G0VERNMENT OF PAKISTAN
CENTRAL BOARD OF REVENUE
(EXPORT WING)

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C.NO.3(105)Rebate/97 Islamabad, the 19th February, 1999.

CUSTOMS GENERAL ORDER NO. 02/99

Subject :- ADMISSIBILITY OF REPAYMENT OF CUSTOMS DUTY UNDER RULE 13 OF THE MANUFACTURING BOND RULES (SRO 1140(I)/97 DATED 06.11.1997)

Under Rule 13 of the Manufacturing Bond Rules notified vide SRO 1140(I)/97, dated 06.11.1997 as amended vide SRO 845(I)/98 dated 23.07.1998, repayment of customs duty is admissible on the raw materials (inputs) on which customs duty has been paid and which have been used in the manufacture of other goods for export. It has been observed that field formations are facing difficulty in determining the admissible duty drawback amounts of exporters and settlement of duty drawback claims have accordingly have been held up. In order to resolve the problem, the following guidelines are issued for strict compliance:

(1) In case only duty paid input goods are used in the manufacture of goods which are to be exported, the repayment of duty as drawback shall be admissible on finished products on f.o.b. value of such exported goods according to the relevant standard drawback notification.

(2) In case only duty free input goods are used in the manufacture of goods which are to be exported, no repayment of duty as drawback shall be admissible.

(3) In case goods which are to be exported are manufactured partly from duty free input goods under any scheme of temporary importation and partly from duty paid input goods procured from the local market, the repayment of duty as drawback shall be admissible on finished goods on the f.o.b value. However, the amount of such drawback shall be reduced proportionately by the amount of customs-duty applicable at current rates on the quantity of duty free input goods used out of the items listed in the relevant standard duty drawback notification.

(2) This Custom General Order is applicable to goods exported on or after 23.07.1998.

(Muhammad Wali Khan)
Chief (Duty Drawback System)