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THE CUSTOMS ACT, 1969

CHAPTER V

LEVY OF, EXEMPTION FROM, AND REPAYMENT OF, CUSTOMS-DUTIES

¹[18. **Goods dutiable.**- (1) Except as hereinafter provided, customs duties shall be levied at such rates as are prescribed in the First Schedule or under any other law for the time being in force on,-

- (a) goods imported into Pakistan;
- (b) goods brought from any foreign country to any customs station, and without payment of duty there, transshipped or transported for, or thence carried to, and imported at any other customs-station; and
- (c) goods brought in bond from one customs station to another.

¹⁰⁵(1A) Notwithstanding anything contained in sub-section (1), customs duties shall be levied at such rates on import of goods or class of goods as are prescribed in the Fifth Schedule, subject to such conditions, limitations and restrictions as prescribed therein.

(2) No export duty shall be levied on the goods exported from Pakistan.

⇒ ✓ (3) The ¹¹⁵[Board, with approval of the Federal Minister-in-charge] may, by notification in the official Gazette, levy, subject to such conditions, limitations or restrictions as it may deem fit to impose, a regulatory duty on all or any of the goods imported or exported, as specified in the First Schedule at a rate not exceeding one hundred per cent of the value of such goods as determined under section 25 ^{1b}[or, as the case may be, section 25A].

(4) The regulatory duty levied under sub-section (3) shall –

- (a) be in addition to any duty imposed under sub-section (1) or under any other law for the time being in force; and
- (b) be leviable on and from the day specified in the notification issued under that sub-section, notwithstanding the fact that the issue of the official Gazette in which such notification appears is published at any time after that day.]

²(5) The Federal Government may, by notification in the official Gazette, levy an additional customs-duty on such imported goods as are specified in the First Schedule, at a rate not exceeding thirty-five *per cent* of value of such goods as determined under section 25 ^{2a}[or, as the case may be, section 25A:]

^{2b}[Provided that the cumulative incidence of customs-duties leviable under sub-sections (1), (3) and (5) shall not exceed the rates agreed to by the Government of Pakistan under multilateral trade agreements.]

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- (6) The additional customs-duty levied under sub-section (5) shall be,-
- (a) in addition to any duty imposed under sub-sections (1) and (3) or under any other law for the time being in force; and
 - (b) leviable on and from the day specified in the notification issued under that sub-section, notwithstanding the fact that the official Gazette in which such notification appears is published at any time after that day.]

³[**18A. Special customs duty on imported goods.-** The Federal Government may, by notification in the official Gazette, levy a special customs duty on the importation of such of the goods specified in the First Schedule as are of the same kind as goods produced or manufactured in Pakistan, at a rate not exceeding the rate of duty of excise leviable under ¹⁰⁶[the Federal Excise Act, 2005], on the goods produced or manufactured in Pakistan:

Provided that the exemption of any goods from the whole or any part of the duty of excise for the time being in force shall not prevent the Federal Government from levying a special customs duty on the importation of goods of the same kind:

Provided further that, for the purposes of the Sales Tax ⁴[***] Act 1990 (VII of 1990), the special customs duty shall not constitute a part of the value of supply.]

⁵[**18B. OMITTED.]**

⁶[**18C. Rates of duty and taxes and determination of origin under trade agreements.-** (1) Whereunder a trade agreement between the Government of Pakistan and the Government of a foreign country or territory, duty at a rate lower than that specified in the First Schedule is to be charged on articles which are the produce or manufacture of such foreign country or territory, the Federal Government may, by notification in the official Gazette, make rules for determining if any article is the produce or manufacture of such foreign country or territory and for requiring the owner to make a claim at the time of importation, supported by such evidence as may be prescribed in the said rules, for assessment at the appropriate lower rate under such agreement.

(2) Where in respect of any article, a preferential rate of duty is specified in the First Schedule, or is admissible by virtue of a notification under sub-section (1), the duty to be levied and collected shall be at the standard rate unless the owner of the article claims at the time of importation that it is chargeable with a preferential rate of duty, being the produce or manufacture of such preferential or free trade area, as is notified under sub-section (3) and the article is determined, in accordance with the rules made under sub-section (1) to be such produce or manufacture.

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(3) For the purposes of this section and the First Schedule "preferential area or free trade area" means any country or territory which the Federal Government may, by notification in the official Gazette, declare to be such area.

(4) Notwithstanding anything contained in sub-sections (1) and (2), where the Federal Government is satisfied that, in the interests of trade including promotion of exports, it is necessary to take immediate action for discontinuing the preferential rate or increasing the preferential rate to a rate not exceeding the standard rate, or decreasing the preferential rate, in respect of an article specified in the First Schedule, the Federal Government may, by notification in the official Gazette, direct discontinuation of, or increase or decrease, as the case may be, the preferential rate.]

^{6a}[18D. Levy of fee and service charges.- The Federal Government may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy fee and service charges for examination, scanning, inspections, sealing and desealing, valuation check or in respect of any other service or control mechanism provided by any formation under the control of the Board, including ventures of public-private partnership, at such rates as may be specified in the notification.]

¹⁰³[18E. Pakistan Customs Tariff.- The Board may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, make such changes in the Pakistan Customs Tariff, specified in the First Schedule to this Act, required only for the purposes of statistical suffix of the Pakistan Customs Tariff (PCT) Code.]

→ 19. General power to exempt from customs-duties.- ^{7&110}[(1) The ¹¹⁵[Board, with approval of the Federal Minister-in-charge] pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in duties, development of backward areas¹¹⁴[,] implementation of bilateral and multilateral agreements,¹¹⁴ [and to any international financial institution or foreign government-owned financial institution operating under a memorandum of understanding an agreement or any other arrangement with the Government of Pakistan], subject to such conditions, limitations or restrictions, if any, as it deems fit to impose, may, by notification in the official Gazette, exempt any goods imported into, or exported from, Pakistan or into or from any specified port or station or area therein, from the whole or any part of the customs-duties chargeable thereon and may remit fine, penalty, charge or any other amount recoverable under this Act.]

¹¹[OMITTED]