

GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE AND REVENUE  
(REVENUE DIVISION)

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Islamabad, the 29<sup>th</sup> June, 2016.

**NOTIFICATION**  
(CUSTOMS)

S.R.O. 483(I)/2016.- In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), the Federal Government is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O 656(I)/2006, dated the 22<sup>nd</sup> June, 2006, namely:-

In the aforesaid Notification,-

(a) in the preamble,-

- (i) after the word “exempt” a comma, word, colon and dash shall be inserted  
“, namely:- ”
- (ii) for the expression “components (which include sub-components, components, sub-assemblies and assemblies but exclude consumables), imported in any kit form, and direct materials for assembly or manufacture of vehicles falling under Chapter 87 of the First Schedule to the said Act, from so much of customs duties, as specified in the said First Schedule, as are in excess of the rates specified in column (4) of the Table below, subject to the following conditions, namely:-” the following expressions shall be substituted, namely:-

“(a) components (which include sub-components, components, sub-assemblies and assemblies but exclude consumables) mentioned in column (3) of the Table-I below, imported in any kit form, and direct materials for assembly or manufacture of vehicles falling under Pakistan Customs Tariff (PCT) code of Chapter 87 as mentioned in column (2) of the Table-I, from so much of customs

duty as specified in the First Schedule to the said Act, as is in excess of the rates specified in column (4) of Table-I, subject to the general conditions (i) to (xiv) in paragraph 2;

(b) the goods mentioned in column (3) of the Table-II below, imported by an importer-cum-assembler or manufacturer, declared to be an investor under “Category-A Greenfield Investment” and “Category-B Brownfield Investment” by the Ministry of Industries and Production in terms of its Notification No. 2(9)/2013-LED-II dated the 2<sup>nd</sup> June, 2016, for assembly or manufacture of automotive vehicles, falling under Pakistan Customs Tariff (PCT) code of Chapter 87 mentioned in column (2) of the Table-II, customs-duty specified in the First Schedule to the said-Act as is in excess of the rates specified in column (4) of the Table-II, subject to the special conditions in column (5) of Table-II, besides general conditions (i) to (xvi) in paragraph 2; and

(c) the goods mentioned in column (2) of the Table-III below, imported by an importer-cum-assembler or manufacturer, declared to be an investor under “Category-A Greenfield Investment” by the Ministry of Industries and Production in terms of its Notification No. 2(9)/2013-LED-II dated the 2<sup>nd</sup> June, 2016, for assembly or manufacture of vehicles, falling under PCT code mentioned in column (3), customs-duty specified in the First Schedule to the said Act to the extent as specified in column (4) of the Table-III, subject to the special conditions mentioned in column (5) of Table-III, besides general conditions (i) to (xvi) in paragraph 2.”;

(b) The existing conditions (i) to (xiii) shall be made paragraph 2 and following amendments shall be made therein, namely:-

(i) in paragraph 2 as mentioned above before condition (i) the following shall be inserted, namely:-

“2. The aforesaid exemption shall be subject to the following conditions, namely:-

(ii) for condition (i), the following shall be substituted, namely:-

“(i) the importer-cum-assembler or manufacturer registered under the Sales Tax Act, 1990 having suitable in-house facilities as defined in ‘Annexure-A’ to this notification for the manufacture of road worthy vehicles or the importer-cum-assembler or manufacturer is in possession of a firm contract with any other manufacturer for manufacture of specified goods, duly registered under the Sales Tax Act, 1990, having the prescribed in-house facilities for manufacture of the said goods, according to the laid down standards and this fact has been certified by the Engineering Development Board (EDB) of Ministry of Industries and Production:

Provided that the facility of assembly or manufacture under firm contract shall not be admissible for assembly or manufacture of 4-Stoke auto rickshaw of PCT heading 8703.2115, 3-Wheeler Cargo Loader of PCT heading 8704.3150 and vehicles of PCT heading 87.11 or for assembly or manufacture of vehicles specified in Table-II by an investor under Category-A Greenfield Investment or Category-B Brownfield Investment;

(iii) after condition (xiii), the following new conditions shall be added, namely:-

“(xiv) in line with the policy ensuring consumer welfare under Automotive Development Policy (ADP) 2016-21, the said kits imported by importer-cum-assembler or Original Equipment Manufacturer (OEM) of cars must contain immobilizer. The OEM shall confirm the compulsory installation of immobilizer in the cars produced at his facilities. The EDB shall ensure compliance of said consumer welfare measure;

(xv) for setting up the new assembly or manufacturing facility of the

vehicles the Chief Executive Officer (CEO) of the importing company shall communicate in writing to the EDB of the bonafide requirements or detail of new plant and machinery and the EDB shall determine or quantify the actual requirement for the purpose of exemption of customs-duty in terms of Sr. No. 2 of the Table-III below;

(xvi) in case of material deviation from the approved commercial operation schedule, the EDB shall initiate suitable action, after necessary verification, for stoppage or withdrawal of incentives allowed in terms of Table-II and Table-III ”; and

(iv) after the conditions, the existing ‘Explanation’ shall be re-numbered as ‘Explanation-I’ and thereafter the following shall be inserted, namely.-

**“Explanation-II:** For the purpose of Table-II, the expressions “Components in any kit form (CKD) Non-localized” shall mean the components as are not mentioned in Appendix-I and Appendix-II of the Notification No. SRO 693(I)/2006 dated the 1st July, 2006 and the “Components in any kit form (CKD) localized” shall mean the components as are mentioned in Appendix-I and Appendix-II of the said notification;

(c) for the “Table” the following Tables shall be substituted, namely;-

**“TABLE-I**

[See clause (a)]

<b>S. No.</b>	<b>Description of vehicles</b>	<b>Description of imported input goods</b>	<b>Rate of Customs Duty</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1.	Agriculture tractors of PCT heading 87.01	(i) Components for assembly/ manufacture in any kit form	1%
		(ii) Tyres / Tubes	20%
2.	Road tractors for semi-trailers (prime movers) less than 280 HP of PCT heading 87.01	(i) Components for assembly/ manufacture in any kit form	5%
		(ii) Tyres / Tubes	3%

3.	Road tractors for semi-trailers (prime movers) of 280 HP and above of PCT heading 87.01	(i)	Components for assembly/ manufacture in any kit form	5%
		(ii)	Tyres / Tubes	3%
4.	Buses of PCT heading 87.02 (other than mentioned at S. No. 5 below)	(i)	Components for assembly/ manufacture in any kit form	5%
		(ii)	Tyres / Tubes	3%
5.	Buses (dedicated LNG/ LPG or CNG) of PCT heading 87.02	(i)	Components for assembly/ manufacture in any kit form	1%
		(ii)	Tyres / Tubes	3%
6.	Vehicles of PCT heading 87.03 (excluding specially designed twin cabin type taxi of PCT heading 8703.3227 and 4-Stroke Auto Rickshaw of PCT heading 8703.2115)	(i)	Components for assembly/ manufacture in any kit form	30%
		(ii)	Tyres / Tubes	16%
7.	4-Stroke Auto Rickshaw of PCT heading 8703.2115	(i)	Components for assembly/ manufacture in any kit form	15%
		(ii)	Tyres / Tubes	16%
8.	Vehicles of g.v.w not exceeding 5 tons (LCVs) falling under PCT heading 87.04 (except 3-Wheeler cargo loader of PCT heading 8704.3150)	(i)	Components for assembly/ manufacture in any kit form	20%
		(ii)	Tyres / Tubes	16%
9.	3-Wheeler cargo loader of PCT heading 8704.3150	(i)	Components for assembly/ manufacture in any kit form	15%
		(ii)	Tyres / Tubes	16%
10.	Vehicles of g.v.w exceeding 5 tons (HCVs) falling under PCT heading 87.04	(i)	Components for assembly/ manufacture in any kit form	10%
		(ii)	Tyres / Tubes	3%
11.	Vehicles of PCT heading 87.11 (except motorcycle rickshaw of PCT heading 8711.3020)	(i)	Components for assembly/ manufacture in any kit form	15% but 10% for motorcycles for new entrant for a period of five years.
		(ii)	Tyres / Tubes	20%
12.	Motorcycle rickshaw of PCT heading 8711.3020	(i)	Components for assembly/ manufacture in any kit form	15%
		(ii)	Tyres / Tubes	20%
13.	Trailer of PCT heading 87.16	The following component for assembly/ manufacture of trailers:-		5%
		(i)	Axle tube with brake without Hub and Drum.	
		(ii)	Pneumatic suspension.	
		(iii)	ABS system.	
		(iv)	King Pin.	
		(v)	Fifth wheel.	
		(vi)	Axle Complete	
		(vii)	Mechanical Suspension.	
		(viii)	ASR Brake system.	

- (ix) Pintle Hook.  
(x) Wheel Rim (size 8.0x20).
14. Assembly kits of all the above categories to the number of their exported units subject to the following conditions:-
- (i) no duty drawback was claimed at the time of export;
  - (ii) The imported kits relate to the vehicle of same engine capacity as were exported; and
  - (iii) the importer makes a declaration in the bill of entry or goods declaration (GD) at the time of import that he intends to avail this facility and produces the following evidence of export; namely:-
    - (a) a copy of the bill of entry or goods declaration (GD) bearing examination report of customs;
    - (b) bill of lading; and
    - (c) foreign exchange repatriation certificate.
15. Materials for direct use, as are not manufactured locally, in the manufacture of vehicles listed at Sr. No. 1 to 13 above.

**TABLE-II**  
[See clause (b)]

S. No.	Description of vehicles	Description of imported goods	Customs-duty Rate	Special Condition
(1)	(2)	(3)	(4)	(5)
1.	Road tractors for semi-trailers (prime movers) less than 280 HP of PCT heading 87.01	(i) Components in any kit form (CKD) Localized and Non-localized	5%	For a period of three years for Category-A Investor and Category-B Investor.
2.	Road tractors for semi-trailers (prime movers) of 280 HP and above of PCT heading 87.01	(i) Components in any kit form (CKD) Localized and Non-localized	5%	- do -

3.	Buses of PCT heading 87.02 (other than mentioned at S. No. 4 below)	(i)	Components in any kit form (CKD) Localized and Non-localized	5%	- do -
4.	Buses (dedicated LNG/LPG or CNG) of PCT heading 87.02	(i)	Components in any kit form (CKD) Localized and Non-localized	1%	- do -
5.	Vehicles of PCT heading 87.03 (excluding Auto Rickshaw of PCT heading 8703.2115)	(i)	Components in any kit form (CKD) Non-localized	10%	For a period of five years for Category-A Investor and for a period of three years for Category-B Investor.
		(ii)	Components in any kit form (CKD) Localized	25%	- do -
6.	Vehicles of g.v.w not exceeding 5 tons falling under PCT heading 87.04 (excluding 3-Wheeler cargo loader of PCT heading 8704.3150)	(i)	Components in any kit form (CKD) Non-localized	10%	- do -
		(ii)	Components in any kit form (CKD) Localized	25%	- do -
7.	Vehicles of g.v.w exceeding 5 tons falling under PCT heading 87.04	(i)	Components in any kit form (CKD) Localized and Non-localized	10%	For a period of three years for Category-A Investor and Category-B Investor.

**TABLE-III**

[See clause (c)]

S. No.	Description of goods	PCT Code	Extent of exemption of Customs-duty	Special Condition
(1)	(2)	(3)	(4)	(5)
1.	Vehicles (CBU)	87.01 87.02 87.03 87.04	50% of prevailing rate	The exemption shall be admissible on import of 100 vehicles (CBU) of the same variant to be assembled/ manufactured as mentioned in column (2) of the Table-I above, for test marketing after ground breaking of the project, duly approved/ certified by MoIP on recommendation of the Engineering Development Board (EDB).
2.	Plant and machinery	Respective headings	100%	The exemption shall be admissible on one time basis

for setting up the new assembly and/ or manufacturing facility of the vehicles mentioned in column (2) of the Table-II above, duly approved/ certified and determined by MoIP on recommendation of the Engineering Development Board (EDB).”; and

(d) in Annexure A, under heading A, in serial 2, in items (a), in entry (ii), for the word “Primer” the words “E.D paint facility for cabins” shall be substituted.

2. This notification shall take effect on and from the first day of July, 2016.

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[C. No. 1(6)Tar-III/2016]

**(Nasir Masroor Ahmed)**  
Additional Secretary