

GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE
REVENUE DIVISION

Islamabad, the 25th January, 2017.

**NOTIFICATION
(CUSTOMS)**

S.R.O. 40(I)/2017.- 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 equipment, if not manufactured locally, imported by M/s CR-NORINCO (Chinese Contractor) to be furnished and installed in Lahore Orange Line Metro Train Project shall be exempt from whole of customs duties leviable thereon under the First Schedule to the said Act, subject to the following conditions, namely:-

- Nb*
- (a) that the equipment imported under this Notification shall only be used in the aforesaid Project;
 - (b) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-A to this Notification, at the time of import to the extent of customs-duties exempted under this Notification on consignment to consignment basis;
 - (c) that the Punjab Masstransit Authority, established under the Punjab Masstransit Authority Act, 2015 (ACT XXXIII of 2015), hereinafter referred as the Regulatory Authority, shall certify in the prescribed manner and format as set out in Annex-B to this Notification that the imported equipment is bona fide requirement of the Project under the Contract signed between the Regulatory Authority and the said Contractor;
 - (d) in the event a dispute arises whether any item is entitled to exemption under this Notification, the item shall be immediately released by the Customs Department against a corporate guarantee, valid for a period of six months, submitted by the importer. A certificate from the Regulatory Authority duly verified by the Transport and Communication Section of the Ministry of Planning, Development and Reform, that the item is covered under this Notification shall be given due consideration by the

Customs Department towards finally resolving the dispute. Disputes regarding the local manufacturing only shall be resolved through the Engineering Development Board of the Federal Government;

- (e) for the clearance of imported equipment through Pakistan Customs Computerized System the authorized officer of the Regulatory Authority shall furnish all relevant information, as set out in Annex-B to this Notification, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;
- (f) that the equipment, imported under this Notification, shall not be re-exported, sold or otherwise disposed of without prior approval of the Federal Board of Revenue (FBR). In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of duties as may be prescribed by the FBR;
- (g) in case the equipment, imported under this Notification, is sold or otherwise disposed of without prior approval of the FBR in terms of condition (f), the same shall be subject to payment of statutory rates of customs duties as were applicable at the time of import;
- (h) notwithstanding the condition (f) and (g), equipment imported under this Notification may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any customs-duties, for further disposal as may be prescribed by the FBR;
- (i) the indemnity bond submitted in terms of condition (b) by the importer shall be discharged on the fulfillment of conditions stipulated at (f) or (g) or (h), as the case may be; and
- (j) that violation of any of the above conditions shall render the goods liable to payment of statutory rate of customs duties leviable on the date of clearance of goods in addition to any other penal action under relevant provisions of the law.

INDEMNITY BOND

(On appropriately stamp non-judicial paper attested by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Scheduled Bank)

THIS DEED OF INDEMNITY is made on the _____ date of _____ BETWEEN Messrs _____ having registered office at _____ (hereinafter called "the importers" which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of the Islamic Republic of Pakistan through the Collector of Customs _____ (hereinafter called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in Notification No. S.R.O. _____ dated the _____ and subject to the conditions given in the said Notification, has been pleased to direct that such equipment, as are not manufactured locally, shall be exempt from the whole of customs-duties leviable thereon, in accordance with the said Notification, if imported for Lahore Orange Line Metro Train Project.

AND WHEREAS M/S. _____, the importers have imported the equipment mentioned in the said Notification for the above mentioned project in accordance with the conditions given in the said Notification;

NOW, THEREFORE, in consideration of the release of the equipment without recovery of leviable duties, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. _____ being the customs duties and charges leviable on the equipment, if the importers fail to fulfill the condition (f) or (g) or (h) of the said Notification, as the case may be.

The importers further agree and bind themselves that the amount covered by this Indemnity Bond shall be recovered as arrears of customs duties under section 202 of the Customs Act, 1969. This Bond shall stand revoked automatically when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said Notification.

Signed by importers on this _____ day of _____ 201_.

Managing Director or person next in hierarchy duly authorized by MD

(Name and permanent address)

Collector of Customs
(On behalf of President)

Witness (1) _____
(signature, name, designation and full address)

Witness (2) _____
(signature, name, designation and full address)

Annex-B

[See conditions (c) & (e)]

NTN or FTN of Importer		Approval No.		
Details of equipment (to be filled by the authorized officer of the Regulatory Authority) to be imported				
Description and specifications.	Quantity/UOM	L/C No. or bank contract No. and B/L.	IGM No. Date & Index No.	Remarks, if any.
(1)	(2)	(3)	(4)	(6)

CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY: It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirements and are bona fide requirement of the Project under the Contract. It is further certified that the above items shall not be used for any other purpose except for the Project.

Signature: _____

Name and Designation: _____

Official Stamp: _____

Date: _____

Note: - For the purposes of this Notification, the expression "not manufactured locally" shall mean the goods which are not listed in the locally manufactured items in the Customs General Order issued by the Federal Board of Revenue from time to time.

[C.No. 1(1) Tariff-II/2017]


(Nasir Masroor Ahmed)
Additional Secretary