, in exceptional circumstances, on such terms and conditions, as he may deem appropriate.”;

- (2) in rule 296, in sub-rule (1),-

(i) in clause (f), for the word “Collector”, the word “Authority” shall be substituted; and

- (ii) for clause (m), the following shall be substituted, namely:-

“(m) “Regulatory Authority” means the Collector of Customs in whose jurisdiction the place of business or manufacturing unit of DTRE applicant, duly registered under the Sales Tax Act, 1990, is located. The Collector may designate an Additional Collector as Regulatory Authority for such cases where total duty and taxes remitted under DTRE approval is upto fifty million Rupees;”;

- (3) in rules 298, 299, 300, 301 and 302, for the words “Collector”, wherever occurring, the word “Authority” shall be substituted and for the expression “PACCS”, wherever occurring, the expression “WeBOC” shall be substituted;

- (4) after rule 301, the following new rule shall be inserted, namely:--

**“301A. Appeal to the Chief Collector.-** Any DTRE applicant aggrieved by any decision or order passed under sub-rule (3) of rule 301 or any other order

may prefer an appeal to the Chief Collector of Customs within sixty days of passing of such decision or order;”;

- (5) in rule 302A, for the words “Regulatory Collector”, the words “Regulatory Authority” shall be substituted;
- (6) in rules 304A, 306, 307(2), 307A and 307D, for the words “Collector”, wherever occurring, the words “Authority” shall be substituted and for the expression “PACCS”, wherever occurring, the expression “WeBOC” shall be substituted ;
- (7) in rule 307E,-
  - (i) for the word “Collector”, wherever occurring, the word “Authority” shall be substituted; and
  - (ii) after sub-rule (4), the following new sub-rule shall be added, namely:-

“(5) The Collector of Customs shall be responsible for overall monitoring of the scheme.”;
- (8) in rule 307G, for the word “Collector”, wherever occurring, the word “Authority” shall be substituted;
- (9) after rule 307H,-
  - (i) in Appendix-I, for the expression “PACCS”, the expression “WeBOC” shall be substituted;
  - (ii) in Appendix-II, for the word “Collector”, the word “Authority” shall be substituted and for the expression “PACCS”, the expression “WeBOC” shall be substituted; and
  - (iii) in Appendix V, for the word “Collector”, wherever occurring, the word “Authority” shall be substituted;
- (10) in rule 308,-
  - (i) in clause (h), after the word “Gilgit-Baltistan”, the expression “, Islamabad Capital Territory (ICT)” shall be inserted; and
  - (ii) after clause (h), the following new clause shall be added, namely:-

“(ha) “Director IOCO (Hqrs)” means the officer of Customs holding the charge of Director IOCO (Hqrs) having jurisdiction over all offices of the Directorate General of IOCO and the Collectorates of Customs as duly notified by the Board;”;

(11) in rule 342,-

- (i) in clause (a), for the expression “the Central Excise Act, 1944(I of 1944)”, the expression “the Federal Excise Act, 2005” shall be substituted;
- (ii) in clause (b), for the word “Collector”, the word “Regulatory Authority” shall be substituted;
- (iii) in clause (d), for the word “central”, the word “Federal” shall be substituted;
- (iv) in clause (f), for the word “Collector”, the word “Regulatory Authority” shall be substituted;
- (v) in clause (g), for the expression “344”, the expression “343” shall be substituted;
- (vi) in clause (i),-
  - (a) in sub-clause (a), after the word “warehouse”, the expression “for storing of input goods, procured under clauses (i) and (ii) of sub-rule (1) of rule 352 and goods manufactured therefrom for exports” shall be inserted; and
  - (b) in sub-clause (c), for the word “Collector”, the word “Regulatory Authority” shall be substituted;
- (vii) after clause (l), the following new clause shall be inserted; namely:-
  - “(la) “Regulatory Authority” in relation to Manufacturing Bond means the Additional Collector of Customs designated as the Regulatory Authority by the Collector of Customs in whose jurisdiction the place of business or manufacturing unit of the Manufacturing Bond Licensee, duly registered under the Sales Tax Act, 1990, is located;”;
- (viii) in clause (o), after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector as the case may be,” shall be inserted;

(12) in rule 343,-

(i) after the word “Collector” wherever occurring, the expression “or the Regulatory Authority designated by the Collector, as the case may be” shall be inserted;

(ii) in sub-rule (1),-

(a) for clause (a), the following shall be substituted, namely:-

“(a) the site plan of the proposed warehouse indicating the location of the premises and the details of the total area, covered area and the area proposed to be utilized for the manufacturing area or facility and for storing the bonded warehoused input goods and manufactured goods therefrom for exports, and separate other storage areas for duty paid input goods, manufactured goods therefrom, factory rejects and wastages, for domestic local sales, in case of a manufacturing bond;”;

(b) in clause (1), for the words “Export Promotion Bureau”, the words “Trade Development Authority of Pakistan”, shall be substituted; and

(iii) after sub-rule (3), the following new sub-rule shall be inserted, namely:-

“(4) In case of manufacturing bond, the applicant shall apply to the Regulatory Authority designated by the Collector of Customs having jurisdiction in which the unit is registered under the Sales Tax Act, 1990, and in case there are more than one unit of a proprietor, he shall apply to the Regulatory Authority designated by the Collector of Customs where the head office of the applicant is registered under Sales Tax Act, 1990.”;

(13) in rule 344, after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector as the case may be,” shall be inserted;

(14) in rule 345, after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector as the case may be,” shall be inserted;

(15) in rule 345,-

(i) in sub-rule (1), for the expression “345”, the expression “344” shall be substituted; and

(ii) after sub-rule (2), the following new sub-rule shall be inserted, namely:-

“(3) Any licensee aggrieved by any decision or order pertaining to Manufacturing Bond may prefer an appeal to the Chief Collector of Customs within sixty days of the passing of such decision or order.”;

(16) in rule 346,-

(i) the words “up to” shall be omitted; and

(ii) after the word “Collector”, wherever occurring, the expression “or the Regulatory Authority designated by the Collector as the case may be,” shall be inserted;

(17) in rule 349, in sub-rule (4), in the proviso, after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector as the case may be,” shall be inserted;

(18) in rule 351,-

(i) in sub-rule (1), for the word “Collector”, the words “Regulatory Authority” shall be substituted;

(ii) in sub-rule (2) for the word “Collector”, the words “Regulatory Authority” shall be substituted and for the full stop at the end, a colon shall be substituted and thereafter the following provisos shall be added, namely:-

“Provided that the Regulatory Authority may issue a provisional analysis certificate till the determination of Input to Output Ratio and wastage by IOCO or EDB, as the case may be:

“Provided further that if there is no change in previously determined input and output ratio, then the Regulatory Authority may uphold the previously determined input-output ratios without sending it to IOCO or EDB.”;

(iii) in sub-rule (5), for the word “Collector”, the words “Regulatory Authority” shall be substituted;

(iv) for sub-rule (6), the following shall be substituted, namely:-

“(6) Improved efficiency of the manufacturing operations may lead to improvement in consumption of input or output ratios, the licensee shall declare the excess material at the end of the relevant year to the Customs authorities. The concerned Deputy Collector can allow, in writing, the consumption for export of such excess input material during the subsequent period or allow for removal for home consumption, provided that the warehousing period is complied with. In case of removal for home consumption, the licensee shall file ex-bond Goods Declaration for payment of duties and taxes leviable thereon. However, the warehousing charges and penal surcharge as prescribed under section 98 of the Customs Act, 1969 for ex-bonding of such input material offered due to improved plant efficiency shall not apply.”;

(v) in sub-rule (7), for the word “The” occurring for the first time “the expression “ In case of improve efficiency, the” shall be substituted; and

(vi) for sub-rule (8), the following shall be substituted, namely:

“(8) In the case of lower efficiency, and the lower efficient ratio is beyond three per cent, the unit may apply for redetermination of IORs. If the change in input or output ratio is within three per cent, the input or output ratios shall remain unchanged. The input or output ratio shall in any event be revised every three years. The licensee will have no right of refund.”;

(19) in rule 352,-

(i) in sub-rule (1), for the word “central” wherever occurring, the word “federal” shall be substituted;

(ii) in sub-rules (2) and (6a), for the word “Collector”, the words “Regulatory Authority” shall be substituted;

(iii) in sub-rule (8), for the word “Collector”, the words “Regulatory Authority” shall be substituted and the words “or the officer authorized by him” shall be omitted; and

(iv) in sub-rule (10), after the proviso, the following new rule shall be added, namely:-

“(11) The Collector of Customs shall be responsible for overall monitoring of manufacturing bond scheme.”;

(20) in rule 355,-

- (i) for the words “bill of entry”, wherever appearing, the words “Goods Declaration” shall be substituted;
- (ii) for the words “bill of export”, wherever appearing, the words “Goods Declaration” shall be substituted;
- (iii) in sub-rule (2) and sub-rule (4), for the word “Collector”, the words “Regulatory Authority” shall be substituted;
- (iv) in sub-rule (5), after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector, as the case may be,” shall be inserted;
- (v) in sub-rule (8), after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector, as the case may be,” shall be inserted; and
- (vi) in sub-rule (12), after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector, as the case may be,” shall be inserted;

(21) in rule 356,-

- (i) in sub-rule(1), after the word “Collector”, the expression “or the Regulatory Authority designated by the Collector, as the case may be,” shall be inserted; and
- (ii) in sub-rules (2), (3) and (4), for the word “Collector”, the words “Regulatory Authority” shall be substituted; and

(22) after rule 363,-

- (i) in Appendix-I,-
  - (a) under the heading “Appendix-I”, for the expression “[see rule 344(1)(f)]”, the expression “[see rule 343(1)(f)]” shall be substituted; and

- (b) in Serial (E), after the expression "Orders of Collector" the expression "/Regulatory Authority" shall be inserted;
- (ii) in Appendix-II, under the heading "Appendix-II", for the expression "[see rule 344(1)(f)]", the expression "[see rule 343(1)(f)]" shall be substituted;
- (iii) In Appendix-V, after the words "The Collector", the expression "/Regulatory Authority" shall be added; and
- (iv) in Appendix-VIII,-
  - (a) under the heading "Appendix-VIII", for the expression "[see rule 358(2)]", the expression "[see rule 357(2)]" shall be substituted;
  - (b) after the word "Collector" occurring for the first time, the expression "or Regulatory Authority" shall be inserted; and
  - (c) for the expression "rule 358(2)", the expression " rule 357(2)" shall be substituted.

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[C. No.1(2)/L&P/2019]

  
**(Muhammad Nayer Shafiq)**  
Secretary (Law & Procedure)