

**GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE**

Islamabad, the 14<sup>th</sup> July, 2007

**NOTIFICATION  
(CUSTOMS)**

**S.R.O.704(I)/2007.**- In exercise of the powers conferred by section 219 of the Customs Act, 1969 (Act IV of 1969), the Federal Board of Revenue is pleased to direct that the following further amendment shall be made in the Customs Rules, 2001, namely: -

In the aforesaid Rules, after CHAPTER XX at the end, the following new chapter shall be added, namely: -

**“CHAPTER XXI  
Pakistan Customs Computerized System (PACCS)  
Sub-Chapter I  
Preliminary**

**422. Application of CHAPTER XXI.**- Notwithstanding anything contained in these rules or any other rules made under the Act, the provisions of this Chapter shall apply to customs-stations where the Pakistan Customs Computerized System (PACCS) is operational to the extent applied and notified under section 155A of the Act.

**423. Definitions.**- (1) In this Chapter, unless there is anything repugnant in the subject or context,-

- (i) “Authority” means the Export Processing Zones Authority established under the Ordinance;
- (ii) “claimant” means a user who submits a refund claim through PACCS;
- (iii) “Collector of Customs”, in relation to any Zone, means the Collector of Customs, who exercises jurisdiction over such Zone;
- (iv) “duty drawback” means repayment of import duty as envisaged in clause (c) of section 21 and sections 37, 39, 40 and 41 of the Act;
- (v) “export” is as defined in Imports and Exports Controls Act 1950 (Act XXXIX of 1950), and includes passing into the territory of an Export Processing Zone duly authorized cargo from the tariff area of Pakistan.
- (vi) “FTN” means Free Tax Number issued by the Board to persons who are otherwise exempt from holding National Tax Number (NTN) for the purposes of identification;
- (viii) “import” is as defined in Imports and Exports Controls Act 1950 (Act XXXIX of 1950), and includes bringing out authorized cargo from the territory of an Export Processing Zone into the tariff area of Pakistan
- (ix) “industrial-undertaking” means an industrial-undertaking as defined in the Ordinance;
- (x) “INTRA” means the Integrated Regulatory Authorities as envisaged in rule 527;
- (xi) “investor” means an investor as defined in the Ordinance;
- (xii) “KICTL” means the Karachi International Container Terminal Limited;
- (xiii) “NTN” means National Tax Number issued by the Board;
- (xiv) “Ordinance” means the Export Processing Zones Authority Ordinance, 1980 (Ord. IV of 1980);
- (xv) “PACCS user” means any person who possesses unique user identifier of PACCS.
- (xvi) “password” means a password selected against each unique user identifier by, and only known to, the user;
- (xvii) “port of entry” means the first customs-port in Pakistan where imported goods are landed onto Pakistan’s soil on arrival from abroad;

- (xviii) “port of exit” means the last customs-port in Pakistan from where the goods depart for a destination outside Pakistan;
- (xix) “pre-pact” means depositing of money in advance by the users in a common account maintained by the Collector, Model Collectorate of Customs, in consideration for discharge of their liabilities which may accrue on account of clearances of cargo through PACCS and the money so deposited in this account, remains property of the depositor and can be used to discharge liabilities as aforementioned or may be withdrawn at will;
- (xx) “refund claim” means an online application for claim of refund of the amount of duties and taxes except income tax filed by a user;
- (xxi) “refund reference number” means a reference number issued by PACCS confirming the filing of a refund claim;
- (xxii) “tariff area” means any area in Pakistan outside the limit of a Zone;
- (xxiii) “terminal” means the KICTL or any other container terminal whereat PACCS is operational;
- (xxiv) “Terminal Operator (TO)”, means any organization or establishment engaged in the receipt, discharge, storage, custody, handling, delivery and loading of import, export, transit and transshipment of containerized cargo by sea other than off-dock terminals;
- (xxv) “unique user identifier” means a unique user identifier as may be allocated to any user under section 155D of the Act;
- (xxvi) “user” means any person who is registered under section 155C of the Act for using PACCS on line;
- (xxvii) “User ID Office” in relation to PACCS, means an office which issues unique user identifier; and
- (xxviii) “Zone” means such area as is declared by the Federal Government to be a Zone under the Ordinance.

(2) The words and expressions used but not defined herein shall have the meaning assigned to them in the Act or CHAPTER I of these rules.

## **Sub-Chapter II Unique user identifier**

**424. Registration of users, etc.-** (1) Any person interested or required to interact online with PACCS may get himself registered as a user by submitting his application in Form-I to the Collector, Model Collectorate of Customs, including any other information as may be required by him for the purpose:

Provided that in case of government department, embassy or an international organization, etc., it shall be registered as user against the authority letter issued by the competent officer of that department, embassy or organization, as the case may be.

(2) All users registered under sub-rule (1) shall, on individual basis, obtain a unique user identifier among whom shall be the-

- (a) persons involved in import, export, transit or transshipment through any container terminal;
- (b) clearing agents representing a principal specified in clause (a).
- (c) shipping agents dealing with vessels or cargo cleared through any container terminal;
- (d) warehouse keepers or owners who receive or store cargo brought through any container terminal;
- (e) ship chandlers engaged in business with vessels calling at container terminal; and
- (f) government and semi-government departments including Board, Customs, Federal Excises, Sales Tax, Income Tax, State Bank of Pakistan, and National Bank of Pakistan who are engaged in regulating import, export, transit or transshipment of cargo -through PACCS across the country.

**425. User ID Office.-** Unique user identifiers for PACCS may be obtained from User ID Offices established for the purpose at designated places.

**426. User to obtain unique user identifier.-** The unique user identifier shall be obtained by the user or his authorized representative who shall appear in person before the User ID Office along with the following documents:

- (a) Original NTN or FTN; provided that an individual holding NTN shall appear in person unless she is a *pardah* observing lady or an elderly person in which case a family member may be authorized to obtain the unique user identifier.
- (b) Original Computerized National Identity Card of the person obtaining the unique user identifier.
  - (a) A pay order of rupees five hundred in favor of the Collector, Model Collectorate of Customs.
- (d) Authority letter from the company, organization or institution, as the case may be; provided that in case the person receiving ID is owner, director or head of any such company, organization or institution, authority letter shall not be required.
- (e) Employment letter or, ID of company, organization or institution relating to the person receiving unique user identifier:

Provided that in case the user is clearing, shipping or warehouse agent, he shall present original license issued by customs authorities in lieu of original NTN:

Provided further that in case the user is government department, embassy or an international organization, etc., the authority letter in favor of person receiving it is issued by the head of that department, embassy or organization, as the case may be, is produced.

**427. Procedure for allocation of unique user identifier.-** An officer of customs on duty at the User ID Office shall enter into PACCS complete data and information as per set of original documents so received under rule 426, retain its copies, return originals on the spot except the pay order and the authority letter, and proceed to allocate the unique user identifier through the system after obtaining its proper receipt from the recipient who shall be required to feed in the password of his choice for security reasons.

**428. Changing of password.-** A user shall be at liberty to change his password on line whenever he wishes to do so.

**429. Liability of user.-** The user shall, in relation to the use of unique user identifier, be liable for any contravention of these rules and provisions of CHAPTER XVI-A of the Act.

**430. Additional allocation of unique user identifiers.-** A user shall be entitled to obtain additional unique user identifiers on payment of rupees five hundred for each unique user identifier which may be acquired and allocated over the web, on line.

**431. Disclosure of password.-** In case the user has reason to believe that his password has been disclosed, he may exercise the following options:

- (a) if the user is able to log onto the system using his password that is believed to have been disclosed, he may log onto the system and change the password; or
- (b) in case the user is unable to log onto the system with the disclosed password, he may call on the Customs Help Desk and request for resetting of his password, whereupon, an officer of customs on duty after being satisfied from the profile of the user and based on the answers given by the caller that the caller is the actual user, may reset the password, otherwise, the user or a person so authorized by him shall have to appear before the User ID Office with his identification papers to get his password reset.

### **Sub-Chapter III Procedure of imports through PACCS**

**432. Procedure for imports.-** Subject to the provisions herein laid down, the procedure for imports including every activity there against online shall apply to CY FCL and CY LCL containers as may be operated from any container terminal whereat PACCS is operational.

**433. Filing of imports declaration.-** Every declaration in relation to each consignment of imported goods shall be filed with PACCS online by the importer or his agent which shall be deemed to have been submitted to customs only where duties and taxes leviable thereon, if any, have been paid or discharged as self assessed by the person declaring it.

**434. Amendments to imports declaration.-** No declaration made under rule 433 shall be amended after the customs has started checking the declaration:

Provided that such declaration may be cancelled where-

- (i) the goods have not arrived at the declared terminal on which PACCS is operational; or

(ii) clearance of goods or class of goods has explicitly been excluded from the purview of PACCS.

**435. Examination of imported goods.-** The Terminal Operator shall make arrangements for the examination of imported goods so declared under rule 433 which includes their weighing, sampling, inspecting and scanning, and shall render such other services related to the examination thereof in accordance with the requirements of these rules.

**436. Inspection or sampling by regulatory bodies of the Government:** Government bodies involved under their own laws to inspect imported cargo while the goods are at the terminal may do so and after necessary inspection or obtaining samples, as the case may be, shall seal the container. They may acquire online access to PACCS, whereby they will have the facility to issue the requisite certificates online related to consignments under their respective laws.

**437. Requirement of documents.-** Where any documents are required for clearance of goods in support of the declaration filed under rule 433, the customs shall, on line, specify the documents so required from the importer or his agent who shall, as the case may be, produce such documents.

**438. Assessment by customs authorities.-** Where any declaration has been filed under rule 433 or additional documents have been submitted under rule 437, the customs shall satisfy itself as to their correctness including its value, classification, claim of exemption, payment of duties and taxes, and may re-assess the goods during or after clearance.

**439. Provisional clearance of imported goods.-** Subject to rule 440, the imported goods may be provisionally cleared as follows provided appropriate securities have been furnished:

- (a) **Valuation:** The clearance of goods by the Clearance Collectorate shall be restricted to transaction value method, identical goods method and similar goods method under section 25 of the Act, and where detailed scrutiny is required and subsequent valuation methods are to be applied, the case shall be forwarded to the Valuation Department on line while clearing the goods provisionally.
- (b) **Classification:** Where any dispute regarding classification of goods cannot be resolved during review, the case shall be forwarded to the Classification Center on line while clearing the goods provisionally.
- (c) **Exemptions:** Where any dispute regarding admissibility of exemption or concession claimed by the importer in his declaration is not resolved during review, the goods shall be provisionally cleared.
- (d) **Lab-tests:** Where any chemical or other test is required to ascertain nature or specification of goods, it shall be provisionally cleared pending any such test including lab-test provided no restriction is imposed on such goods.

**440. Finalization of provisional assessment.-** The cases of valuation and classification forwarded to the Valuation Department and Classification Centre under rule 439 shall respectively be finalized by them using their respective unique user identifiers, and the cases of exemption and lab-test shall be finalized by the Collectorate clearing the goods on the basis of assessment made by it where after the securities furnished by the importer shall be released or en-cashed, as the case may be, by such Collectorate.

**441. Review of assessments.-** The importer or his agent may file request for a review to Customs online giving detailed reasons for disagreement with Customs. Customs shall review the assessment on the basis of submissions by the importer or his agent.

**442. Release of imported goods.-** Customs release message will be electronically communicated to the importer, his agent and the Terminal Operator. The goods will be released by the Terminal Operator subject to fulfilling of any condition specified by Customs in electronic message to the Terminal Operator. The Terminal Operator shall submit all collected documents requisitioned through electronic message to Customs at the end of the day.

#### **Sub-Chapter IV Procedure of exports through PACCS**

**443. Procedure for exports.-** Subject to the provisions herein laid down, the procedure for exports including every activity there against online shall apply to CY FCL and CY LCL containers as may be operated from any container terminal whereat PACCS is operational.

**444. Filing and validity of export Goods declaration:** Every declaration in relation to each consignment of to-be-exported goods shall be filed with PACCS online by the exporter or his agent which shall be

deemed to have been submitted to customs only where duties and taxes leviable thereon, if any, have been paid or discharged through Pre-pact as self assessed by the person declaring it and after claiming duty drawbacks if any

Every export declaration shall be valid for a maximum period of fifteen days from its submission.

**445. Amendments to exports Goods declaration:** Subject to the following conditions, a declaration for export filed under rule 444 may be amended by the exporter or his agent who initially filed the declaration:

- (a) a Goods declaration for export once complete cannot be amended;
- (b) Goods Declaration that has already been cancelled cannot be amended;
- (c) information relating to a container that has already passed into the customs-area cannot be amended;
- (d') New items may not be added to a Goods Declaration as amendment.
- (e) an export declaration cannot be amended where its validity has expired and none of the containers relating thereto have passed into the port;

**Explanation 1.-** An export declaration shall be deemed to be complete in case:

- (i) all the containers relating to export declaration have passed into the port;
- (ii) the exporter or his agent specifically completes the export declaration; and
- (iii) Some of the containers in the Goods Declaration have passed into the port and the validity of the Goods Declaration has expired. In such cases the exporter or his agent shall be at liberty to file a new Goods Declaration for the remaining cargo on the same form E.

Explanation 2: Allow Loading shall only be granted to the containers for which the Goods Declaration are complete.

**446. Cancellation of export Goods declaration:** An export goods declaration may be cancelled at anytime by the exporter or his agent who initially filed such declaration provided no container declared there under has passed into the customs-area before validity of the declaration has expired otherwise in that case the declaration shall automatically stand cancelled on the expiry of the validity period.

**447. Pass-in authorization of containers.-** Soon after filing of the export goods declaration under rule 444, the Terminal Operator shall be authorized online to allow pass-in of the containers as specified in such declaration provided that each container is:

- (a) accompanied with the consignment note as provided in CHAPTER XVIII; and
- (b) sealed except the container falling under certain types where seals cannot be applied, like one door open, open top, flat rack, etc.

**448. Cut-off time for filing of export declaration or pass-in of cargo.-** There shall be no cut-off time for filing of export declaration or pass-in of the cargo into customs-area under PACCS and, with respect thereto, the customs shall not summarily apply or waive off any process required under any law for the time being in force allowing export of the cargo on the plea that any vessel is scheduled to depart, or involve itself with the particular vessel on which a cargo is shipped from Pakistan, yet, exporters are encouraged to monitor and manage their own schedules and to adhere to the cut-off timings as are given to them by the carriers or the Terminal Operator and the decision whereto rests with the shipper and the carrier,.

**449. Export cargo to bear numbered bullet seals.-** Each container carrying export cargo shall bear numbered bullet seal applied to the container before its pass-in and subject to rule 448, the Terminal Operator shall not receive any such cargo without numbered bullet seal as indicated in the consignment note.

**450. (1) Examination of export goods.-** The Terminal Operator shall make arrangements for the examination of export goods after the containers pass-in which includes their weighing, sampling, inspecting and scanning in accordance with the requirements of these rules.

**(2) Assessment by customs.-** Where any goods declaration has been filed under rule 444 the customs shall satisfy itself as to its correctness including its value, classification, claim of exemption, payment of duties and taxes, re-payment of duty-drawback etc., and may re-assess the goods during or after release.

**3. Review of assessment.-** The exporter or his agent may file request for a review to Customs online giving detailed reasons for disagreement with Customs. Customs shall review the assessment on the basis of submissions by the exporter or his agent.

**451. (1) Inspection or sampling by pre-shipment organizations, price checking or quality assurance bodies:** In case export cargo is to be inspected by a pre-shipment organizations, price checking or quality assurance bodies, such bodies will complete their functions and issue their NOCs or certificates, if any, prior to pass-in of the containers into Customs area.

**(2) Inspection or sampling by regulatory bodies of the Government:** Government bodies that are involved under their own laws to inspect export cargo may do so prior to the pass-in of the container into the port and seal the container after inspection or in case they deem it necessary to examine the cargo at the port they may acquire online access from PACCS, whereby they will have the facility to monitor the export consignments, and if required under their law, may hold any container online from being shipped abroad unless their legal requirements have been completed. On completion of legal requirements the departments may release online the container that was held earlier by them.

**452. (1) Allow loading:** Each consignment that is allowed loading by Customs shall be intimated online to the Terminal Operator as well as the exporter or the agent. Allow Loading shall only be granted to the cargo for which the Goods Declaration has been completed.

**(2) Loading of cargo:** (a) The Terminal Operator shall load containers on the vessel on the basis of 'loading allowed' message from PACCS, and shall intimate the event of loading of each container to PACCS online. Loading allowed for a container shall be independent of vessel; a container that is allowed loading may be loaded on any vessel from the terminal as per the arrangement of the exporter with the carrier. No subsequent authorization for allow loading for any left out containers will be required.

(b) Terminal operator shall allow loading only to those consignments for which documents, if any, as are required for the export of the cargo and as are electronically intimated to the exporter or his agent at the time of filing of a Goods Declaration to Customs, have been collected by the Terminal Operator.

**453. Removal of export cargo from the port:** The exporter or his agent may, at any time after loading has been allowed through PACCS and till the time the container has been loaded onto a vessel, request for the removal of any of his containers from the port area, whereupon, the customs shall, subject to such conditions, limitations or restrictions as may be imposed by it or otherwise specified in this Sub-Chapter, authorize such removal which shall be communicated to the Terminal Operator; online who shall cause the removal of such container from the port area. Authorization for removal allowed shall be communicated online to the exporter or his agent.

**454. Pass-in and loading of export cargo from other ports.-** The procedure as have been laid down under rules 503 to 510 shall be applicable in case of pass-in and loading of export cargo originating from up-country customs- stations, or other ports or terminals.

#### **Sub-Chapter V Duty Drawbacks under PACCS**

**455. Application for duty drawback.-** Every goods declaration for export filed under rule 444 shall also be considered as an application for duty drawback.

**456. Processing and sanction of duty drawback.-** Duty drawback as may be admissible shall be part of the process of assessment of cargo for export and the amount so admissible to the exporter shall be computed and processed by PACCS on the departure of the vessel or conveyance carrying export cargo.

**457. Payment of duty drawback.-** The sanctioned amount of duty drawback shall be paid through a cross cheque in the name and account number of the exporter which shall be signed by an officer of customs, authorized by the Collector, and the Chief Account Officer of the Collectorate and shall be dispatched at the address as provided by the exporter in his user profile to PACCS.

**458. Requirement of Electronic Processing Refund claim (EPRC).-** The amount of duty drawback as may be admissible shall be sanctioned by the customs as soon as the goods are exported without requiring proof of repatriation of foreign exchange in shape of EPRC.

**459. Re-assessment of duty drawback.-** The customs may re-assess the export declaration any time during five years of clearance of goods for export and if on account of such re-assessment it is found that duty drawback has been paid in excess, the differential amount shall be recovered from the exporter along with fine, etc.

**460. Post drawback audit.-** The finalized cases of duty drawback may be subjected to post audit by the authorities competent to conduct such audit.

## **Sub-Chapter VI Warehousing under PACCS**

**461. Maintenance of record.-** The licensing authority shall maintain particulars of the warehouse license on PACCS regarding approval, cancellation, suspension or revalidation using its unique user identifier and in case of private bonded warehouse, the licensing authority shall also enter the particulars of goods allowed warehousing.

**462. Declaration to abide warehouse conditions.-** An importer shall, in relation to imports into a customs bonded warehouse through KICTL or any other container terminal whereat PACCS is operational, make a declaration online undertaking to abide by the conditions set out in sub-section (1) of section 86 of the Act.

**463. Risk management system for every declaration of export.-** A declaration relating to export of goods from a manufacturing bond through KICTL or any other container terminal whereat PACCS is operational shall be filed online and shall be subjected to risk management system and examinations to be conducted accordingly.

**464. Filing of declaration pertaining to ex-bond imported goods.-** For ex-bond of goods from the Customs bonded warehouse, imported through PACCS, a goods declaration shall be filed on PACCS.

**465. Clearance of cargo from or into the bonded warehouse.-** The Collectorate of Customs in whose jurisdiction the customs bonded warehouse lies shall be given access to check the particulars of clearance of cargo from or into the bonded warehouse.

**466. Bonded Warehouse licensees to obtain unique user identifiers.-** All customs bonded warehouse licensees shall obtain unique user identifiers under section 155-E of the Act for clearance of cargo through PACCS.

**467. Intimation of cargo receipts by the bonded warehouse licensees.-** The licensee of a public or common bonded warehouse shall intimate the receipt of imported cargo to PACCS through his unique user identifier immediately.

**468. Delivery of goods by the bonded warehouse licensees.-** The licensee of public or common bonded warehouse shall allow delivery of goods cleared through PACCS after duly verifying the particulars of ex-bond goods declaration using his unique user identifier.

**469. Provisions of CHAPTER XV to apply.-** Except for the foregoing provisions specified under rules 461 to 468, all other provisions relating to warehousing provided in CHAPTER XV shall, mutatis mutandis, apply.

## **Sub-Chapter VII Transit under PACCS**

**470. Scope.-** The provisions of this Sub-Chapter shall apply to the Model Collectorate of Customs and to those ports of exit as are interacting therewith in relation to transit of goods to Afghanistan through PACCS.

**471. Electronic connectivity.-** The ports of exit shall obtain unique user identifiers from PACCS; after obtaining a static IP from the internet service provider (ISP) in order to interact with PACCS and communicate the same to Model Customs Collectorate. All relevant provisions of Chapter XVI-A of the Customs Act 1969 (IV of 1969) shall apply in this regard.

**472. Transit procedure.-** The procedure hereinafter laid down shall be followed for the transit of goods to Afghanistan through PACCS.

**473. Limitations.-** (1) Only such goods as have been distinctly manifested and are not banned for transit to Afghanistan shall be allowed transit facilities through the Model Collectorate of Customs.

(2) Transit facilities under sub-rule (1) shall be provided only for the final port of exit as mentioned in the manifest.

(3) No cargo other than the containerized cargo shall be cleared under PACCS and such procedure shall not apply to LCL and loose cargo.

**474. Transit declaration.-** On receipt of transit declaration or manifest information as may be filed on PACCS, the customs shall, subject to production of delivery order from the shipping line, authorize the Terminal Operator online to hand over the transit consignments as have been mentioned in the manifest in the following manner:

- (a) commercial cargo in transit to Afghanistan under the Pak-Afghan Transit Trade Agreement shall be transported through the Pakistan Railways or in case of their inability to lift the cargo within 48 hours of the arrival of vessel, the National Logistic Cell (NLC) shall, subject to clause (c), have the option to carry such cargo;
- (b) non-commercial cargo, e.g., diplomatic, UN, ISAF cargo etc., shall be transported through NLC;
- (c) refrigerated or over dimensional cargo may be transported through a private carrier under customs escort;
- (d) any cargo not covered under clauses (a) to (c) hereof shall be transported through any other carrier as may be specifically authorized by the Board to operate under PACCS; and
- (e) necessary documents and certificates relating to transit consignments shall be handed over by the carrier to the Terminal Operator.

**475. Safe carriage.-** The terminal operator shall handover the cargo as authorized by PACCS to the carriers mentioned in rule 474 above for safe carriage to the port of exit. For purposes of safe carriage the carrier shall be governed by rule 329.

**476. Cargo receipt to be obtained by Terminal Operator.-** The Terminal Operator shall obtain a receipt from the carrier containing the seal number under which the container is handed over to the carrier and a copy whereof shall be retained by the carrier which shall be delivered to the Collectorate of Customs having jurisdiction over the port of exit.

**477. Security seals.-** (1) The Terminal Operator shall, except in case of over-dimension cargo or notified heavy cargo, ensure that before the cargo is allowed exit from port of entry, security seals have been affixed on all the containers by the Customs Container Security Unit (CCSU) staff or any person so authorized by the Board, who shall be available at the port on twenty four-hours a day and seven days a week basis and shall seal the containers as required by the Terminal Operator:

Provided that the goods of over dimension in nature, which are imported and landed at terminal without being stuffed in containers shall be allowed transshipment in loose condition on flat bed trailers, the photographs whereof shall be taken by customs authorities before the cargo leaves exit gates of the terminal.

(2) The container required to be sealed under sub-rule (1) shall be sealed with prescribed security unbreakable seals with progressive serial number by the CCSU staff or the person authorized in that behalf and in addition a wire seal is used to hold together the locking bolts of the containers and numbered, adhesive tapes shall be used on joints where doors of containers close on top and bottoms of the doors and on the hinges.

- (a) The open containers and flat bed trailers shall be covered with tarpaulin in sound condition and a cable passed through the eyelets so as to secure the goods where unto the seal shall then be applied to the ends.
- (b) On focal points where the computerized sealing system of CCSU is not operational, the CCSU staff or the person so authorized in that behalf shall issue a sealing certificate in quadruplicate as provided in Appendix-VI to CHAPTER XIV upon sealing each container in accordance with the procedure prescribed by the Board.
- (c) The original copy of the certificate issued under sub-rule (4) shall be retained by the CCSU or a person authorized by it in that behalf, the duplicate shall be collected by the Terminal Operator, the triplicate and quadruplicate copies shall be carried by the driver of the carriage to the port of exit.

(6) Upon arrival of cargo at the destination, the CCSU shall inspect the seals at the focal exit point in the presence of driver of the carriage, prime mover or representative of Railways, as the case may be, so as to verify the security of the cargo if the seals are intact.

(7) In case the CCSU or the person so authorized on its behalf finds that the seal is broken or tampered with or finds the security of cargo or the container compromised in any way detrimental to the revenue or safety or anti-narcotics or anti-terrorism concerns, the matter shall be reported to the in-charge CCSU as per procedure prescribed by the Board as well as the concerned Assistant Collector of port of exit with a copy to the Collector of the port for necessary action, whereupon, such container shall be de-stuffed or re-stuffed only in the presence of authorized officer of customs of concerned customs-station.

(8) In case the carriage carrying the cargo meets with an accident or breakdown that has caused or may cause the security and safety of the bonded goods to be compromised, it shall immediately be reported to the CCSU for necessary action as per the SOP and the carrier shall-

- (i) bear all expenses incurred on re-stuffing or repacking of bonded goods including any pilferage or damage caused to it; or



- (ii) approach the officer of customs in-charge of the nearest customs-station, Federal Excise and Sales Tax office for witnessing the shifting of goods in another transport unit if necessitated and in whose presence the carrier shall shift the transshipped goods or container in the other transport unit where against such officer in charge shall issue a certificate to this effect to be produced by the carrier at the destination and cause the re-sealing of the container by CCSU or a person so authorized by it in that behalf.

**478. Delivery of transits.-** Transit consignments may be delivered by the Terminal Operator to the carriers on 24 hours a day and seven days a week basis and the moment a consignment is delivered to the carrier, the Terminal Operator shall communicate the particulars of carriage to PACCS online.

**479. Intimation of transit.-** Where an intimation of delivery has been made by the Terminal Operator under rule 478, the PACCS shall electronically advise the Collectorate exercising jurisdiction over the port of exit regarding the particulars of the departed consignment.

**480. Arrival of cargo at port of exit.-** As soon as the consignment is received by the Collectorate exercising jurisdiction over the port of exit, the authorized officer of the Collectorate shall electronically intimate receipt of consignment to the Model Collectorate of Customs.. When the transit cargo crosses into Afghanistan the concerned Collectorate shall update the event electronically into PACCS

**481. Reminder to port of exit.-** In case the concerned Collectorate exercising jurisdiction over the port of exit does not acknowledge the receipt of departed consignments after lapse of 72 hours of its departure from PACCS, a notice of reminder shall be electronically made to that extent.

**482. Non-receipt of departed consignment.-** In case no response is received from the Collectorate exercising jurisdiction over the port of exit pursuant to rule 480 and rule 481 after the lapse of 144 hours of intimation of departure of cargo, the matter shall be electronically communicated to the Collector exercising jurisdiction over the port of exit and in that case if no response is received from him within 144 hours of such communication, the matter shall be electronically passed on to the Board.

**483. Action against the carrier.-** Where after lapse of 144 hours of its intimation of departure under rule 478, the goods delivered or consignment so dispatched there under is reportedly not received by the Collectorate exercising jurisdiction over the port of exit, PACCS shall proceed to take action against the carrier which shall, until the matter is resolved, include suspension or blockage of future carriage by it notwithstanding any other action that may be taken against the carrier under any law for the time being in force.

**484. Violation of rules.-** Where any violation of the Act or rules made there under including these rules is detected during the transit of cargo from port of entry to port of exit, the carrier shall, in addition to any other action as is envisaged in the said Act or the rules, be liable to pay the duty and taxes as may be leviable on such cargo:

Provided that no punitive action shall be taken against the carrier without affording the carrier an opportunity of being heard.

### **Sub-Chapter VIII Transshipment under PACCS**

**485. Scope.-** The provisions of this Sub-Chapter shall apply to the Model Collectorate of Customs and to those inland customs-stations as are interacting therewith in relation to transshipments through PACCS.

**486. Electronic connectivity.-** Inland customs-stations shall obtain unique user identifiers from PACCS, and shall also obtain a static IP from the internet service provider (ISP) so as to interact with PACCS which shall be communicated to Model Collectorate of Customs. All relevant provisions of Chapter XVI-A of the Customs Act 1969 (IV of 1969) shall apply in this regard.

**487. Limitations.-** (1) Only such goods as have been distinctly manifested for transshipment shall be allowed transshipment facilities through the Model Collectorate of Customs.

(2) Transshipment facilities under sub-rule (1) shall be provided only for the inland customs-stations exercising jurisdiction at the destination as mentioned in the manifest.

**488. Transshipment procedure for import.-** The procedure hereinafter laid down shall be followed for the transshipment of cargo from the Model Collectorate of Customs to the inland customs-stations.

**489. Transshipment permits.-** No permit except the manifest shall be required for transshipment of goods through PACCS and on receipt whereof, PACCS shall electronically authorize the Terminal Operator to hand over those consignments to a bonded carrier that approaches the Terminal Operator with delivery orders from the shipping line for the goods where the address of the importer in the manifest is an inland city of Pakistan

**490. Safe carriage.-** The Terminal Operator shall, subject to authorization by PACCS handover the cargo to the carriers as may approach the Terminal Operator under rule 489 for carriage of goods to inland customs-station. Safe carriage by bonded carriers shall be governed by rule 329.

**491. Cargo receipt to be obtained by Terminal Operator.-** The Terminal Operator shall obtain a receipt from the carrier containing the seal number of the container under which it is handed over to the carrier, a copy whereof shall be retained by the carrier which shall be delivered to the customs authorities at the inland customs-station

**492. Security seals.-** Provisions of rule 477 shall, mutatis mutandis, apply to the transshipment of cargo or goods under this Sub-Chapter.

**493. Transshipment of non-containerized vehicles.-** In case of transshipment of non-containerized vehicles through PACCS, the following particulars of the vehicles shall be recorded at the port of entry before allowing exit for port of departure:

- (a) Make or Mode.
- (b) Type.
- (c) Chassis Number.
- (d) Engine.
- (e) Capacity.
- (f) Year of manufacture.

**494. Delivery of transshipments.-** Transshipment consignments may be delivered by the Terminal Operator to the carriers on 24 hours a day and seven days a week basis and the moment a consignment is delivered to the carrier, the Terminal Operator shall communicate the particulars of carriage to PACCS online.

**495. Intimation of transshipment.-** Where an intimation of delivery has been made by the Terminal Operator under rule 494, the PACCS shall electronically advise the Collectorate exercising jurisdiction over the inland customs-station regarding the particulars of the departed consignment.

**496. Arrival of cargo at destination.-** As soon as the consignment is received at the port of destination, the Collectorate exercising jurisdiction over the inland customs-station shall electronically intimate receipt of such consignment to the Model Collectorate of Customs.

**497. Reminder to inland ports.-** In case the concerned Collectorate exercising jurisdiction over the port of destination does not acknowledge the receipt of departed consignments after lapse of 72 hours of its departure from the port of entry, a notice of reminder shall be electronically made to that extent.

**498. Non-receipt of intimation under rule 497.-** In case no response either positive or negative is received from the Collectorate exercising jurisdiction over the inland customs-station after lapse of 144 hours of intimation of departure of cargo under rule 495, the matter shall be electronically communicated to the Collector exercising jurisdiction over the inland customs-station and in case no response is received from him within 144 hours of such communication, the matter shall be electronically communicated to the Board.

**499. Non-receipt of departed consignment.-** In case the Collector exercising jurisdiction over the inland customs-station reports the non-receipt of consignment in response to the communication made under rule 498, PACCS shall, notwithstanding any other action that may be taken under the law, proceed to take action against the carrier blocking their future carriage until the matter is resolved.

**500. Violation of rules.-** In case any carrier violates these rules or any such violation is detected during transshipment of cargo from port of entry to the inland customs-station, the carrier shall be liable to pay the duty and taxes as may be leviable on such goods in addition to any other action as is envisaged in the Act or the rules made there under:

Provided that no punitive action shall be taken against the carrier without affording the carrier an opportunity of being heard.

**501. Application of risk management system.-** All goods under transshipment to inland destinations or customs-stations shall be subject to the PACCS risk management system and, in any case, where any consignment is deemed risky by PACCS, the Terminal Operator shall be electronically advised to scan the consignment before handing it over to a bonded carrier, whereupon, the scanned image shall be transmitted to PACCS accordingly.

**502. Examination of goods under transshipment to inland destination.-** No consignment under transshipment shall be subjected to examination at the Model Collectorate of Customs, unless:

- (a) Illicit fire arms or explosive material is detected during scanning.

- (b) The goods are not carried to inland customs-station despite lapse of 72 hours of the arrival of the goods.
- (c) There is any specific information or cogent reasons to believe that the particulars are grossly mis-declared

**503. Exports from inland customs-stations.-** The procedure hereinafter laid down shall apply to the transshipment of cargo from inland customs-stations to the terminal.

**504. Intimation of export transshipment.-** Each consignment of export transshipment departing towards port where exit terminal is KICT or any other container terminal whereat PACCS is operational shall be intimated to PACCS online by the Collectorate of Customs exercising jurisdiction over the inland customs-station soon after the consignment is dispatched from the inland customs-station.

**505. Security seals.-** Provisions of rule 477 shall, mutatis mutandis, apply to the transshipment of export cargo from inland customs-stations.

**506. Intimation of export transshipment to Terminal Operator.-** The PAACS shall, soon after receiving an intimation of transshipment of cargo from an inland customs-station, advise the Terminal Operator online passing such intimation regarding transshipment of cargo.

**507. Receipt of export transshipment by the Terminal Operator.-** The Terminal Operator shall, soon after the receipt of export transshipment of cargo from an inland customs-station pursuant to an advice tendered under rule 506, intimate receipt of such cargo to PACCS.

**508. Acknowledgement, reminder, etc., to inland customs- station.-** (1) On receipt of intimation from the Terminal Operator under rule 507, PACCS shall acknowledge the receipt of export transshipment of cargo to the Collectorate of Customs exercising jurisdiction over the inland customs- station electronically.

(2) In case of non-communication relating to transshipment of export cargo or reminders thereto, non-receipt of such consignments and violations there against, the provisions specified in rules 497 to 500 hereinbefore shall, mutatis mutandis, apply.

**509. Risk management system for exports.-** No export consignment in transshipment from inland customs-stations shall be subjected to either risk management system or examination at the final port of exit, unless:

- (a) The seals of the containers upon their arrival at the port of exit are found to be either missing or broken; or
- (b) The container has been damaged en-route; or
- (c) The Inland customs-station from where the consignment has originated, requests the Model Collectorate of Customs to examine the consignment on the basis of specific information.

**Explanation:** Provisions relating to scanning in rule 501 and herein above shall be effective from the date the scanners become operational at the port terminal.

**510.** Except for the foregoing provisions specified in this Sub-Chapter, the provisions otherwise specified in rules 327, 328, 329 excepting the filing of transshipment application in sub-rule 1 thereof, 333, 337 and 338 under Chapter XIV shall, mutatis mutandis, apply.

## **Sub-Chapter IX Export Processing Zones under PACCS**

### **Import and Export of goods to and from the Zones (Transshipment scheme)**

**511. Customs clearance at the Zones.-** All cargo to and from the Zones shall be cleared by the Collector of Customs or Collectorate exercising jurisdiction over the Zone.

**512. Transshipment of cargo.-** All cargo to and from the Zones shall be allowed transshipment facilities by the port of entry in case of imports and the port of exit in case of exports.

**513. Limitations.-** Only such goods shall be allowed transshipment facilities from the first port of entry to a Zone as have been distinctly manifested for that Zone.

**514. Procedure at the port of entry or exit.-** The procedure hereinafter laid down for the transshipment of goods from the first port of entry to the Zones shall be applicable under PACCS.

**515. Transshipment permits.-** No separate declaration at the port of entry or, for that matter, any permit except the manifest shall be required for transshipment of goods through PACCS and on receipt whereof, PACCS shall electronically authorize the Terminal Operator to hand over those consignments to a bonded carrier that approaches the Terminal Operator with delivery orders from the shipping line for the goods where the address of the importer in the manifest is of a Zone.

**516. Safe Carriage.-** The Terminal Operator shall, subject to authorization by PACCS handover the cargo to the carriers as may approach the Terminal Operator under rule 515 for carriage of goods to the Zone and, soon where after, the Terminal Operator shall electronically communicate the relevant particulars to PACCS. For purposes of safe carriage the carrier shall be governed by rule 329.

**517. Delivery of cargo.-** All cargo consignments for transshipment to the Zone may be delivered by the Terminal Operator to the bonded carriers on 24 hours a day and seven days a week basis.

**518. Intimation of transshipment.-** As soon as a consignment for the Zone leaves the exit gate of the terminal at the first port of entry, PACCS shall electronically intimate the Collectorate of Customs exercising jurisdiction over the Zone regarding the particulars of the departed consignment.

**519. Arrival of cargo at destination.-** Where any transshipment of cargo consignment arrives at the Zone of destination, the concerned office of the Collectorate exercising jurisdiction over the Zone shall electronically intimate receipt of such consignment to the Model Collectorate of Customs.

**520. Reminder to Zones.-** In case no acknowledgement for receipt of departed consignments is received from the concerned office of the Collectorate of jurisdiction after lapse of 72 hours of departure from the port of entry, a reminder or notice to that effect shall be electronically communicated to the Collectorate of jurisdiction.

**521. Non-response by Collectorate of jurisdiction.-** The Collectorate exercising jurisdiction over a Zone shall acknowledge the receipt of transshipment of goods or cargo consignment within 144 hours of the intimation thereof, contrary where to, the matter shall be electronically communicated to the Collector of Customs, and in case no response is received from the Collector of Customs within 72 hours of such communication to him, the matter shall be electronically communicated to the Board.

**522. Non-receipt of departed consignment.-** In case non-receipt of consignment is reported by the concerned office of the Collectorate of jurisdiction on lapse of 144 hours of the intimation of departure of goods, the PACCS shall, notwithstanding any other action that may be taken under the law, proceed to take action against the bonded carrier blocking their future carriage until the matter is resolved.

**523. Application of risk management system.-** All goods under transshipment to the Zones shall be subject to the PACCS risk management system and, in any case, where any consignment is deemed risky by PACCS, it shall either be scanned by the Terminal Operator or examined by the customs authorities before handing over the consignment to the bonded carrier, whereupon, either the scanned image or examination report, as the case may be, shall be transmitted online before the Terminal Operator hands over the consignment to the bonded carrier.

**524. Examination of goods under transshipment to the Zone.-** No consignment under transshipment to the Zones shall be subjected to examination at the first port of entry, unless:

- (a) Illicit fire arms or explosive material is detected during scanning.
- (b) The goods have been classified as risky and are not claimed from the first port of entry for carriage to a Zone despite lapse of 72 hours of the arrival of goods.

**525. Exports from Zones.-** The Collectorate exercising jurisdiction over the Zone shall forward the cargo to the Model Collectorate of Customs after clearing it for exports and an intimation whereof shall be made online soon after the consignment departs from the Zone through a bonded carrier where to rules 514 to 523 shall, mutatis mutandis, apply.

**526. Examination of exports.-** Export consignment under transshipment from the Zones shall not be subjected to either risk management system or examination at the Model Collectorate of Customs, unless:

- (a) The seals of the containers upon arrival at the port of exit are found to be either missing or broken.
- (b) The container has been damaged en-route.
- (c) The Collectorate of jurisdiction from where the consignment has originated, requests the Model Collectorate of Customs to examine the consignment on basis of specific information.

Explanation: Provisions relating to scanning of goods shall be effective from the date the scanners become operational at the port.

## **Sub-Chapter X Integrated Regulatory Authorities (INTRA)**

**527. Integrated Regulatory Authorities (INTRA).**- The Authorities as may be performing the following functions shall be deemed to be Integrated Regulatory Authorities including such authorities as are regulating the import, export, transit or transshipment under any law for the time in force or the rules made there under including the Customs Act, 1969 (Act IV of 1969), the Sales Tax Act, 1951 (Act III of 1951), and the Federal Excise Act, 2005 (Act VII of 2005), and General Orders issued there under , namely:-

- (a) Form-S, approval;
- (b) Form-S, quota debiting;
- (c) Tariff based system's quota approval;
- (d) Tariff based system's quota debiting;
- (e) Duty and Tax Remission on Exports, approval;
- (f) Duty and Tax Remission on Exports, quota debiting;
- (g) Issuance of unique user identifiers;
- (h) Warehouse Licensing;
- (i) Customs Clearing Agents Licensing;
- (j) Shipping Agents and Ship Chandlers Licensing;
- (k) First Schedule to the Act (Tariff and exemptions on imports) and amendments thereto;
- (l) Second Schedule to the Act (Tariff and exemptions on Exports) and amendments thereto;
- (m) Duty drawback rates;
- (n) Sixth Schedule to the Sales Tax Act (exemptions on imports) and amendments thereto;
- (o) First and Second Schedules to the Federal Excise Act (Tariff and exemptions on imports) and amendments thereto;
- (p) Tariff rates for PTAs and FTAs;
- (q) General and special conditions of import or export; and
- (r) Confirmation of local manufacturing status.

**528. Unique user identifier for INTRA.**- All users in INTRA shall obtain unique user identifiers from User ID Office and shall also acquire a static IP internet connection from the internet service provider.

**529. Legal responsibility.**- Unique user identifier issued to the user in any INTRA shall be deemed to be the legal signatures of that INTRA, and the concerned authority shall be responsible for all actions performed through the unique user identifiers issued to that authority as specified in Chapter XVI-A of the Act.

**530. INTRA to update PACCS.**- As and when any approval is granted, quota debited; customs-duties, sales tax or federal excise tariffs is imposed or amended at import or export stage; or a law, procedure, terms and conditions of import or export or any other process relating to customs is added, amended, or deleted, the concerned regulatory authority shall make the necessary amendments in PACCS at source.

**531. Orders, approvals or amendments to take effect.**- The orders, approvals or amendments, as the case may be, shall be applicable and take effect from the time that PACCS is up-dated by the concerned INTRA.

## **Sub-Chapter XI Pre-pact Procedure**

**532. Pre-pact procedure.**- The pre-pact procedure hereinafter specified and facilities created there under shall, in view of the fixed banking hours, provide round the clock on line facility to the tax payers to discharge their legal liabilities accruing out of clearance of goods through PACCS.

**533. NBP to provide pre-pact facility.**- A common account in the name of Collector, Model Collectorate of Customs, shall be opened and maintained at any branch of the National Bank of Pakistan(NBP)

designated by PACCS wherein all users may deposit any amount they may like to and, in relation thereto, the bank branch shall electronically communicate the amount and the particulars of the depositor to PACCS on line.

**534. Payments through pre-pact.-** Where any payment is required to be made through pre-pact, PACCS shall communicate the particulars like NTN, BL. No., Tax Code, Account Heads, relevant sub-totals and grand total to the National Bank of Pakistan, which shall transfer equivalent amount from pre-pact to the relevant heads of account.

**535. Withdrawals.-** Where the user has made certain deposits under rule 533, he shall be within his discretionary right to withdraw any amount so deposited by him from pre-pact by filling out the form as provided on the web and in case sufficient amount is in balance owing to the user, a cross cheque shall be printed and signed by an officer of customs authorized by the Collector in that behalf and dispatched in favor of account number of the user against information provided by the user in his user profile.

**536. Authority over funds.-** Pre-Pact is a voluntary account where deposits are kept on behalf of the user and the user retains full control over the amount so deposited by him in advance and, as such, shall not be taken over, frozen, adjusted, etc., without the consent of the user.

**537. Furnishing securities.-** The facility of pre-pact may be used at the discretion of the user for purpose of furnishing securities in cases where securities may be required by the customs authorities and in such an event, the user may opt to deposit an equivalent amount which shall be treated by PACCS as security and released, or en-cashed, as soon as the matter is settled.

## **Sub-Chapter XII Refunds under PACCS**

**538. Scope.-** The provisions of this Sub-Chapter shall apply to the refund of duties and taxes through PACCS except advance income tax deposited there under.

**539. Filing of refund claim.-** Any user may file his refund claim online by filling out the form using his unique user identifier where against refund reference number shall be issued.

**540. Processing of the Refund Claim.-** On receipt of refund claim, the Assistant Collector or Deputy Collector concerned shall satisfy himself regarding the legality, truth and accuracy of the claim and shall finalize it.

**541. Intimation to Collectorates of Sales Tax and Federal Excise.-** The Collectorates of Sales Tax and Federal Excise shall be communicated online the particulars of each sanctioned refund related to Sales Tax and Federal Excise.

**542. Amount of refund in case of cancelled goods declaration.-** In case goods declaration is cancelled, the total amount of duties, taxes and other charges, if any, except income tax and processing charges, shall be refunded to the claimant or where the applicant so desires, the amount may be credited against his NTN in the pre-pact.

**543. Payment of refund claim.-** The sanctioned amount of refund shall be paid to the claimant through a crossed cheque signed by an officer of customs so authorized by the Collector, and the Chief Accounts Officer of the Collectorate, which shall be issued in the name and against the account number as declared by the claimant and dispatched at the address provided by him in his profile with PACCS.

**544. Action on inadmissible refunds.-** Where any refund claim or part thereof is found to be inadmissible, an order to that effect shall be issued after affording the claimant an opportunity of being heard and the order so issued may be appealed against.

**545. Post Refund Audit.-** The cases of finalized refund cases may be subjected to subsequent audit by the competent authorities.

## **Sub-Chapter XIII Adjudications under PACCS**

**546. Mode and manner of notices and orders.-** In case any contravention of the Act or rules made there under is detected during or after clearance of goods, show cause notice shall be issued online to the importer, exporter, carrier or their agents, as the case may be, subsequent whereof, hearing notices shall also be issued online and at the conclusion of hearing or proceedings, the adjudicating authority shall issue an order which shall be electronically communicated to the importer, exporter, carrier or their agents, as the case may be, including any liabilities that he may accrue in the shape of duties and taxes, and fines and penalties imposed, and the order so issued may be appealed against.

**547. Personal hearing.-** The provisions relating to personal hearing specified in clause (c) of section 180 of the Act shall apply.

#### **Sub-Chapter XIV Terminal Operators under PACCS**

**548. Terminal Operations under PACCS.-** Any Terminal Operator who wishes to conduct terminal operations under the PACCS automated processes shall fulfill the minimum conditions or requirements specified in rule 554.

**549. Application for registration with PACCS.-** Any Terminal Operator fulfilling the conditions or requirements and desirous of operating business processes under the PACCS may apply under section 155B of the Act along with the documents as prescribed, to the Collector, Model Collectorate of Customs, for the deployment of PACCS at their facility.

**550. Processing of Application.-** On receipt of an application under rule 549, PACCS technical team shall verify whether the Terminal Operator fulfills the minimum conditions or requirements, or in case of deficiencies, a deficiency list shall be provided to the Terminal Operator with a copy to the Collector and after removal of deficiencies, if any, the Terminal Operator shall request for re-verification.

**551. Verification Report.-** Where the technical team has verified or re-verified that the Terminal Operator fulfils the minimum conditions or requirements, a verification report shall be submitted to the Collector.

**552. Approval of registration under PACCS.-** On receipt of verification report, the Collector shall grant the application under section 155C of the Act and issue a unique identifier under section 155D thereof.

**553. Cancellation of registration.-** The Collector may at any time cancel the registration of a Terminal Operator under section 155F of the Act after giving notice and affording him an opportunity of being heard.

**554. Minimum conditions for registration under sections 155C and 155D of the Act.-** The following are the minimum conditions or requirements for grant of registration to the Terminal Operator:

- (1) The terminal shall be operative on 24 hours X 7days X 365days basis.
- (2) **Building and Infrastructure:** The terminal shall provide:
  - (a) Fully furnished, air conditioned International Industrial Standard office space for customs.
  - (b) Fully furnished Chemical Lab. facilities (Not including testing equipment or consumables).
  - (c) Telephones.
  - (d) Wired LAN.
  - (e) Change rooms, Lockers, washrooms and showers.
  - (f) Fully furnished Dining room facilities (Not including cooking equipment, consumables or service personnel).
  - (g) Document, sample, loading rooms.
  - (h) Standby power, sufficient to handle full load for office space, examination areas, office equipment and air conditioning till restoration of municipal power supply.
  - (i) Sufficient lighting and equipment for day and night operations.
  - (j) Security and access control to spaces designated for customs use.
  - (k) Janitorial services.
- (3) **Examination Facilities:** The Terminal Operator shall provide:
  - (a) Separately earmarked secure examination areas.
  - (b) Examination areas shall be capable of round the clock operations.
  - (c) Examination areas shall have sufficient lighting facilities both at top level as well as container level lighting.
  - (d) Sufficient labor and equipment to handle expeditious and safe de-stuffing, and re-stuffing of cargo.

- (e) CCTV facilities with full coverage of the examination area with 15 days backup.
  - (f) Security arrangement at examination areas so as to ensure that no pilferage of cargo is possible.
  - (g) Transport facilities for customs staff, if required, to and from examination areas.
  - (h) The facility, subject to requisition through PACCS, to furnish dual view, dual energy scanned images of identified containers to PACCS electronically.
    - (i) Weigh bridge accurate to +/- 1%, integrated with PACCS through Terminal Operator.
- (4) Secure Environment:** The Terminal Operator shall provide:
- (a) A secure walled or fenced facility with designated and controlled entry and exit points.
  - (b) Sufficient security personnel to ensure that there is no unauthorized entry or exit of cargo, vehicles or personnel to and from the facility.
  - (c) CCTV facilities with full coverage of the terminal area and all entry and exit points, with 15 days backup digital recording.
- (5) Information Technology:** The Terminal Operator shall provide:
- (a) LAN facilities up to customs office premises.
  - (b) Redundant Secure Network links between Terminal Operator and PACCS using alternate technologies i.e. fibre optics, DXX, radio link which may be capable of providing uninterrupted throughput of at least 10Mbps CIR.
  - (c) Terminal control system available 24 hours x 7days x 365 days basis:
  - (d) Terminal control system capable of Secure, Real-time integration between Terminal Operator system and PACCS using XML based EDI messaging.
  - (e) Secure, reception and real-time acknowledgement of XML based EDI messaging.
  - (f) Trigger, restrict or permit services as per EDI instructions received from PACCS in real-time.
  - (g) Secure real-time reporting of terminal operations to PACCS using XML based EDI messaging.
  - (h) Transmitting accurate container weights measured by the quay cranes during load and discharge from vessel to PACCS in real time.
  - (i) Maintaining audit trails.
  - (j) 24hours X 7days X 365 days basis IT support staff.
- (6) Documentation requirement:** The Terminal Operator shall provide:
- (a) Plan of the terminal.
  - (b) List of designated entry and exit points.
  - (c) Details of IT security policy and procedures.
  - (d) Security guarantee equivalent to US dollars 1,000,000/- encashable for breach of rules.
  - (e) Company profile.
  - (f) Details of authorized person for coordination and implementation of PACCS.

**555.EDI messaging between PACCS and Terminal Operator.-** The format of messaging between PACCS and Terminal Operator shall be as defined and determined by the Collector, Model Collectorate of Customs, including various codes in the message shall have the meaning as assigned to each by the Collector and communicated to the Terminal Operator under receipt and any subsequent additions or amendments in the number, format, codes or meaning of the messages shall be communicated to the Terminal Operator under receipt at least four weeks prior from the date of implementation.

**556.Rights and obligations.-** The Terminal Operator shall have the following Rights and Obligations under PACCS:

- (a) Safe Custody of Cargo/Goods and Containers:**
  - (i) The Terminal Operator is obligated to ensure the safe custody of all goods, cargo and containers received either from a vessel or from the shipper's truck and to ensure that the goods, cargo and



containers are not tampered with in any manner whatsoever and that the container seals are not removed or replaced in any manner whatsoever.

- (ii) The Terminal Operator is obligated to store all goods, cargo and containers received by them within the areas defined by Terminal Operator in rule 554 and approved by the Collector after verification by the technical team; provided, however, that the Terminal Operator may make arrangements to temporarily store containers within a secure area inside a PACCS terminal or a customs-port at Terminal Operator's own risk, cost and liability and may be required to present such containers to PACCS staff when called for examinations with intact seals and shall deliver all such containers through the exit points designated under rule 554 and, in relation whereto, the Terminal Operator shall advise the Collector of this additional area before movement of any containers for such storage and the Collector may approve this additional area after verification from the technical team.
- (iii) The Terminal Operator is obligated to ensure the safety or security of all persons or individuals within the areas under their control and, pursuant whereto, the Terminal Operator may issue such instructions as deemed appropriate restricting or allowing vehicles in areas under their control or require the use of safety gear, helmets, shoes, etc., in certain areas and may temporarily restrict or allow access to areas considered hazardous.

**(b) Communication:**

- (i) The Terminal Operator is obligated to carry out all terminal activities in accordance with the instructions communicated electronically through PACCS, where the Terminal Operator shall not receive, discharge, load, release, ground or handle in any other manner any cargo unless so authorized by PACCS through an electronic message provided, however, that the Collector may, in the event of a breakdown in communication or in special circumstances, nominate in writing one or more e-mail addresses at the PACCS domain for passing instructions on e-mail and the Terminal Operator shall consider such instructions to be valid as if they had originated from PACCS.
- (ii) The Terminal Operator shall require no other authorization for handling of vessels and cargo except as provided in 555 (d) (i).
- (iii) The Terminal Operator shall have no obligation or liability for any action performed in accordance with the instructions communicated electronically from PACCS.

**(c) Entry and Exit control:**

- (i) The Terminal Operator shall control all entry and exit points at the terminal and shall not permit entry or exit of any goods, vehicle or person from or to the terminal except through the designated entry and exit points, however, the Terminal Operator may change or modify or add additional entry and exit points by informing the Collector in writing at least fifteen days in advance of such change, modification or addition, whereupon, the Collector may allow movement of cargo and personnel from such modified or additional exit or entry points after verification by technical team.
- (ii) The Terminal Operator shall not permit entry or exit of any goods, from or to the terminal unless so authorized electronically by PACCS.
- (iii) The Terminal Operator shall have complete liability for any breakage, theft or pilferage of any goods from the terminal where against the customs authorities shall not accept any liability for such events.
- (iv) The Terminal Operator shall not allow the removal of any goods or stores from the vessel unless so authorized by PACCS where against the Terminal Operator shall have the right to search any person, package or goods embarking or disembarking to and from the vessel for this purpose.
- (v) The Terminal Operator shall have the right to search any person or vehicle entering or exiting the terminal and in case any unauthorized removal or entry of goods is discovered, the Terminal Operator shall hand over the person, vehicle and goods to the customs authorities.

**(d) Handling of cargo:**

- (i) The Terminal Operator shall have the obligation to provide services as required by PACCS for each container discharged or to be loaded and these instructions shall be communicated electronically and shall be carried out only if authorized by PACCS and as per the details of the manifest information as communicated electronically.
- (ii) The Terminal Operator shall discharge empty containers from the vessel as has been authorized by PACCS and the Terminal Operator shall not require any authorization for movement of empty

containers to and from the terminal, however, as and when an empty container is moved to or from the terminal, PACCS shall be intimated online.

**(e) Terminal equipment, consumables, stores and spare:**

- (i) The Terminal Operator is obligated to verify that all government taxes, levies and dues have been paid for all terminal equipment, consumables, stores and spare parts, acquired for use within the facility and the Terminal Operator shall maintain comprehensive records and evidence of such verifications.
- (ii) The Terminal Operator shall be obligated to maintain comprehensive records of all equipment, consumables, stores and spares available in the facility and all equipment, consumables, stores or spares received or removed.
- (iii) The Terminal Operator may remove unusable terminal equipment, consumables, spares or stores and shall maintain comprehensive records of all such removals.
- (iv) The Terminal Operator may receive or deliver specialized equipment for the use of refrigerated containers like gen-sets, etc., and shall maintain comprehensive records of all such receipts and deliveries provided that no such equipment may be allowed to be landed from a vessel without due authorization from PACCS and in the manner as aforesaid.
- (v) Such records shall be subject to audit verification by customs authorities on demand, where the Terminal Operator shall be obligated to present all records whenever required by customs authorities and the Terminal Operator may maintain these records in an electronic format.”

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