

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

Islamabad, the 30th July, 2021.

NOTIFICATION

S.R.O. 957(I)/2021.- 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, as required under sub-section (3A) of the said section 219, were previously published *vide* Notification No.S.R.O. 902(I)/2021, dated the 9th July 2021, namely:-

In the aforesaid Rules, after Chapter XXXIX, the following new Chapter shall be added from the 14th August 2021, namely:-

“Chapter XL

Export Facilitation Scheme 2021

871. Definitions.- In this chapter, unless there is anything repugnant in the subject or context,-

- (a) **“acquisition”** means import or purchase of foreign origin goods from authorized user, Common Export House and users of export schemes under SRO 450(I) 2001 dated 18.06.2001 Chapter XV, DTRE, SRO 327(I)2008 dated 29.03.2008, including banned or restricted items or procurement of locally manufactured goods and taxable or excisable services covered under this Chapter, including energy sources such as coal, coke of coal, carbon blocks, diesel, furnace oil or gas etc. for in house energy production or use in the manufacturing process and also includes Engineering Goods as classified under chapter 72 to 96 ⁷[omitted];

Provided that acquisition of banned or restricted items shall be subject to prior permission from the Ministry of Commerce;

- (b) **"Act"** means the Customs Acts, 1969 (IV of 1969), the Federal Excise Act, 2005, the Sales Tax Act, 1990, and the Income Tax Ordinance,2001(XLIX of 2001);
- (c) **“analysis certificate”** means a certificate issued by the Regulatory Collector or the Director Input Output Co-efficient Organization (IOCO), as the case may be, either manually or electronically, showing input and output ratios of input goods

vis-a-vis finished goods along with wastages, as per Appendix II under these rules

- (d) **“appendix”** means an Appendix to this Chapter;
- (e) **“applicant”** means a person who files an application in the form set out in Appendix I for grant of authorization under this chapter;
- (f) **“commercial exporter”** means a person engaged in purchase and export of goods in the same state from the domestic market or from an indirect exporter and export these goods;
- (g) **“Common Export House”** means a warehouse authorized by the Collector under this chapter, for import, warehouse and supply of input goods without payment of customs duty, sales tax, federal excise duty and withholding tax, to the small and medium export enterprises, direct or indirect exporters or commercial exporters;
- (h) **“corporate export enterprise”** means an export unit registered with the SECP;
- (i) **“direct exporter”** means a manufacturer cum exporter who is exporting the goods under the name of his firm or company ³[authorized under these rules];
- (j) **“engineering goods”** includes goods classified under Chapter 72 to Chapter 96 of the First Schedule of the Customs Act, 1969 ⁷[omitted];
- (k) **“export”** includes supply of goods,—
 - (a) by an indirect exporter to a direct exporter ⁴[or a commercial exporter];
 - (b) ²[omitted];
 - (c) ²[to industrial units, projects, institutions, agencies and organizations, entitled to import the same at concessionary rates, and]
 - (d) to export processing zones, and Gwadar free zone;
- (l) **“indirect exporter”** means a person who has a firm contract or export purchase order from a direct exporter or commercial exporter for the manufacture and supply of goods to such exporter ³[authorized under these rules];
- (m) **“input goods”** means goods whether imported or procured locally and includes services eligible for acquisition ⁷[~~except iron and steel scrap falling under the respective headings of Pakistan Customs Tariff~~ ⁹[omitted]]. Such “import” includes the purchase of input goods ⁹[~~except raw cotton, cotton yarn and grey cloth falling under the respective headings of Pakistan Customs Tariff,~~] from a Common Export House or from the licensees of S.R.O 450(I)/2001, dated the 18th June, 2001, Chapter XV, DTRE or S.R.O 327(I)/2008, dated the 29th March, 2008, used in the manufacture of output goods, as approved in the analysis certificate;
- (n) ⁷[omitted] ⁹[“Insurance guarantee” means a guarantee issued by an insurance company duly notified by the Board, having Pakistan Credit Rating Agency rating of AA++, on such format and conditions as prescribed by the Board];
- (o) **“international toll manufacturing”** means an arrangement wherein a foreign principal provides input goods to an exporter to produce finished goods for

- subsequent export;
- (p) **“large export enterprise”** means an export unit having export quantum above five million US dollars per annum;
 - (q) ⁵[omitted] **“manufacture”** includes any process in which an article singly or in combination with other articles, materials or components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product;
 - (r) **“manufacturer”** includes any person engaged in the process of manufacture and duly authorized to do so under these rules, duly registered as manufacturer under the Sales Tax Act, 1990;
 - (s) **“manufacturer-cum-exporter”** means any person or firm registered under the Sales Tax Act, 1990 as a manufacturer-cum-exporter;
 - ³[(sa) **“online market place”** means an electronic interface such as a market place, e-commerce platform, website portal or similar means which facilitate export of goods, including third party export;]
 - (t) **“Pakistan Single Window (PSW)”** means a facility as defined under clause (m) of section 2 of the Pakistan Single Window Act, 2021;
 - (u) ⁷[**“regulatory authority”** means Collector of Customs, in whose jurisdiction the place of business or manufacturing unit of the applicant, duly registered under the Sales Tax Act, 1990, is located. In case an applicant has multiple manufacturing facilities in different jurisdictions, the Collector in whose jurisdiction, the head office of the applicant or principal manufacturing unit is located shall be the regulatory authority];
 - (v) **“regulatory collector”** means the Collector of Customs in whose jurisdiction the place of business or manufacturing unit of the applicant, duly registered under the Sales Tax Act, 1990, is located. In case an applicant has multiple manufacturing facilities in different jurisdictions, the Collector in whose Jurisdiction, the head office of the applicant ³[or principal manufacturing unit] is located shall act as the Regulatory Collector;
 - (w) **“small and medium export enterprise”** means an export unit having export quantum up to five million US dollars per annum;
 - (x) **“utilization period”** means the period commencing from the date of import or local purchase of the input goods to the date of export of the output goods as specified in rule 783;
 - (y) **“user”** means a person authorized to utilize this scheme; and
 - (z) **“vendor”** means a person who is registered under the Sales Tax Act, 1990; and to whom goods are provided by the authorized exporter under this chapter for further processing towards the manufacture of output goods.

872. Scope of the scheme.– (1) This scheme shall be available to the following persons ⁷~~[except persons engaged in import of iron and steel scrap falling under the respective headings of Pakistan Customs Tariff~~ ⁹[and goods]] subject to authorization of import, warehouse and purchase of input goods under these rules and registration in the WeBOC or PSW:

- (a) persons registered under the Sales Tax Act, 1990, as manufacturer-cum-exporter, who make value-addition in the manufacture and export of goods, which shall not be less than ten per cent ⁴[in USD terms for imported goods and in Pak Rupees for locally procured goods, on annual aggregate basis];
- (b) manufacturers who act or intend to act as contracted vendors of foreign principal as toll manufacturers;
- (c) commercial exporters;
- (d) persons registered under the Sales Tax Act, 1990, as manufacturer and operating as indirect exporters;
- (e) manufacturers including manufacturers of engineering goods who intend to supply against international tenders; ⁹[**omitted**]
- (f) Common Export House ⁹[:
- (g) import of compressor scrap and motor scrap shall be allowed for copper content only; and
- (h) raw cotton, cotton yarn and grey cloth falling under the respective headings of Pakistan Customs Tariff shall be excluded from the scope of EFS;

Provided that import consignments of raw cotton, cotton yarn and grey cloth with bills of lading issued within ten days of the issuance of this notification i.e. SRO 1435(I)/2025 dated 05.08.1015 shall be allowed under this scheme]

Provided that this scheme shall be allowed for the export of goods authorized under the export policy order. In case of export of goods restricted or prohibited under the export policy order, specific permission from the Ministry of Commerce shall be required ⁵[:

Provided further that the EFS users shall import their goods at the first port of entry or from the ports or dry ports falling under the jurisdiction of their Regulatory Collector.]

873. Authorization for acquisition of input goods. – (1) Acquisition of input goods without payment of duty and taxes under these rules shall be granted based on:

- (a) export performance for last two financial years; and
- (b) firm contract of export ⁵[:

Provided that where the applicant has no previous export history, the firm contract shall be allowed subject to-

- (a) detailed scrutiny by the Regulatory Collectorate including but not limited to financial viability, production capacity and history of local supplies; and

- (b) mandatory approval of the Chief Collector for all firm contracts above \$ one million. However, where the applicant has firm contract and submits a bank proof of advance payment, the Regulatory Collector after detailed scrutiny, as required under clause (a), may grant authorization at his own without referring the case to Chief Collector.]

(2) The applicant can apply for authorization based on both performance and contract basis simultaneously.

(3) An applicant having multiple contracts of export may apply for consolidated approval for all such contracts.

874. Categorization of exporters.- (1) For the purpose of this chapter exporters shall be treated as per the following categories:

- (i) **Category A:** Manufacturers-cum-exporters with 60% or above exports of their total annual production ³[or exports with minimum value of USD 20 million] in last two years. ⁸[State-Owned Defence Production Entities (DPEs) and their wholly owned commercial subsidiaries duly authorized by the Defence Production Division for manufacture, rebuild, inspection, maintenance, repair, overhaul, upgradation or value addition, armoring or bulletproofing for the purpose of re-export, subject to submission of annual reconciliation report of input and output goods by the Defence Production Division, to the concerned Regulatory Collector].
- (ii) **Category B:** Manufacturers-cum-exporters with less than 60% total annual production being exported ³[excluding those having exports with minimum value of USD 20 million], this category shall be further subcategorized as under:
 - (a) **Category B1:** Manufacturers-cum-exporters having more than 3 years of export history.
 - (b) **Category B-2:** Manufacturers-cum-exporters having less than 3 years export history.
- (iii) **Category C:** Indirect exporter, commercial exporters and international toll manufacturers
 - (a) **Category C1:** Manufacturers having more than 3 years history of supplying to direct exporters or export as commercial exporter or international toll manufacturing;
 - (b) **Category C2:** Manufacturers having less than 3 years history of supplying to direct exporters or export as commercial exporter or international toll manufacturing.

(2) All existing users of any of export schemes issued under S.R.O 450(I)2001, dated 18.06.2001, Chapter XV, DTRE, S.R.O 327(I)2008, dated 29.03.2008, before issuance of these rules shall be eligible to be classified under the respective category, as the case may be, provided they have a good compliance record;

(3) Category A and B shall include all corporate, non-corporate large and small, and medium manufacturer-cum-exporters as the case may be;

⁴(3A) A Manufacturer-cum-exporter falling under Category A or B can exercise hybrid facility of operating as indirect exporter or toll manufacturer as well”;

(4) A manufacturer cum exporter with no export history, applying for authorization under these rules with a firm contract of export shall be classified as ⁷**[in Category B2]**;

(5) An applicant showing a poor compliance profile, i.e., having one or more contravention cases adjudged against him or having pending recovery cases or pending criminal proceedings, the authorization granted shall on providing opportunity of defence be suspended immediately and the Regulatory Collector may initiate proceedings for cancellation of the authorization besides other legal action;

(6) ⁷**[omitted]**.

Provided that contravention cases involving procedural issues or individually or collectively involving revenue less than rupees five million, shall not affect the categorization of the exporter.

875. Application for authorization.- (1) Any applicant covered under rule 872 of this chapter and desirous of utilizing this facility may apply online to the Regulatory Collector, in the WeBOC or PSW system, as per the prescribed format given in Appendix I to this chapter.

(2) The application shall be supported by the following documents:

- (i) ISO certification if available;
- (ii) ownership documents in case of self-owned manufacturing facility, ⁵[duly declared in the Sales Tax Registration and in case there are more than one manufacturing facilities, all such facilities must be incorporated in Sales Tax Registration];
- (iii) in case of rented premises lease agreement of the manufacturing facility covering the entire utilization period;
- (iv) ownership or lease agreement covering the entire utilization period of the office OR business premises in case of Commercial exporters;
- (v) copy of contract/contracts or supply order, in case of contract-based application and Toll Manufacturing, if applicable;
- (vi) bank statement for last two years or from the date of incorporation of the entity;

- (vii) ³[export performance for last two or three years whichever is applicable, supported by a summary of foreign exchange realized through e-forms if applicable];
- (viii) list of the installed plant and machinery in case of manufacturer-cum exporter, indirect exporter and toll manufacturer etc;
- ⁷[(viiiia) the list of vendors in accordance with the requirements laid down in rule 882];
- (ix) approximate value of the input goods⁷;
- (x) input-output ratio for the manufacture of one unit of output good; and
- (xi) recommendation of respective Chamber of Commerce and Industry, respective trade association or Small and Medium Enterprise Development Authority (SMEDA) in case of small and medium exporters.

876. Security instrument for authorization.- (1) The applicant shall submit a security instrument equal to the duty and taxes being deferred or remitted, on the approximate value of input goods, during the authorization period along with the application as detailed below:

(a) ⁷[Category A:

- (i) indemnity bond as set out in Appendix-III and PDC for manufacturers-cum-exporters having minimum export value of USD 20 million or above in last two years;
- (ii) manufacturers-cum-exporters having exports value less than USD 20 million in last two years, shall furnish indemnity bond as set out in Appendix-III and PDC equivalent to the average annual duty & taxes of input goods used in exports in last two years, and bank guarantee or revolving bank guarantee ⁹[or insurance guarantee] shall be furnished for any excess duty & taxes being deferred or remitted
- (b) **Category B1:** For manufacturer-cum-exporters with a self-owned manufacturing facility, indemnity bond as set out in Appendix-III and PDC equivalent to the average annual duty & taxes of input goods used in exports in last three years, and bank guarantee or revolving bank guarantee ⁹[or insurance guarantee] shall be furnished for any excess duty & taxes deferred or remitted; and for manufacturer-cum-exporters with a rented production facility, bank guarantee or revolving bank guarantee ⁹[or insurance guarantee] covering their annual requirement];
- (c) **Category B2:** ⁷[Bank] Guarantee ⁹[or insurance guarantee] ⁵[or revolving bank guarantee] ⁷[omitted] covering their annual requirement till three years benchmark is crossed and graduating to B1 category;
- (d) ⁷[Category C1: For manufacturers with a self-owned manufacturing facility,

indemnity bond as set out in Appendix-III and PDC equivalent to the average duty & taxes of input goods used in indirect exports in last three years and bank guarantee or revolving bank guarantee ⁹[or insurance guarantee] shall be furnished for any excess duty & taxes deferred or remitted, and for manufacturers with a rented production facility and commercial exporters, bank guarantee or revolving bank guarantee ⁹[or insurance guarantee] covering their annual requirement]; and

- (e) **Category C2:** ⁷[Bank] Guarantee ⁹[or insurance guarantee] for manufacturers ⁷[omitted] and commercial exporters, covering their annual requirement till three years benchmark is crossed and graduating to C1 category ⁹]:

Provided that till the notification of the format of insurance guarantee by the Board, the EFS users shall be required to submit bank guarantee, wherever applicable.]

⁴]:Provided that the PDC to be submitted shall be of the bank account for which bank statement has already been submitted to the Regulatory Collectorate in terms of rule 875(2)(vi)].

877. Processing of application for authorization to use the scheme.- (1) The application for authorization to operate under this scheme shall be submitted online to the Regulatory Collector. The WeBOC or PSW system shall assign a unique identification number to each application for authorization. In the case of goods other than same-state goods, the input-output ratios and wastages under this chapter shall be declared by the applicant in the application.

(2) ⁷[omitted]

(3) ⁷[omitted]

(4) ⁷[Within seven days of the receipt of the application, the case shall be referred to relevant Collectorate of Input Output Coefficient Organization (IOCO) for determination of production capacity and input output ratios within sixty days. The Collector IOCO shall ensure that the application is processed within 60 days of the date of receipt in IOCO:

Provided that in case the IOCO fails to process the case within sixty days, the user shall be allowed acquisition of 25% of the value of input goods involved as declared against a bank guarantee. The provisional permission shall be subject to modification once the IOCO finalizes its assessment of the production capacity and input output ratios and the same shall be uploaded in the WeBOC or PSW System by IOCO or Regulatory Collector].

(5) ⁷[In case the production capacity and input output ratios have already been determined by IOCO or EDB, as the case may be, the Regulatory Collector shall process the authorization on the basis of already determined production capacity and input output ratios].

(6) ⁷[The Chief Collector (Exports & IOCO) shall monitor all pending cases to ensure their timely processing within 60 days].

(7) The IOCO after determining the Input and output ratios and production capacity of the exporter will issue an “Analysis certificate” showing quantities of input goods required for the manufacture of the one unit of output goods and the ratio of wastages.

(8) The Director IOCO shall upload the value of input goods to be acquired by the user. The Director IOCO may reduce the demanded authorization according to the production capacity of the exporter.

(9) Director IOCO may determine the production capacity through designating a team comprising of at least two officials of IOCO, by visiting the manufacturing premises of the applicant. Director IOCO may also acquire services of any third party including accredited Chartered accountant firm or any other body recognized by the Government of Pakistan to handle industrial affairs for determination of production capacity, input-output ratios and wastages ⁷~~[including the Engineering Development Board {shall be omitted on 07.09.2025} omitted];~~

(10) ⁶[omitted. Buttons, belts, pads, velcro tapes, hangers, special labels, price labels, tags, special buttons, push buttons, rivets, eyelets, buckles, special brand tags, zippers, locker loops, unit soles with heels, soles, heels, valves and bladders for footballs, textile designs, artwork transparencies, polypropylene woven and jute bags imported for use in readymade garments, foundation garments, textile made-ups, footwear etc. where there is no wastage generated during manufacturing for exports shall be allowed to be imported against quota and input-output ratio declared by the EFS user subject to approval and verification by the Regulatory Collectorate without referring the case to IOCO or EDB as the case may be:

Provided that tags and printed materials supplied by a foreign supplier without the involvement of foreign exchange from Pakistan shall be allowed to be imported without any quantitative restriction for the purpose of this Chapter.]

(11) The IOCO shall establish a central database of all determination of input or output ratios and wastages by it, ⁷~~[as well as by EDB on a sectoral basis {shall be omitted on 07.09.2025} omitted].~~ The Regulatory Collector shall also upload all authorizations granted by him in the database without referring the case to IOCO.

(12) No application shall be rejected without affording an opportunity of being heard to the applicant. In case of rejection or disagreement with the input-output ratios, production capacity or wastages determined by the Director IOCO, the applicant shall have the right to file a review before the DG IOCO and in case of processing of application by the Regulatory Collector, to the Chief Collector of Customs, which shall be decided within fifteen days.

(13) ⁷[omitted]

(14) ⁷[omitted]

⁷[(15) No authorization under this rule shall be issued without determination of production capacity and input output ratios by IOCO, except as provided in the proviso to sub-rule (4) ¹⁰[and (10)]:

⁹[Provided that EFS users shall be allowed to acquire new raw materials to the extent of 10% of total authorization without requiring prior approval from the Regulatory Collector or IOCO.]

⁸[Provided ⁹[further] that for State-Owned, Defence Production Entities (DPEs) and their wholly owned commercial subsidiaries duly endorsed, approved and notified by the Defence Production Division, the input-output ratio (IOR) for manufacture, rebuild, inspection, maintenance repair & overhaul, upgradation or value addition, armouring or bullet proofing, shall be determined through a committee constituted and notified by Defence Production Division headed by a senior officer of that Division and comprising technical defence and military experts. The said committee shall not have any member from the entity availing the facility under EFS for independent determination of IOR. The Chief Collector of Exports & IOCO shall be the authority to resolve any issue during the operation of these DPEs and defence projects].

⁷[877(A). Drawal of samples.- The customs computerized system may assign Goods Declarations filed under these rules for drawal of samples on computerized selectivity criteria:

Provided that the Regulatory Collector or the Collector of Customs in whose jurisdiction the imports or exports are being made, may also authorize the drawal of samples by an officer not below the rank of Assistant Collector.

(2) Three samples of imported input goods or output goods meant for export shall be drawn at the time of import or export, respectively, duly signed by concerned Assistant Collector or Deputy Collector and EFS authorization number and date shall be endorsed thereon. Out of the drawn samples, one will be handed over to the EFS user or his authorized agent, second will be retained by the drawing Collectorate and the third will be sent to the Regulatory Collectorate. The Assistant Collector or Deputy Collector incharge of concerned Customs station, shall inform the Regulatory Collector about the cases where any discrepancy is reported against the EFS user in accordance with law:

Provided that the Regulatory Collector may also authorize an officer not below the rank of Assistant Collector to visit the premises of the EFS user to draw samples, in addition to already drawn samples.]

878. Authorization to import or acquire goods.– (1) On the basis of scrutiny of an application, Regulatory Collector or Director IOCO, shall upload the value of the input goods allowed to be imported or procured locally in the WeBOC or PSW system.

(2) The authorization for acquisition of input goods can be issued for the maximum period as specified against each category in the table below, namely:-

Table

Sr.No.	Category	Authorization Period
(1)	(2)	(3)
I	Category A	Five years
II	Category B1	Four years
III	Category B2	Two years
IV	Category C1	Four years
V	Category C2	Two years

(3) ⁷[The authorization of the value of input goods shall be uploaded for each year based on annual estimated requirement determined by IOCO. The uploading of the authorization for the subsequent year shall be subject to satisfaction of Regulatory Collector that no action under the Acts is pending against the user and the user has submitted all reconciliation statements as set out in Appendix-IV].

(4) ⁷[omitted]

¹⁰[(5) In case an EFS user has utilized part or whole of authorized input goods and exported the output goods before the utilization period as provided under rule 883, the system shall allow import of duty free input goods to the extent of value of input goods already utilized in the output goods and exported, subject to the condition that this value shall not exceed the value as allowed under rule 878(1).”

Provided that the description and PCT Codes of the input goods and exported goods shall remain the same as allowed under the IORs as already determined by IOCO or Regulatory Collector.]

879. Amendment, suspension, or cancellation of the approval.– (1) A user may apply to the Regulatory Collector or Regulatory Authority for amendment (increase or decrease) in the previous authorization or its cancellation and each such request shall be decided for reasons to be recorded on bonafides of the request of the user within ten days of receipt thereof and fed into WeBOC or PSW

(2) No request for amendment in the existing approval shall be rejected and no approval shall be canceled without affording to the applicant or the user an opportunity of showing cause in writing and being heard.

(3) The Regulatory Collector may, on his own or otherwise, suspend any approval pending his decision to cancel such approval by recording reasons of suspension and each such suspension shall be fed into WeBOC or PSW. The Regulatory Collector shall decide the case within thirty days of the suspension failing which the suspension shall stand revoked.

(4) The Regulatory Collector may, in addition to any other action under the law,

require the input goods already acquired or output goods produced under the suspended or canceled approval to be disposed off by way of auction, sale to an existing user by debiting his authorization to acquire input goods or destruction of the goods in case they are not fit for human consumption or any intellectual property rights are involved etc. under the relevant provisions of the Act and the rules made thereunder.

⁷[(5) The Regulatory Collector, upon satisfaction that the input goods have been illegally removed from the premises or disposed-off or retained beyond the utilization period or failed to achieve the value addition in the utilization period as required under these rules, shall immediately proceed to encash the PDC or Bank Guarantee ⁹[or insurance guarantee], as the case may be.]

¹⁰[(6) Any order passed by the regulatory collector under these rules shall be appealable before the relevant Chief Collector within thirty days from the date of its issuance. The appeal shall be decided within thirty days from the date of its filing.]

880. Acquisition of input goods.- (1) A user shall be entitled to acquire input goods without payment of customs duty, Federal excise duty, sales tax, or withholding tax as per his authorization under these rules, all such acquisitions shall be retained in the manufacturing facility or premises of the user declared under these rules, namely:-

- (a) input goods may be imported free of duty and taxes on filing of a Goods Declaration giving number of the authorization granted;
- (b) ⁶[omitted. procurement of local input goods shall be allowed on payment of leviable sales tax];
- (c) the input goods manufactured or produced in excisable premises shall be supplied without charging federal excise duty, against a valid document prescribed under the Federal Excise Act 2005, or the rules made thereunder; ⁹[~~and omitted~~]
- (d) duty and taxes paid goods from the domestic market against sales tax invoice ⁹[: and
- (e) copper content for motor scrap shall be allowed on value of ten percent by weight and for compressor scrap eight percent by weight. Customs duty, additional customs duty, regulatory duty, sales tax and withholding tax shall be applicable at import stage on balance steel scrap component which shall only be sold to sales tax registered melters.]

(2) The user shall upload the information in the WeBOC or PSW system regarding domestic acquisitions within ⁷[omitted, seven] days of acquisition.

(3) The Regulatory Collector may allow a user to utilize his duty and tax-free acquired input goods for his new approval if he is shifting from any previous export scheme to this scheme or any previous approval has been canceled due to pre-mature termination or

cancellation of the export order or supply contract of such input goods has been rendered surplus for any valid reason and each such approval shall be fed by the Regulatory Collector into WeBOC or PSW.

⁷[(3A) The Regulatory Collector may conduct the stock-taking of inputs through an officer not below the rank of Assistant Collector, at any time during the utilization period.

(3B) The user shall ensure proper traceability of inputs through proper inventory records which shall be made available to the officer not below the rank of Assistant Collector undertaking stock-taking as specified in sub-rule (3A).]

(4) In case it is found out as a result of any information, audit ⁷[**stock-taking**], or snap checking ordered by the Regulatory Collector, the information that was required to be uploaded in WeBOC or PSW regarding acquisition of goods by the user, has not been uploaded in time ⁷[**for the input goods are not accounted for**], the user shall be liable to suspension or cancellation of the authorization besides any other action as provided under the law.

881. Acquisition of plant, and spares.- (1) The user shall be allowed to acquire plant, machinery, equipment and spares required for the manufacture of output goods by the authorized user under these rules subject to authorization by the Regulatory Collector in WeBOC or ⁵[PSW. The plant, machinery and equipment shall be installed in the premises declared under rule 875 and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector. The Regulatory Collector or an officer authorized by him in this behalf, may conduct snap check, audit or reconciliation of the installation plant, machinery and equipment. The value of acquisition of machinery and spares shall not exceed 50% of the value of exports during the preceding year.]

(2) The plant, machinery and equipment imported under sub rule (1) shall be retained for a period of five years from the date of importation, whereas the retention period of spares shall be two years from the date of importation:

Provided that the disposal of plant, machinery and equipment before the expiration of five years shall be subjected to following reduced rates of duty and taxes leviable at the time of importation, namely:-

TABLE

Sr. No	Disposal period	Duty and taxes
(1)	(2)	(3)
(i)	If sold or otherwise disposed of before the expiration of three years from the date of importation.	Full
(ii)	If sold or otherwise disposed of after three and before four years from the date of importation.	75%

(iii)	If sold or otherwise disposed of after four and before five years from the date of importation.	50%
(iv)	If sold or otherwise disposed of after five years from the date of importation.	0%

Provided further that the disposal of spares imported under sub rule (1) before the expiration of two years shall be subjected to following reduced rates of duty and taxes leviable at the time of importation, namely:-

TABLE

Sr. No	Disposal period	Duty and taxes
(1)	(2)	(3)
(i)	If sold or otherwise disposed of before the expiration of one year from the date of importation.	Full
(ii)	If sold or otherwise disposed of after one year and before two years from the date of importation.	50%
(iii)	If sold or otherwise disposed of after two years	0%

³[(3) The Regulatory Authority, on submission of an application by the EFS user, may allow sale or transfer of plant, machinery, equipment and apparatus from one EFS user to another EFS user. In case, both the units fall under jurisdictions of different Collectorates, sale or transfer may be allowed subject to obtaining no objection certificate from the destination Collectorate. Any stated sale or transfer shall be subject to security and indemnity bond for the remaining period as prescribed in Appendix-VI deposited at the time of import. After sale or transfer of plant, machinery, equipment and apparatus, EFS user shall provide certificate to the respective Collectorate to the effect that such sale or transfer has been completed as per prescribed procedure and this procedure shall apply mutatis mutandis in case of merger or acquisition of EFS users.]

882. Utilization of input goods.– (1) The input goods acquired under this chapter shall be utilized in the manufacture and export of output goods within the utilization period or disposed of in a manner as prescribed under these rules.

(2) ⁷[The user with past export performance may apply online to the Regulatory Collector, in the WeBOC or PSW system, as per the prescribed format as set out in Appendix-V, to remove input goods out of his premises for partial manufacture or processing by a vendor duly declared at the time of filing his application for grant of authorization, having in-house manufacturing facility to perform the stated manufacturing process at the premises of the vendor which are geo-tagged in the WeBOC registration database:

Provided that the processing period by vendor shall not exceed ⁹[~~sixty~~ ninety] days from the date of removal of goods from the user premises].

⁷[(3) All details related to the goods removed from the premises including quantity and description, particulars of the vendor, registration number of the vehicle and outward gate pass, shall be fed into the system by the EFS user on the same day.

(4) The vendor shall not be changed or added except with prior permission of the Regulatory Collector concerned.]

883. Utilization period.- ⁷[The input goods acquired under these rules shall be utilized within ⁹[~~9 months extendable in exceptional circumstances by a committee constituted by the Board~~ ¹⁰[~~nine months~~ eighteen months effective from 07.03.2025]]. In exceptional cases, a committee comprising of senior officers from FBR, Ministry of Commerce and Ministry of Industries and Production may grant further extension in utilization period up to ¹⁰[~~nine more months~~ six more months] for reasons to be recorded].

884. Export of output goods or supply against international tenders.- A Goods Declaration filed for export of a consignment under this chapter shall contain the authorization number and shall be subject to all formalities for other declarations or endorsements if any, and the procedure in respect of processing and examination of export goods, for the time being in force, shall be observed:

⁷[Provided that for supplies against international tenders or to exempt projects or sectors in Pakistan, the user shall be required to file a declaration in WeBOC system].

885. Procedure for international toll manufacturing.- (1) A user holding a contract for Toll manufacturing may import input goods directly or indirectly from the foreign principal without involving any remittance of foreign exchange.

(2) ³[The user shall provide I-Form of nil remittance value for input goods duly approved by the authorized dealer concerned.

(2A) At the time of import, the system shall debit the ⁷[**Bank**] guarantee ⁹[**or insurance guarantee**] balance of the importer or accept the Indemnity Bond and Post-Dated Cheque, as the case may be, for an amount equivalent to the duties and taxes leviable on the imported goods.

(3) After the production of the output goods, the user shall export the goods on submission of E-Form equivalent to the service charges approved by the authorized dealer.

(4) On realization of the foreign exchange equivalent to the service charges as per contract, the authorized dealer will certify and report the same to the State Bank of Pakistan on

R-Form.

(5) Subsequent to the realization of the foreign exchange equivalent to the service charges as per contract, certified by the authorized dealer to the State Bank of Pakistan on R-Form, the ⁹[~~revolving~~ Bank Guarantee or] insurance guarantee furnished by the importer shall be credited or the indemnity bond and postdated cheque shall be released, accordingly.]

886. Domestic sales.- (1) A user shall be allowed to sell up to 20% of the output goods manufactured from input goods in the domestic market on payment of leviable duty and taxes on filing of a Goods Declaration which shall be assessed as if goods are imported into Pakistan in that condition, subject to satisfaction of the Regulatory Collector regarding reasons for domestic sale.

(2) In case the user is unable to export the output goods and desires to sale output goods exceeding the percentage given in sub-rule(1) in the domestic market, he may sale them in the domestic market subject to payment of duty and taxes on filing of goods declaration which shall be assessed if goods are imported in Pakistan in that condition and subject to the satisfaction of the Regulatory Collector. In addition, surcharge at the rate of KIBOR plus 3% per annum shall also be charged on the value of input goods used in the output goods being sold in the domestic market under this sub rule.

(3) The user shall be allowed to sell factory rejects or B grade goods ⁷[not more than 5% of the total production] in the domestic market on payment of leviable duty and taxes if any on filing of a Goods Declaration which shall be assessed as if the goods are imported into Pakistan in that condition ⁵[and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector:]

⁷[Provided that in case of factory rejects or B grade are more than 5% of the total production, the Goods Declaration shall be assessed as if the goods are imported into Pakistan in standard condition.]

(4) No wastage of input goods in terms of quantity, volume weight or number, as the case may be, shall be allowed except as determined in the Analysis Certificate and no duty and taxes shall be charged on such wastages of the input goods, provided that such wastages is either destroyed in the presence of an officer of Customs, not below the rank of an Assistant Collector or on payment of leviable federal excise duty and sales tax ⁷[**or any other leviable duty and taxes**] is paid on such wastage before removal and the information is uploaded in the WeBOC or PSW System by the Regulatory Collector ⁴[:

Provided that a user may transfer the permissible wastages to another user.]

(5) In case a user claims that the wastage has exceeded the limits prescribed in the Analysis Certificate he may be allowed by the Regulatory Collector to sell it in the domestic market on payment of duties and taxes on the input goods along with surcharge of KIBOR Plus 3 % per annum.

(6) In case the goods or input goods are banned under the import policy order, domestic sale of these goods shall be subject to the approval of the Ministry of Commerce.

887. Unused input goods.- (1) A user may, with the approval of the Regulatory Collector, dispose of the unused input goods in the following manner:

- (a) ⁷[omitted];
- (b) the user may transfer unused input goods to other authorized users specified under rule ³[872], before the end of utilization period without payment of duty and taxes; or
- (c) the user may sell the unused input goods in the domestic market after expiry of utilization period on payment of duties and taxes, and a surcharge of KIBOR plus 3%:

Provided that banned or restricted goods shall be sold in the domestic market only if the Ministry of Commerce authorizes the sale;

- (d) the user may re-export un-used input goods if allowed under the Export Policy Order; and
- (e) destruction, if goods are not fit for consumption or sale.

(2) The Regulatory Collector shall reduce the equivalent value of input goods authorized to the user by feeding the information into WeBOC or PSW within seven days.

(3) In case of transfer of input goods to the other user, the Regulatory Collector shall reduce the transferred quantities or value from the authorized value of the user transferring it and shall add the value to acquisitions of the user receiving the input goods by feeding it in WeBOC or PSW within seven days.

(4) ⁷[omitted]

888. Un-exported output goods.- (1) A user may, with the approval of the Regulatory Collector, dispose of the un-exported output goods in the following manner:

- (a) transfer the un-exported output goods to another user prescribed under rule ³[872] of this chapter; or
- (b) destruction if the goods are not fit for consumption or sale:

Provided that where any of the above options are allowed, the Regulatory Collector shall reduce the equivalent value/quantity of output goods and input goods as the case may be, by feeding the information into WeBOC or PSW within seven days of intimation by the user.

889. Duty drawback of duty paid input goods.— A user shall be entitled to claim duty drawback on the acquisition of duty paid input goods subject to the applicable duty drawback notification only after full discharge of the liabilities and obligations under this chapter and that the f.o.b value for claiming such drawback, shall be the value excluding the duty-free value of input goods imported or acquired under these rules:

Provided that where a person is already in possession of stocks of duty-paid input goods, he may declare at the time of seeking approval and use such stocks for the purpose of this rule, any such declaration may be verified by the Regulatory Collector or Director IOCO at the time of processing the application.

890. Refund of sales tax.— The user shall be entitled to refund of sales tax on the acquisitions of tax paid input goods including refund of Sales tax on electricity or gas or services utilized as input goods for the manufacture of output goods to be exported under these rules, as admissible under the Sales Tax Act,1990.

891. Records and documents.— A user shall keep and maintain separate from other business records if any, the following records and documents in a manner as prescribed under the Acts and rules made thereunder, including the following:—

- (a) copies of applications and approvals;
- (b) records of acquisitions of input goods and exports;
- (c) record for destruction or another authorized disposal of input goods and output goods;
- (d) export contracts or orders and supply contracts or orders;
- (e) bank statements;
- (f) record of transfer or acquisition of goods to and from other exporters or users; and
- (g) Ancillary record.

892. Reconciliation statement.— (1) ¹⁰[omitted. The EFS users shall submit a six monthly reconciliation statement as set out in Appendix-IV showing the input goods acquired and output goods exported, domestically sold, aggregate value addition and wastages and their disposal within thirty days of the end of the six months.]

(2) In case of failure to submit a reconciliation statement, the WeBOC or PSW system shall not allow further imports or acquisition to the user.

(3) ⁷[omitted]

893. Audit.- (1) The Directorate of Post Clearance Audit shall conduct an audit of the users ⁷[on annual basis for all categories]

- (a) ⁷[omitted];
- (b) ⁷[omitted];
- (c) ⁷[omitted]
- (d) ⁷[omitted]

Provided that the Directorate of Post Clearance Audit may conduct audit of any users based on risk assessment or random selection, on specific information, or on request of the Regulatory Collector at any time ⁴[:

⁷[Provided further that the system may assign the audit to the regulatory Collector instead of the Directorate of Post Clearance Audit]

(2) Audit under this subchapter shall be a combined or consolidated audit for exports under the scheme and other taxable activities, if any, and shall cover all the duties and taxes for which the security instrument has been furnished.

(3) In case of a user holding an authorization under these rules, the Regulatory Collector may discharge the security instrument of such user, on the basis confirmation of export documents or domestic sale as the case may be authorized under these rules, that the goods acquired by him against such approval have been exported or disposed of in full.

(4) Where, as a result of the post-exportation audit, there arises any discrepancy, irregularity, or any violation of the provisions of this Chapter or any other law applicable on this behalf by the user, the same shall be reported to the adjudication officer of competent jurisdiction for adjudication under the relevant acts and rules.

(5) Where, as a result of the audit, it is found and established after due process of law that the user is guilty of fiscal fraud, the user i.e., owner, proprietor, partners, or directors of the entity may be blacklisted for any trade by blacklisting the CNIC in the WeBOC or PSW system and for sales tax by the Regulatory Collector.

894. Power to suspend the facility.- The Board shall have the authority to suspend, restrict or cancel the authorization issued for any particular goods or class of goods by notification in the Official Gazette,

895. Remission of Customs duty, Federal Excise duty and sales tax in case of a force majeure or destruction of goods.- Subject to the satisfaction of the Regulatory Collector the Customs duty, Federal Excise duty and Sales tax if any, may be remitted in full or in part, as the case may be, in the following cases namely:

- (a) when the goods are damaged or destroyed by unavoidable circumstances or for causes beyond the control of the user; or
- (b) when the wastages of input goods, as determined in the analysis certificate, is

- destroyed ; or
- (c) when goods procured are *bonafide* samples drawn under this chapter or samples for study, testing or design; or
 - (d) when the input goods or finished goods that are rendered unfit for consumption or sale, are destroyed in the manner as determined by the Regulatory Collector ³[: Provided that remission shall not be applicable in case of insurance risks.]

896. Transfer of ownership.- A user shall not be allowed to transfer the ownership or title of the manufacturing facility unless all outstanding customs duty, federal excise duty and sales tax and other taxes are paid, and all other liabilities are discharged to the satisfaction of the Regulatory Collector.

897. Miscellaneous.- (1) An officer authorized by the Regulatory Collector shall have free access to any place where goods covered under the authorization issued under this scheme are stored, processed or manufactured, or otherwise dealt with and to the records, documents, and information relating to such goods.

(2) All liabilities or dues as and if payable or outstanding under any of the provisions of these rules shall be finally ascertained and recovered by the Regulatory Collector.

⁴[(3) The user shall arrange or install at his premises such online automated system to record and display details of input goods, manufactured goods and output goods exported or supplied to another user or vendor besides inventory position on daily basis as may enable the Regulatory Collectorate to monitor all the activity being done by him.

⁵[(3A) The WeBOC or PSW shall develop an interface for the Regulatory Collector or an officer nominated by him, for real-time monitoring of the imports and exports of the user.]⁵

(4) The Regulatory Collector shall be responsible for overall monitoring of the scheme.]

898. Saving.- (1) All approvals under S.R.O 450(I)2001 Chapter XV, DTRE and S.R.O 327(I)2008 if otherwise in order and correct, may remain operative for a period of two years from the date of issuance of these rules and shall stand abolished thereafter. However, any user of the schemes mentioned above can voluntarily submit application for authorization under these rules to the Regulatory Collector for revocation of previous approval and issuance of authorization under these rules.

(2) A user cannot operate under this scheme and the schemes existing previously under SRO 450(I)2001, dated 18.06.2001, Chapter XV, DTRE, ⁶[S.R.O 327(I)2008, dated 29.03.2008 and S.R.O 492(I)/2009 dated 13.06.2009], simultaneously.

(3) All provisions of the Customs Acts, 1969 (IV of 1969), the Federal Excises Act, 2005, the Sales Tax Act, 1990 and the Income Tax Ordinance 2001 shall be applicable on the users unless specifically addressed in these rules.

³["Sub-Chapter I" Common Export Houses"]

899. Authorization to operate as common export house.- (1) Any person desirous of operating a Common Export House under these rules shall apply to the Regulatory Collector in the form set out in Appendix I to these rules alongwith the following documents, namely:--

- (a) application form;
- (b) ISO Certification if available;
- (c) the site plan of the proposed warehouse indicating the location of the premises and the details of the total area and covered area;
- (d) bank statement of the applicant for the last two years; or from the date of incorporation;
- (e) Memorandum and Articles of Association in the case where the applicant is registered under the Companies Ordinance, 1984 (XLVII of 1984), or partnership deed if it is a partnership firm;
- (f) ownership documents or lease or tenancy agreement; and
- (g) comprehensive insurance policy covering all risks such as fire burglary, etc., issued by an insurance company registered with the Ministry of Commerce, in the sum equal to the amount of customs duties and sales tax involved on the imported input goods intended to be stored in the warehouse.

(2) On receipt of an application alongwith the documents prescribed in sub-rule (1), the Regulatory Collector, after such verification as he deems necessary, issues authorization within one month of such verification to the applicant to operate a Common Export House:

Provided that a public warehouse already operating under warehousing rules may also apply to operate as a Common Export House simultaneously.

900. Cancellation of authorization.- The authorization may be canceled by the Regulatory Collector on conviction of the user for any offense under any of the Acts or non-utilization of the authorization or on the request of the user, in writing.

901. Suspension of authorization.- (1) Pending consideration whether an authorization is canceled, the Regulatory Collector may suspend the authorization, if he is of the opinion that it is expedient to do so and for the reasons to be recorded, in writing, by him.

(2) In a case referred to in sub-rule (1) the reasons for such suspension shall be communicated to the user within twenty-four hours of such suspension.

902. Revalidation or revival of authorization ³[for common export house].- The authorization shall be issued for a period of three years and the same shall stand revalidated for successive periods of three years by the Regulatory Collector without further application thereof by the user, provided the regulatory Collector is satisfied that no action under the Acts is pending against the user or the user himself has applied to the regulatory Collector for revoking his authorization.

903. Import of input goods.- For import of input goods into a Common Export House a Goods Declaration shall be filed with the name and NTN of the authorized user of the Common Export House as importer. The Goods Declaration shall be processed as per procedure applicable for clearance into the public bonded warehouses under the Customs Act, 1969 (IV of 1969).

904. Removal of input goods from ³[common export] warehouse.- Removal of input goods to the users shall be done on the filing of an ex-bond Goods Declaration giving the name of user as well as the buyer. The WeBOC or PSW system shall debit or credit the value from the account of the Common Export House as well as of the buyer.

905. Re-export of imported input goods.- The user may be allowed to re-export input goods imported for manufacture of export goods under these rules in their original and unprocessed form within three years of their import subject to the limitations and restrictions of Import Policy Order and Export Policy Order for the time being in force.

906. The retention period for the procured input goods.- The user shall supply the input goods to the SMEs and other users within a period of two years from the date of importation.

907. Transfer of ownership or title.- The user shall not be allowed to transfer the ownership or title of the Common Export House unless all outstanding customs-duty, central excise duty, sales tax, and income-tax are paid and any other liabilities are discharged.

908. Unaccounted input goods.-- If any user fails to give a proper account of the input goods to the satisfaction of an officer of customs not below the rank of an Assistant Collector, the user shall pay on demand an amount equal to the customs duty, federal excise duty, sales tax and income-tax leviable thereon as if they were imported and used for home consumption plus surcharge at the rate of KIBOR plus 3% and shall also be liable to penalties imposed for such violation under the Acts.

909. Destruction of input goods.-- Any imported input goods that are rendered unfit for consumption or sale may be allowed to be destroyed by an officer of Customs not below the rank of an Assistant Collector, in such manner as the Regulatory Collector may, by order in writing specify.

910. Reconciliation report.- The Common Export House user shall submit a monthly reconciliation report in WeBOC or PSW showing complete details of goods imported and sold and stock position.

Telephone No.	Fax No.	E-mail

Name of CEO	Name of Operating Executive
Cell No of CEO	Cell No of Operating Executive

NTN

Sales Tax Registration No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2. Status of Business:

Sole Proprietorship	Partnership (With Registration Details) _____	Company (With Registration details) _____
------------------------	--	--

(Tick the relevant)

3. Particulars of Directors

Name

NTN																			

CNIC																			

Name

(c) Whether the premises has been attached by a recover officer under any law for outstanding recovery (if yes provide details)

6. Details about Operations of the Unit

- i. Date and year of establishment, incorporation
- ii. Nature, Type and estimated annual value of the imported input goods
- iii. Nature, Type and estimated annual value of the locally procured input goods
- iv. Total storage area for input goods in the premises
- v. Total Production capacity of the Unit
- vi. Nature, type and estimated value of output goods
- vii. Details of sister concern(s) of the applicant if any
- viii. Details about any previous license/permission/ authority to use any of the export facilitation schemes issued from time to time by the Government
- ix. Details about any contravention, or criminal case against the unit or its sister concern(s) if applicable
- x. Details about the bank account with branch name and address where the business account of the unit is being maintained.

7. Export performance

(a) Goods Exported in last two years as manufacturer cum exporter

Years	Goods Description	Total Value of Manufactured goods (Rs)	Total Value of Exported goods (Rs)	Name of the Direct Exporter	Exporting Since the year

(b) Goods Exported in last two years as indirect exporter

Years	Goods Description	Total Value of Manufactured goods (Rs)	Total Value of Exported goods (Rs)	Name of the Direct Exporter	Exporting Since the year

(c) Goods exported in last two years as commercial exporter:

Years	Goods Description	Total Value of Exported goods (Rs)	Mode of acquisition of export goods	Name of Indirect exporter if applicable

8. Name, NTN, STRN and address of the vendor/vendors and provide details of the process to be carried out by the vendor (if applicable) please upload copy of the agreement with vendor.
9. Name, NTN, STRN and address of the indirect exporter/exporters and provide details of the process to be carried out by the indirect exporter (if applicable) please upload copy of the agreement with indirect exporter.
10. Additional details if Contract based application
 - i. Name of the Buyer
 - ii. Country of the buyer
 - iii. Output goods to be exported
 - iv. Period of contract
11. Additional details if application is for Toll manufacturing
 - i. Name of the international Supplier
 - ii. Details of the goods that will be imported
 - iii. Country from which the input goods will be imported
 - iv. Approximate value of the input goods
 - v. Approximate duty and taxes on the input goods
 - vi. Input/output ratio and wastages
12. Details of the input goods stocks acquired free of duty and taxes under any previous scheme (if applicable)

Sr No	Description of Goods	PCT	Quantity	Per unit Value in US \$ declared at the time of import	Total value in Rs.
i					
ii					
iii					

13. Details of duty and taxes paid stocks acquired under any previous scheme (if applicable)

S No	Description of Goods	PCT	Quantity	Mode of Acquisition	GD number and date or Invoice number and date	Total value in Rs.
i						
ii						
iii						

B. UNDERTAKING

1. I/We hereby declare that the information furnished by me/us is true to the best of my/our knowledge and belief.
2. I/We would agree to abide by any and specific conditions as may be laid down from time to time.
3. I/We also agree to inform the Collector or any Officer authorized in this behalf, of any change in the information provided in this application.
4. I/We have enclosed all documents required.
5. I/We undertake to furnish any further information or document as may be required for consideration of this request.

Date: _____

Signature of the Applicant _____

(CEO / Authorized Partner/Proprietor/
Authorized Representative)

S.No.	Description of Input Goods	PCT Code	Per Unit Requirement	Wastage
(i)				
(ii)				
(iii)				
(iv)				
(v)				
(vi)				
(vii)				

8. Average per unit cost of input goods
9. Average incidence of duties and taxes
10. Average per unit value of output goods
11. Any special instructions

Prepared by

Name and Designation

Signature and Seal

Signature and seal

Countersign by

Name and Designation, Signature and Seal

Signature and seal

GOVERNMENT OF PAKISTAN
COLLECTORATE OF CUSTOMS

INDEMNITY BOND
(ON APPROPRIATE STAMPED NON-JUDICIAL PAPER)

This deed of indemnity is made on the _____ day of 20

Between M/s

who have registered office at (hereinafter called the user which means and includes their successors, administrators, executors and assignees) of the one part and President of Pakistan through the Collector of Customs) (hereinafter called “the Collector”) of the other part:

WHEREAS, the Collector has allowed us to acquire goods under this authorization, we shall pay on demand all duties, taxes, drawbacks, repayments, rebates and refunds, not levied or paid under the rules, on the procurement of input goods which are not accounted to the satisfaction of the Collector and to pay any penalties imposed by the Collector/adjudicating officer for violation of these rules or the Acts;

NOW, THESE PRESENT WITNESS that in pursuance of this BOND the user M/s. hereby agree to indemnify the said Collector for loss of revenue to the extent of Rs.

(Rupees) and also against costs and expenses which may be incurred by the Collector in recovery of the above amount of revenue.

It is further, agreed that the above amount may be recovered as arrears under relevant sections of the Acts and the rules made thereunder if the user fails to abide by any condition laid down in rules.

IN WITNESS WHEREOF the parties hereto have put their respective hands and seals on the day above written.

(1) M/s. _____
(Address)

(2) _____
(Name and permanent address)

For and on behalf of the President

Witness No.1

Signature _____

Name _____

Designation _____

Full address _____

CNIC No. _____

Witness No.2

Signature _____

Name _____

Designation _____

Full address _____

CNIC No. _____

Quantity & value of input goods used for manufacture of output goods.	Quantity & value of goods manufactured	Quantity & value of output goods exported	G.D of Export No.& Date	Quantity & value of factory rejects	Quantity & value of wastage	Quantity & value of goods provided to vendor for further processing	Quantity & value of goods returned by vendor
---	--	---	-------------------------	-------------------------------------	-----------------------------	---	--

(17)	(18)	(19)	(20)	(21)	(22)	(23)
Quantity & value input goods removed to premises of indirect exporter for further processing	Quantity & value input goods received from indirect exporter after further processing	Quantity & value of goods sold in the domestic market	Quantity & value of goods transferred to another exporter	Quantity & value of goods destroyed	Closing balance of input goods on the last day of Reconciliation period	Quantity and value of Output goods not exported and available in premises

⁴ [(24)
Aggregate value addition on Imported/ Locally Procured Goods (%)

Signature:

Name and Designation

CNIC No.

I/We also agree to abide by any such specific conditions as may be laid down from time to time.

I/We also agree to inform the Collector, or any officer authorized in this behalf of any change in the information provided in the application.

Date

Signature of the Applicant

(CEO Authorized Partner/Proprietor/Authorized Representative)".

**GOVERNMENT OF PAKISTAN
COLLECTORATE OF CUSTOMS**

**INDEMNITY BOND
(ON APPROPRIATELY STAMPED NON-JUDICIAL PAPER)**

This deed of indemnity is made on the _____ day of _____ 20____ between M/s _____ who have registered office at _____ (hereinafter called the licensee which means and includes their successors, administrators, executors and assignees) of the one part and President of Pakistan through the Collector of Customs) _____ (hereinafter called “the Collector”) of the other part:

2. Whereas, the Regulatory Authority has allowed us to remove plant, machinery, equipment and apparatus from one EFS user to another EFS user, we shall pay on demand all duties, taxes, drawbacks, repayments, rebates and refunds, not levied or paid under the rules, on the procurement of plant and machinery which are not accounted for to the satisfaction of the Regulatory Authority and to pay any penalties imposed by the Regulatory Authority /adjudicating officer for violation of these rules or the Acts;

3. Now, these present witness that in pursuance of this BOND the licensee M/s. _____ hereby agrees to indemnify the said Regulatory Authority or adjudicating officer for loss of revenue to the extent of Rs. _____ (Rupees _____) and also against costs and expenses which may be incurred by the Regulatory Authority in recovery of the above amount of revenue.

4. It is further agreed that the above amount may be recovered as arrears under relevant sections of the Acts and the rules made thereunder if the licensee fails to abide by any condition laid down in rules.

5. IN WITNESS WHEREOF, the parties hereto have put their respective hands and seals on the day above written.

(1) M/s. _____
(Address)

(2) _____
(Name and permanent address)
For and on behalf of the President

Witness No.1	Witness No.2
Signature _____	Signature _____
Name _____	Name _____
Designation _____	Designation _____
Full address _____	Full address _____
CNIC No. _____	CNIC _____

	No.
--	-----

- Note 1.- The witnesses shall be government servants in BPS-16 or above, or Oath Commissioner, Notary Public or an Officer of a Scheduled Bank.
- Note 2.- This bond shall be based upon proper collateral security in the shape of NIT units, National Saving Certificates, Defense Saving Certificates and such other securities which banks generally accept for extending credit.]

IRREVOCABLE AND UNCONDITIONAL GUARANTEE

Date of Issuance: _____
Guaranteed Sum: [PKR _____ (Pak Rupees _____ only.)
Date of Expiry: _____
Guarantee No: _____

This **IRREVOCABLE AND UNCONDITIONAL GUARANTEE** is issued at _____
on this _____ day of _____ 20__

BY:

[insert Insurance Company Name, address and registered address] (hereinafter referred to as the "Guarantor" which expression, where the context so permits, shall include its successors, administrators, assigns and legal representatives, whether jointly or severally);

ON THE REQUEST OF:

[insert Exporter/Applicant Name, NTN, address and registered address/ (hereinafter referred to as the "Principal" which expression, where the context so permits, shall include its successors, administrators, assigns and legal representatives);

IN FAVOUR OF:

The Federal Board of Revenue, Government of Pakistan, through the **Collector of Customs** [insert Collectorate name] (hereinafter referred to as the "Beneficiary" which expression, where the context so permits, shall include its successors, administrators, assigns and legal representatives)

(The Guarantor, the Principal and the Beneficiary shall hereinafter individually be referred to as a “Party” and collectively as the “Parties”)

WHEREAS

(1) The Principal has been duly approved by the Beneficiary to operate under the Export Facilitation Scheme, 2021, including any modifications, amendments or re-enactments thereof (the “Scheme”), as notified by the Beneficiary, under Category (____) and has availed, or intends to avail, the facility of importing, utilizing, and acquiring inputs and capital goods subject to full compliance with all the terms, conditions, and obligations prescribed under the Scheme;

(2) The Beneficiary, as a condition precedent, requires the furnishing of a valid, binding, and enforceable financial security sufficient to cover potential liabilities, including, without limitation, all duties, taxes, surcharges, fines, penalties, or any other lawful charges which may become payable to the Beneficiary, in the event of any breach, default or non-compliance by the Principal with the provisions, terms, or conditions of the Scheme;

(3) The Principal, in compliance with the requirements of the Scheme, requested the Guarantor for the provision of an irrevocable, unconditional and payable on first written demand a Guarantee in favour of the Beneficiary and duly complied with all the requirements, including that of collateral, of the Guarantor in this regard.

(4) At the request of the Principal the Guarantor hereby agrees to furnish this irrevocable, unconditional, and payable on first written demand Guarantee (“Guarantee”) in favour of the Beneficiary, to secure the due and punctual performance of the terms, conditions and obligations by the Principal under the Scheme.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND OBLIGATIONS, THE ADEQUACY WHEREOF IS HEREBY ACKNOWLEDGED BY THE PARTIES, IT IS AGREED AS FOLLOWS:

1. Guarantee Undertaking

1.1 The Guarantor do hereby, as primary obligor and not merely as a surety, irrevocably and unconditionally guarantee to the Beneficiary the due performance and compliance by the Principal with all its obligations (the “Obligations”) under the Scheme, which shall include, without limitation, the following:

(i) payment of all duties, taxes, surcharges, fines, penalties, or any other lawful charges that may become payable to the Beneficiary in respect of duty- and tax-free import/acquisition of input goods; or

(ii) fulfillment and observance of any and all other conditions, undertakings, covenants, or performance requirements prescribed under the Scheme, including, without limitation, export reporting, export value-addition obligations, proper utilization of input goods, observance of wastage norms, maintenance of records, and prohibition on unauthorized disposal or diversion of input goods; or

(iii) payment of any duties, taxes, fines, penalties, surcharges, or other lawful charges that may be assessed, imposed, adjudged, or otherwise determined by any competent authority, adjudicating forum or court of law as payable by the Principal to the Beneficiary, as a consequence of any breach, default, or violation of its Obligations under the Scheme.

2. Maximum Liability/ Guaranteed Sum

2.1 The total/maximum liability of the Guarantor under this Guarantee shall not exceed the amount/sum of PKR ____ [insert amount in figures and words] (the “Guaranteed Sum”).

3. Nature of Guarantee

3.1 This Guarantee is:

(i) Irrevocable and unconditional;

(ii) Enforceable on the first written demand by the Beneficiary without proof or conditions, and without reference/recourse to the Principal; and

(iii) Independent of any dispute, contest, or objection of whatsoever nature by the Principal or the Guarantor.

4. Demand and Terms of Payment of Guaranteed Sum

4.1 A demand in writing (“Demand”) by the Beneficiary stating that any sum or sums are due and payable by the Guarantor under the terms of the Scheme shall be a sufficient demand under this Guarantee.

4.2 In the event of any default, delay, or failure by the Principal to perform all or any of its Obligations under the Scheme, of which event the Beneficiary shall be the sole arbiter, the Guarantor shall, upon the Beneficiary’s / Collector of Customs’, [insert Collectorate name] first (1st) written Demand, immediately pay to the Beneficiary / Collector of Customs’, [insert Collectorate name] the Guaranteed Sum, or any part of the Guaranteed Sum as specified in the Demand, in such a manner as the Beneficiary may specify.

4.3 The Beneficiary’s Demand shall state that the Principal has defaulted in, delayed, or failed, to perform all or any of the Obligations under the Scheme, and such statement shall be sufficient and conclusive for invoking this Guarantee. The decision of the Beneficiary in this regard shall be final and binding on the Guarantor, and shall not be questioned, challenged or disputed by the Guarantor or the Principal in any manner.

4.4 The Beneficiary shall be the sole and final judge for deciding whether the Principal has duly performed its Obligations under the Scheme or has defaulted in fulfilling the said Obligations, and the Guarantor further agrees that the Guarantor’s liability under this Guarantee shall be independent of any dispute between the Beneficiary and the Principal, whatsoever.

4.5 The Guarantor hereby binds itself absolutely, unconditionally and irrevocably to pay the Guaranteed Sum (or any part thereof), upon the Beneficiary’s Demand, without protest, demur, set-off, counterclaim, or reference to the Principal and without reliance upon or recourse to any arrangement executed between the Principal and the Beneficiary, and expressly waives all its rights to contest, deny or delay its obligations to the Beneficiary under this Guarantee, irrespective of any dispute, difference or disagreement between the Principal and the Beneficiary or any objection raised by any other party.

4.6 The Beneficiary may, at any time during the validity of this Guarantee, make one or more Demands for payment of the whole or any part of the Guaranteed Sum. Any partial payment made by the Guarantor pursuant to such Demands shall not discharge or diminish this Guarantee, which shall continue to remain in full force and effect for the balance amount of the Guaranteed Sum until the validity of this Guarantee.

4.7 The Guarantor shall pay the Guaranteed Sum or any part thereof, due under this Guarantee in Pakistani Rupees (PKR) immediately upon the receipt of the Demand, without any deduction, set-off, counterclaim, reduction, or diminution.

4.8 The Demand(s) made by the Beneficiary under this Guarantee may be communicated/transmitted by fax, email, hand delivery, or courier at the discretion of the Beneficiary. Notwithstanding anything contained in this clause, the Beneficiary may at any time, at its sole discretion, issue an original duly signed and stamped Demand, in which case such Demand shall be conclusive and binding on the Guarantor.

4.9 The Guarantor’s obligations under this Guarantee shall remain absolute, unconditional and binding and shall not be modified, reduced, impaired, or otherwise affected in any manner whatsoever during the validity of this Guarantee, notwithstanding any extension, discharge, amendment, variation or alteration in the terms of the Scheme or in the Obligations

of the Principal thereunder. The Guarantor hereby gives its advance consent to such extension, discharge, amendment, variation or alteration in the Scheme or in the Obligations of the Principal thereunder.

5. Validity Period of Guarantee

5.1 This Guarantee and the Guarantor's obligations hereunder shall remain valid and in full force and effect until the earlier of:

- (i) the expiry date of _____ [insert the expiry date of the Guarantee **not less than the Authorization Period plus twelve (12) months**];
- (ii) payment in full by the Guarantor to the Beneficiary of the Guaranteed Sum; or
- (iii) discharge in writing by the Beneficiary.

5.2 If a Demand is made by the Beneficiary under this Guarantee within the validity period of this Guarantee and this Guarantee subsequently expires, the Guarantor shall be bound to honour the said Demand and pay the amount mentioned in the Demand as per the terms of this Guarantee notwithstanding the subsequent expiry of the Guarantee.

6. Preservation of Rights, Waiver and Partial Invalidity

6.1 The obligations of the Guarantor under this Guarantee shall not be discharged, released or effected by reason of, or on account of, any of the following:

- (i) any extension of time, indulgence, or waiver granted to or agreed to be granted to the Principal in respect of the Obligations under or pursuant to the Scheme.
- (ii) any legal limitation, incapacity, disability or other restriction affecting the Principal.
- (iii) the liquidation, winding-up, dissolution, administration, reorganization, amalgamation, or any change in status, function, control or ownership of the Principal.
- (iv) the invalidity, illegality or unenforceability, in whole or in part, of any of the provisions of this Guarantee or of any Obligations of the Principal under the Scheme.
- (v) the exercise by the Beneficiary of its right under Section 202 of the Customs Act, 1969, including any modifications, amendments or re-enactments thereof; to proceed directly against the Principal.

6.2 No failure, delay or omission by the Beneficiary in exercising any of its right, power or privilege under this Guarantee shall operate as, impair, or be construed as a waiver thereof; nor shall any single or partial exercise of any such right, power or privilege preclude any further or subsequent exercise thereof or the exercise of any other right, power or privilege

6.3 The Guarantor irrevocably and unconditionally waives any right it may have to require the Beneficiary, as a condition precedent to the making of any Demand or the enforcement of this Guarantee, to first proceed against, make demand upon, or exhaust any other remedies available against the Principal, before making a Demand on the Guarantor under this Guarantee.

6.4 The invalidity, illegality or unenforceability in whole or in part of any of the provisions of this Guarantee shall not affect the validity, legality and enforceability of the remaining part or provisions of this Guarantee to the maximum extent permitted by law.

7. Representation and Warranties

7.1 The Guarantor hereby represents and warrants that:

(i) it has taken all the necessary corporate actions and obtained all requisite authorizations to execute, perform and deliver this Guarantee in favor of the Beneficiary;

(ii) it is duly empowered under the applicable laws of Pakistan, and its constitutive documents, including memorandum and articles of association, to execute and deliver this Guarantee and to perform its obligations hereunder;

(iii) it has secured/obtained from the Principal, and shall at all times during the validity of this Guarantee continue to maintain sufficient collateral/security in terms of the Credit and Suretyship (Conduct of Business) Rules, 2018, including any modifications, amendments or re-enactments thereof (the "Credit and Suretyship Rules"), or under any other relevant rules/directive of the Securities & Exchange Commission of Pakistan, and shall, upon written request from the Beneficiary, promptly provide a certificate evidencing the existence, sufficiency and maintenance of such collateral/security.

(iv) the issuance of this Guarantee has not contravened the "net retained exposure" and "aggregate net retained exposure" limits prescribed under the Credit and Suretyship Rules and that it shall, at all times during the validity of this Guarantee, ensure that its "net retained exposure" and "aggregate net retained exposure" do not exceed the limits prescribed under the Credit and Suretyship Rules and/or under any other relevant rules/directive of the Securities & Exchange Commission of Pakistan.

(v) this Guarantee has been duly executed by the Guarantor's duly authorized representatives and constitutes a legal, valid, and binding obligation of the Guarantor, enforceable in accordance with its terms;

(vi) this Guarantee has been executed and delivered to the Beneficiary for a valid commercial consideration between the Principal and the Beneficiary, and the Guarantor shall raise no objection, claim or defence on the grounds of lack of consideration or any other similar ground.

(vii) the Guarantor has a [insert the rating (AAA (ifs) or AA++ (ifs))] PACRA credit rating at the time of issuance of this Guarantee.

8. Governing Law and Jurisdiction

8.1 This Guarantee shall be governed by and construed exclusively in accordance with the laws of Pakistan, and shall be subject to the exclusive jurisdiction of the competent courts of Pakistan as defined under the relevant provisions of the Customs Act, 1969.

IN WITNESSES WHEREOF, this Guarantee is executed on this ____ day of ____ 20__ by the Guarantor.

[insert name and designation of authorized
signatory]
For and on behalf of
[insert the name of Insurance Company]
(Guarantor)

Witnesses:

1. Signature: _____
Name: _____
Address: _____
CNIC No: _____

2. Signature: _____
Name: _____
Address: _____
CNIC No: _____

File No.5(7)EP/2019 Pt.

(Syed Hamid Ali)
Member Customs (Policy)

Amended as

- (1) SRO 1660(I)/2021 dated 22.12.2021**
- (2) SRO 1763(I)/2022 dated 22.09.2022**
- (3) SRO 1093(I)/2023 dated 23.08.2023**
- (4) SRO 30(I)/2024 dated 10.01.2024**
- (5) SRO 685(I)/2024 dated 14.05.2024**
- (6) SRO 1281(I)/2024 dated 20.08.2024**
- (7) SRO 301(I)/2025 dated 07.03.2025**
- (8) SRO 1101(I)/2025 dated 23.06.2025**
- (9) SRO 1435(I)/2025 dated 05.08.2025**
- (10) SRO 528(I)/2026 dated 19.03.2026**