

GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE

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Islamabad, the 24<sup>th</sup> May, 2018.

**NOTIFICATION**

S.R.O.648(I)/2018.- The following draft of certain further amendments which the Federal Board of Revenue proposes to make in the Customs Rules, 2001, 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), is hereby published for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration within a period of seven days of its publication in the official Gazette.

Any objection or suggestion which may be received in respect of the said draft may be considered by the Federal Board of Revenue before the expiry of the aforesaid period.

In the aforesaid Rules,-

(1) for the preamble, the following shall be substituted, namely:-

“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 make the following rules, namely:-”;

(2) in rule 43, in sub-rule (1),-

(i) in clause (iii), the word “and” at the end shall be omitted and thereafter, the following new clause shall be inserted, namely:-

“(iv) “perishable goods” means goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions; and”;

(ii) the existing clause (iv) shall be renumbered as clause (v); and

(iii) in clause (v), re-numbered as aforesaid, after the word “of” appearing for the first time, the words “perishable goods” shall be inserted;

(3) after rule 47, the following new rule shall be inserted, namely:-

“47A. In cases of delay, occurred in the release of perishable goods and upon written request of the importer or exporter, the reasons of such delay may be communicated.”;

- (4) in rule 54, for the words “fifty thousand”, the words “five hundred thousand” shall be substituted;
- (5) in rule 74, in sub-rule (1), after the word “bidder”, the words “within thirty days of the date of rejection of bid” shall be inserted;
- (6) in rule 92, in clause (d), for the acronym “PACCS”, the acronym “CCS” shall be substituted;
- (7) in rule 93, in sub-rule (1), the word “simultaneously” shall be omitted;
- (8) in rule 95,-
  - (i) in sub-rule (3), for the word “Change”, the expression “Subject to the fulfillment of conditions provided for eligibility of applicant in rule 92, change” shall be substituted;
  - (ii) in sub-rule (6), after the word “Pakistan”, the expression “subject to the condition that no criminal proceedings under Customs Act or Rules made thereunder are pending against the company” shall be inserted; and
  - (iii) in sub-rule (7), for the word “number”, the word “certificate” shall be substituted;
- (9) in rule 96, in sub-rule (1), in clause (a), after the word “partners”, the words “or directors” shall be inserted;
- (10) in rule 97, in sub-rule (1), after the word “documents”, the words “and attend hearing” shall be inserted;
- (11) in rule 99, in sub-rule (1), after the word “Lahore”, the words and commas “, Multan, Faisalabad, Sialkot, Quetta, Peshawar” shall be inserted;
- (12) in rule 133, in sub-rule (1), in clause (i), after the word “Superintendent” the word “or Inspector or Appraiser” shall be inserted;
- (13) in rule 226, in sub-rule (9),-
  - (i) after the word “Authority” the words “but in no case exceeding two years” shall be added; and
  - (ii) for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that the Collector of Customs may extend the aforesaid period by one year.”;
- (14) in rule 227, for sub-rule (1), the following shall be substituted, namely:-

“(1) Goods from the Tariff Area, required for further processing in a Zone, shall be admitted after completion of export formalities, including filing of export GD, which are normally

observed for export out of the country. The Importer in the Zone shall file corresponding Import GD for allowing entry of goods in the Zone.”;

- (15) in rule 228, in sub-rule (5), at the end, after the full stop, the following shall be added, namely:–

“The condition of supply of twenty percent of the total production to tariff area shall not include the supplies made from the EPZ to tariff area under SRO 492(I)/2009 dated 13.06.2009 or DTRE scheme or Manufacturing Bond scheme or Export Oriented Units scheme, as the case may be, as the same are used for manufacture of goods which are eventually exported out of Pakistan.”;

- (16) in rule 229, for sub-rule (2), the following shall be substituted, namely:–

“(2) Any goods permitted by the aforesaid authority for entry into the Tariff Area under sub-rule (1) may be taken out of the Zone after fulfilling all the requirements prescribed under the Act and the Rules made there-under for the direct import from aboard into the Tariff Area. The investor shall file export GD against the goods being exported from Zone to Tariff Area and the importer in the Tariff Area shall also file corresponding Import GD.”;

- (17) in rule 232, the existing rule shall be renumbered as sub-rule “(2)” of that rule and prior thereto, the following new sub-rule shall be added, namely:–

“(1) The importer shall maintain proper accounts of the imports, production, export, transfer and wastages of the raw materials and finished goods to the satisfaction of the Collector of Customs.”;

- (18) after rule 235, the following new rule shall be added, namely:–

**“235A. Transfer of ownership by investor or industrial undertaking.-** No transfer of ownership by any investor or industrial undertaking of its unit or cancellation of license shall be finalized by the Authority without prior issuance of NOC from the Collector of Customs.”;

- (19) after newly inserted rule 235A, the following new rule shall be inserted, namely:–

**“235B. Audit.-** The concerned Collectorate of Customs shall conduct annual audit of units operating in Export Processing Zone.”;

- (20) in rule 296, in sub-rule (1), in clause (i), in sub-clause (c), after the word “oil” the words “or coal” shall be inserted; and after the word “electricity” the oblique and word “/energy” shall be inserted.

- (21) in rule 299, in sub-rule (4), for the second proviso, the following shall be substituted, namely:–

“Provided further that quantity equivalent to 100% capacity of the producing or manufacturing unit may be approved

provisionally by the Regulatory Collector, as applied by the DTRE user, however upto fifty percent quantity may be allowed to be used by the time IOCO or EDB determines input/output ratios.”;

(22) in rule 300, in sub-rule (2), for the word “thirty”, the word “eighteen” shall be substituted;

(23) after rule 304, the following new rule shall be added; namely:–

**“304A. Facility of vendor.–** The DTRE user may remove input or semi-finished goods out of his premises for manufacture or processing by the vendors after intimating the Collector in the form as set out in Appendix-V to this chapter:

Provided that the DTRE applicant, at the time of applying for DTRE Approval, shall declare in his application about the process that he intends to get done from a vendor, alongwith particulars of the vendor. The vendor shall have a valid Sales Tax Registration and his name shall be appearing in the Sales Tax Active taxpayers list. The vendor shall have in-house manufacturing facility to perform the stated manufacturing process. The vendor shall not be changed or added except with prior permission of the Regulatory Collector. However, the said vending facility shall not be available for the weaving of fabric from yarn:

Provided further that the finished goods may be removed directly for export by the exporter from the vendor premises to the customs port of export.”;

(24) in Chapter XII,-

(i) in sub-chapter 7, after Appendix-IV, the following new Appendix shall be added, namely;

**“APPENDIX-V**

[see rule 304A]

GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS \_\_\_\_\_  
APPLICATION FOR TRANSFER OF GOODS BY DTRE USER TO  
A VENDOR

The Collector,  
Collectorate of Customs,  
Custom House \_\_\_\_\_.

I / We, M/s. \_\_\_\_\_

(Name, Address, NTN, STRN of the DTRE user)  
currently DTRE user vide DTRE Approval No. \_\_\_\_\_  
intend to transfer the following raw materials (covered under the  
said DTRE Approval) / semi-finished goods as per following details  
from our facility located at \_\_\_\_\_ to M/s.  
\_\_\_\_\_.

(Name, Address, NTN, STRN of the Vendor)  
 having all requisite facilities for the purpose of further  
 manufacturing processes  
 i.e. \_\_\_\_\_  
 (COMPLETE FLOW CHART OF PROCESSES ATTACHED)

Description of goods to be transferred to vendor	PCT Heading	GD/ST Invoice No. & Date	Whether to be transferred goods are input (covered under the approval) or semi-finished goods	Quantity	Value in Rs.	Value (per unit)	Duty & Taxes rate (item wise)	Total Duty & Taxes involved
1	2	3	4	5	6	7	8	9

Extent (%) of approved quantity of input goods involved in this transfer	Indemnity Bond No. & date	Nature of operation (s) to be performed by vendor	Value of further processes	Proforma Invoice No. date	Date of transfer of goods	Date on which transferred goods will be retrieved / returned back from vendor	Vendor's services charges payable	Extent (%) of value addition
10	11	12	13	14	15	16	17	18

SIGNATURES WITH DATE \_\_\_\_\_ SIGNATURES WITH  
 DATE \_\_\_\_\_ NAME & DESGNATION \_\_\_\_\_ NAME &  
 DESGNATION \_\_\_\_\_  
 OF CONSIGNOR OF CONSIGNEE

### Undertaking

- I /we hereby declare that information furnished by me/us is true to the best of my/ our knowledge and belief.
- I /we would produce further documentary evidence in support thereof if and when called for by the regulatory Collector or any officer on his behalf.
- I /we also agree to abide by any such specific condition 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: \_\_\_\_\_

Signatures of applicant \_\_\_\_\_  
 (CEO/ Authorized Partner /  
 proprietor/ Authorized representative)"; and

(ii) for sub-chapter 8, the following shall be substituted, namely:–

“SUB CHAPTER 8

DETERMINATION OF MATERIALS AND FIXATION OF RATES

**308. Definitions.**– In this sub-chapter, unless there is anything repugnant in the subject or context,-

- (a) “applicability “means and includes:–
- (i) determination of input output ratio of input materials of a class or description used in the manufacture of products permissible for export under any relevant Export Policy Order for the time being in vogue, on which repayment or drawback of custom duties is allowed, the calculation of input to output ratios and the fixation of rates for the purposes of repayment or drawback thereon;
  - (ii) the determination of input to output ratios of all input materials of a class or description used in the manufacture of products which are exported from Pakistan under any Duty or Tax Remission Scheme as specified under the provisions of the Act or Rules or any notification issued there-under;
  - (iii) determination of the quantity of raw materials, sub-components, components, sub-assemblies, assemblies and the input to output ratios of all products of a class or description specified under any concessionary import scheme for the local manufacture and supply of goods as specified in the relevant notifications; and
  - (iv) determination of input to output ratios of all input materials of a class or description used in the manufacture of products specified under any concessionary or special import or domestic supply scheme on reference from any authority or agency; and
- (b) “Directorate General of Input Output Coefficient Organization (IOCO)” mean an organization established by the Board to authorize, regulate or monitor duty or tax remission or exemption under survey-based concessionary notifications determining input-output ratios, wastages and fixation of rates for repayment or remission or drawback of custom duty and/or any other assignment relating thereto;
- (c) “Association” means a representative trade body of persons engaged in manufacture, production or commercial import or export of goods of a class or description on which repayment or draw back or remission or concession of customs duty or any other tax is allowed and duly registered under the law in force relating to registration of such Association;
- (d) “Board” means the Federal Board of Revenue;

- (e) "CC&I" means the respective Chambers of Commerce and Industry recognized and affiliated with the FPCCI;
- (f) "Director General" means the officer of Customs holding charge as the Director General of IOCO and duly notified by the Board in this regard;
- (g) "Director IOCO (South)" means the officer of Customs holding the charge of Director IOCO (South) having jurisdiction over areas in Sindh and Balochistan provinces and duly notified by the Board in this regard;
- (h) "Director IOCO (North)" means the officer of Customs holding the charge of Director IOCO (North) having jurisdiction over areas in Khyber Pakhtunkhwa, Gilgit-Baltistan and Rawalpindi Division and duly notified by the Board in this regard;
- (i) "Director IOCO (Central)" means the officer of Customs holding the charge of Director IOCO (Central) having jurisdiction over areas in Punjab province excluding Rawalpindi Division and duly notified by the Board in this regard;
- (j) "EDB" means Engineering Development Board working under the Ministry of Industries and Production, responsible for the determination of input to output ratios and wastages for engineering goods, whenever required;
- (k) "FPCCI" means the Federation of Pakistan Chambers of Commerce and Industry;
- (l) "Individual Notification" means a Notification relating to the determination of input goods and fixation of Custom Duty repayment or drawback rates in relation to all goods related to sub-clause (a) of clause (i) of this rule and which are applicable in case of a specific manufacturer named therein;
- (m) "Input Materials" means all such imported goods or materials used in the manufacture of goods or products which are specified in any of the cases given at clause (a) above to which this sub-chapter is applicable;
- (n) "manufacture" means any process incidental or ancillary to the completion of such finished goods which are produced or manufactured from input goods;
- (o) "manufacturer" means a person engaged in any process incidental or ancillary to the manufacture of goods;
- (p) "products" means all such finished goods manufactured in Pakistan and meant for export or exported outside Pakistan or for local supply inside Pakistan, from time to time;
- (q) "Schedule" means a Schedule to this Sub-Chapter;
- (r) "Sector Specialist" means a qualified person having the required professional expertise in various sectors and appointed as sector specialist in Directorate General of IOCO or an officer of Customs posted as sector specialist by the Board;
- (s) "Standard Notification" means a Notification relating to the standard determination of imported input materials and fixation of Custom Duty Repayment or drawback rates in case

of goods of a class or description which is not limited or restricted to an individual manufacture but is applicable in general cases; and

- (t) "Tax" means tax levied under the Sales Tax Act, 1990 or Income Tax Ordinance, 2001 or any other levy imposed by the Federal Government which has been remitted under any special or general concessionary notification on imported or exported goods for the time being in force.

**309. Powers and functions of IOCO.**— (1) For the purposes of this Sub-Chapter, the Board shall establish a Directorate General of IOCO which shall be headed by an officer of Customs not below in rank than a Director General.

(2) The Board shall ensure that the Director General is assisted by the Director(HQ), Director (North), Director (Central) Director (South), Additional Directors, Deputy or Assistant Directors and as many officers of customs including Sector Specialists who in the opinion of the Director General may, from time to time, be required for the purposes of this sub-chapter.

(3) The Director General and other officers including the Sector Specialists shall all be officers of customs in terms of section 3 of the Act.

(4) All officers including the Sector Specialists appointed or holding a post in the Directorate General of IOCO shall exercise the powers and discharge duties conferred or imposed under the Act throughout Pakistan and in such other areas where the Act has been applied.

(5) The head office of the Directorate General of IOCO shall be located at Karachi, or at any other place recommended by the Board and it shall have, as many regional offices at other places in Pakistan as in the opinion of the Board may, from time to time, be necessary for the purposes of this sub-chapter.

(6) The officers including the Sector Specialists, subject to such limitations, conditions or restrictions specified in this sub-chapter, shall be authorized to take all such steps or actions as may be necessary for achieving the purposes of the rules under this sub chapter and which shall amongst other include surveys of the manufacturing premises of any manufacturer, inspection, examination and audit of the commercial records or other documents and conduct any other verification check whatsoever as the officer or Sector Specialist may deem fit.

(7) The Sector Specialist shall be an appropriate officer for requisitioning in writing information or documents, in terms of section 26 of the Act, for the purposes of the rules under this sub –chapter but subject to the limitation and conditions on the exercise of such powers and discharge of such duties as specified in the rules.



(8) The applications or any other document whatsoever made or signed or caused to be made or caused to be signed or delivered or caused to be delivered to any officer of the Directorate General of IOCO including the Sector Specialist shall be a declaration and document in terms of section 32 of the Act. Where any such document relates to an Association, the liability of the office bearers thereof shall be joint and several for the purposes of section 32 of the Act. Furthermore, any statement made in answer to any question put to the person giving the statement, shall be a statement in terms of section 32 of the Act.

(9) If any person in connection with any matter under the rules under this sub-chapter without any reasonable excuses fails to comply with any requisition made under the Act or to furnish any information as required by or under this sub-chapter to be furnished shall be liable to the penalty prescribed under the Act.

(10) If at any stage the Sector Specialist or any other officer of the Directorate General of IOCO is satisfied that a survey or audit of any manufacturing premises or any other business premises is required to be conducted for the purposes of or in connection with any matter under this sub-chapter, he shall inform the Director and after his written approval proceed to conduct the survey or audit. The manufacturer or producer selected for this purpose shall be notified in this regard who shall allow free access to the records relating to the manufacturing process or any such record as in the opinion of the person conducting the survey or audit is essential for the purposes of or in connection with the rules under this sub-chapter.

**310. Standard rate for purposes of Standard Notification.–** (1) In cases falling under sub-clause (i) of clause (a) of rule 308, the concerned Association shall apply to the Director General through an application in the form as set out in Schedule for the purposes of this sub-chapter.

(2) The Director may call for any further information or make any addition to the particulars of an application as he may deem fit.

(3) At the time of submitting an application, the Association shall specify the complete calculations in accordance with the method of calculation as the Board may notify separately and shall also furnish therewith the worksheets. However, when the new product is of such a nature that in respect of it the agreed method of calculation is not applicable, the Association shall declare the details of the method of calculations on which the working is based. All applications made under this sub-rule shall be accompanied by separate work-sheets in case of the individual manufacturers or producers selected by the Association as the representative manufactures or producers for the purposes of the rules under this sub-chapter. The manufacturers or producers or their duly authorized representatives shall duly sign all such individual work sheets.

(4) The Director shall, immediately on receipt of an application, send the same to the concerned Sector Specialist.

(5) If the Sector Specialist, after making such inquiry as he thinks fit, is satisfied with the method of calculation and other particulars contained in an application, he shall accordingly inform the Director within fifteen days from the date of submission of the application.

(6) The Director after receiving report of the Sector Specialist, if satisfied with the findings mentioned therein shall inform the Association, in writing, specifying therein the proposed rates of repayment or drawback of customs duties, the input materials and the date fixed for meeting so as to afford an opportunity of hearing.

(7) In case, the Association has no objection regarding the determination of the input materials, the calculation of input to output ratio, and the proposed rates of drawback or repayment of customs duties, the Director shall, within fifteen days from the date fixed for the meeting, send recommendations while providing supporting input output data for the rates so fixed to Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

(8) In case the Sector Specialist, after receiving an application in the manner described in sub-rule (4) where the method of calculation is not agreed and in consequence makes such inquiry as he thinks fit, is not satisfied with the method of calculation, proposed by the Association, he shall inform the Director in writing recording his reasons with regard thereto.

(9) On receiving the report of the Sector Specialist, the Director shall fix a date for a meeting and inform the Association in writing communicating therein the reasons recorded by the Sector Specialist.

(10) After hearing the Association on the day fixed for the meeting, the Director in consultation with the Sector Specialists shall decide the method of calculation where after, in accordance with the procedure provided in sub rule (7), the Director shall proceed to determine the input materials and send recommendations while providing supporting input output data for the rates so fixed to Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

**311. Specific rate in case of individual Notification for repayment or drawback of custom duties.**— (1) In case a product is not included in a Standard Notification under Rule 310 and in respect of which it is not practicable for the purposes of this sub-chapter to determine the input raw materials and fix the rates relating thereto by a Standard Notification, the Directorate General of IOCO on an application made by an individual manufacturer in this behalf, may determine the rates for issuance of an individual notification relating to such an individual manufacturer who shall apply to the Director General through an application in the form as set out in Schedule for the purposes of this sub-

chapter. The application of such an individual manufacturer or producer shall be dealt with and processed in the manner as provided in sub rules (4) to (10) of rule 310 except that wherever the word "Association" appears therein, it shall be read as "individual applicant":

Provided that at any time if the Director is of opinion that there has been a change in the circumstances which requires a standard rate to be fixed, he shall inform the respective Association, if any, and all the concerned individual manufactures or producers, and thereafter may determine, in the manner provided in rule 310, the standard rate and send recommendations while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

(2) Notwithstanding anything contained in this sub-chapter, if at any time, in the opinion of any individual manufacturer or producer, the standard rates fixed under this sub-chapter are to his disadvantage or adversely affect him, to the extent of twenty per cent or more, such a manufacturer or producer may apply for the determination of input materials and fixation of rates to this extent. The application of such an individual manufacturer or producer shall be dealt with and processed in the manner as provided in sub-rules (4) to (10) of rule 310, except that wherever the word "Association " appears therein, it shall be read as "individual applicant".

**312. Revision of rates of repayment or drawback of customs duties.**— (1) For the revision of rates, in case of all products specified in sub-clause (a) of clause (i) of rule 308 notified, by the Board prior to the date of commencement of these rules, the Director shall inform the respective Association of the method of calculation adopted for determining the custom duty repayment or drawback rates for their comments and active participation before finalization of the process:

Provided that in case any Association which in the opinion of the Director was required to have been consulted and which was not so consulted regarding the method of calculation, he shall after the date of commencement of these rules, as soon as may be possible, consult such Association in this regard;

Provided further that if the respective Association does not co-operate in providing timely and verifiable data or information, the Director may, in consultation with the Sector Specialists, decide the method of calculation and proceed to determine the input materials and recommend the revision of the rates of repayment or drawback of customs duties thereon and send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

(2) The Directorate General of IOCO shall generally review all the rates notified under this sub-chapter in the last month of each calendar year and complete the exercise by the thirtieth day of January in the

following year. It shall be the responsibility of all Associations and individuals, as the case may be, for whom duty repayment or drawback notifications have been issued to supply, by the thirtieth day of November every year to the Director, details of any change to the input output worksheets on which the current rate are calculated, in particular, changes in material used, their quantities and values. In case no change has occurred in such data, the Association or individual, as the case may be, shall inform the Director that no change has occurred in the work sheet particulars. The Director shall on the basis of the method of calculation decided under sub-rule (1) or as otherwise notified under this sub-chapter, from time to time, review the rates so notified:

Provided that if at any time the Director has reasons to believe that there has been a material change affecting the notified rates to the extent of fifteen percent or more whether upwards or downwards, he shall immediately communicate the reasons thereof to the concerned Association or the individual manufacturer or producer, as the case may be and, after affording a reasonable opportunity of hearing, send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette:

Provided further that if at any time it comes to the notice, in case of Standard Notification, of the Association or any of its member, and, in case of an Individual Notification, to an individual manufacturer or producer, that any change has taken place in any factor whatsoever which affects the notified rates to the extent of fifteen percent or more, whether upwards or downwards, the Association, member or the individual manufacturer or producer, as the case may be shall immediately inform the Director in this regard. The failure to inform in this regard shall be treated as a violation of these rules:

Provided also that, if at any time, the Director has reasons to believe that the notified method of calculation has become inapplicable or invalid on account of a material change in any factor having an effect thereon, he shall communicate the reasons to the Association. After affording the Association an opportunity of hearing, the Director shall review the existing rates based thereon.

(3) In consequence of the review, if the Sector Specialist is of the opinion that the rates require revision, he shall, after recording the reasons in writing, inform the Director.

(4) The Director, if satisfied with the findings of the Sector Specialist, shall inform the association or the individual manufacturer or producer, as the case may be, in writing regarding the reasons for the proposed revision and specify a date for the purposes of affording a hearing.

(5) The Director shall, within fifteen days from the date fixed for the meeting, decide the revised rates and record the reasons in writing

which shall be duly communicated to the Association or the individual manufacturers or producer, as the case may be. The Director shall then send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

(6) Notwithstanding anything contained in this sub-chapter, the Association or the individual manufacturer or producer, as the case be for reasons to be specified, may apply to the Director for the revision of the existing notified rates. All such applications shall be dealt with in accordance with the procedure laid down in sub-rules (1) to (4).

**313. Miscellaneous provisions regarding determination of rates of repayment or drawback of Customs duties.**— (1) All applications for the purpose of this sub-chapter in respect of the determination of standard rates of repayment or drawback of custom duties shall be entertained through the respective Associations. However, in case there are more than one association claiming to represent the manufacturers or producers of any goods of a class or description, the Director shall decide either to consult any or all such Associations. If the Director decides not to entertain or consult a particular Association, he shall record the reasons thereof in writing. Furthermore, the Director may also consult any of the Associations of CC&I or the FPCCI in this regard.

(2) If any person or an Association having an interest in a Standard Notification, or an individual manufacturer in case of an Individual Notification, is aggrieved by any calculation or worksheet prepared by any office of the Directorate General of IOCO, it may apply to the Director General or the Board specifying the grounds thereof. The Board or the Director General may ask the Director for consideration of relevant calculations and/or worksheets, as deemed appropriate.

(3) The Directorate General of IOCO may consult the manufacturing Associations of locally produced input materials used in products meant for export.

**313A. Determination of Input to Output ratios and wastage.**— (1) In cases, specified in sub-clauses (ii) and (iv) of clause (a) of rule 308, the regulatory authority specified in the concessionary notification or any other agency, as the case may be, shall make a reference to the concerned Director, Directorate General of IOCO, giving therein complete details of the raw materials, quantities, name of applicant, his address and other particulars including the input to output ratio declared by the individual manufacturer or producer submitted at the time of application.

(2) The Director may call for any further information or make any addition to the particulars of an application as he may deem fit.

(3) The Director shall, immediately on receipt of a reference, send the same to the concerned Sector Specialist. If the Sector Specialist, after making such inquiry as he thinks fit and consulting the records of the

Directorate General of IOCO, is satisfied with the input to output ratios and wastages of the product as declared by the applicant, he shall accordingly inform the Director within fifteen days from the date of receipt of the reference.

(4) In case, the sector specialist after receiving the reference in the manner described in sub-rule (3) above, finds that the input to output ratios and wastages are not according to industry averages or ratios of similar/identical products determined by the Directorate General of IOCO previously, he shall proceed to determine the same. He will submit his findings in a comprehensive report to the Director within thirty days from the date of receipt of reference.

(5) The Director after receiving report of the Sector Specialist, if satisfied with the findings mentioned therein, shall inform the referring authority in writing, specifying therein the input output ratios and wastages determined by the Directorate General of IOCO. The Director, after receiving report of the Sector Specialist, if satisfied with the findings mentioned therein, shall inform the referring authority in writing, specifying therein the input output ratios and wastages determined by the Directorate General of IOCO.

**313B. Determination of quantitative entitlement of raw material.**— (1) In cases, specified in sub-clause (iii) of clause (a) of rule 308, the concerned manufacturer or producer, who intends to avail benefit of relevant concessionary notification, shall apply to the concerned Director IOCO.

(2) The Director may call for any further information or make any addition to the particulars of an application as he may deem fit.

(3) The Director shall, immediately on receipt of an application, send the same to the concerned Sector Specialist. In case of an Applicant who has already availed quantitative entitlement of raw materials in the previous year, the sector specialist will conduct a desk audit of the records of the applicant and ensure that the quota was properly consumed as per input to output ratios ascertained by the Directorate General of IOCO or EDB, as the case may be. If he finds that the performance of the unit has been satisfactory and all the raw materials have been consumed according to the conditions of the notification, he will submit his report to the Director within thirty days from the date of receipt of the application.

(4) In case, the applicant is applying for quantitative entitlement for the first time, the Sector Specialist will issue a survey date to the applicant for verification of in-house manufacturing facility and provision of information related to installed machinery, production capacity, financial accounts, other details, etc, as may be required to ascertain the eligibility of the applicant for the duty or tax concession. The sector specialist will submit his report to the Director within thirty days from the date of receipt of the application.

(5) The Director, if satisfied with the findings of the Sector Specialist, will issue quantitative entitlement certificate for the next financial years. The Director may also allow issuance of provisional quantitative entitlement certificate pending the completion of all formalities or pending any inquiry or verification related to the facts and circumstances of the case.

**Schedule**  
**[see rules 310(1) and 311(1)]**

**A. Application for a standard repayment or drawback rate by trade association:**

1. Application shall be made on the respective Association's headed paper to the Directorate General of IOCO. The application shall contain the following information, namely:
  - (a) Names and addresses of the four or more manufacturers selected by the Association.
  - (b) Description of the export product for which application for a repayment or drawback rate is made and for which the four manufacturers have provided input material quantities per unit of calculation, e.g. one hundred square meters of cloth.
  - (c) Quantity of the product for which repayment or drawback is applied for – exported by each manufacturer over the last six months.
2. In respect of each of the four manufacturers named above, the association should provide the following particulars, namely:
  - (a) Information solely provided by each manufacturer:
    - (i) Description of the raw materials used;
    - (ii) Quantity of inputs used in the manufacture of the finished product;
    - (iii) FOB value of the product exported (average of the last six months).
  - (b) Information added by association.
    - (i) Currency rate (interbank at the time of making calculation);
    - (ii) CIF value in Rupees;
    - (iii) HS code of the product;
    - (iv) Custom-duty rate;
    - (v) Custom duty amount of each ingredient and total;
    - (vi) Calculation of the repayment or drawback rate applied for alongwith worksheets based on the notified method of calculations. If notified method is inapplicable, provide details of calculations with worksheet and method applied.

**B. Application for a specific repayment or drawback rate by an individual manufacturer:**

Application by an individual manufacturer should provide the same details as for application for standard rates as set out above, but in respect only of the individual manufacturer. This should be accompanied by a brief

description of the manufacturing process and the method of calculation applied. Worksheets showing how the rate of repayment or drawback of customs-duties has been calculated must also be supplied.”;

(25) in rule 317, for the words “of fourteen per cent per annum”, the words “specified in sub-section (2) of section 21A of the Act” shall be substituted;

(26) in rule 346,-

(i) the expression “and the licensee has duly submitted a revalidated insurance policy for a further period of three years,” shall be omitted; and

(ii) for the figure “344” the figure “343” shall be substituted;

(27) in rule 351, for sub-rule (2), the following shall be substituted, namely:—

“(2) The Collector or the officer authorized by him, in his behalf, shall, after getting input from the Input Output Coefficient Organization (IOCO) or Engineering Development Board (EDB), or any other agency, in this regard, issue an Analysis Certificate within thirty days on receipt of such application, showing the actual quantity of input goods used and wastage occurred in manufacture of one unit of output goods.”;

(28) in rule 355,-

(i) in sub-rule (2), in the proviso, for the words “Form 'S' issued by the Board”, the words “Input-Output Ratio determined by IOCO” shall be substituted; and

(ii) in sub-rule (7), for the words “bill of entry” the words “Goods Declaration” shall be substituted;

(29) in rule 359, for the words “bill of entry” the words “Goods Declaration” shall be substituted;

(30) in rule 360, for the words “bill of entry” the words “Goods Declaration” shall be substituted;

(31) in rule 364, after the word “Islamabad”, the comma and word “, Rawalpindi” shall be inserted;

(32) in rule 379, in clause (a), the words “or a Collectorate of Customs, Sales Tax and Central Excise or a Collectorate of Customs and Central Excise” shall be omitted;

(33) in rule 380, before the word “Chartered”, the words and comma “District and Sessions Judge and retired Judges of High Court,” shall be inserted;

(34) the rule 386 shall be omitted;



(35) in rule 484-D, in sub-rule (1), for clause (c), the following shall be substituted; namely:-

“(c) Upon confirmation by the CBVO or online acknowledgement of T-1 in the system by Afghan Customs, the system shall mark the AT GD to the Security Officer at the Office of Departure, who shall view and verify the documents, enter the particulars in the system and release the security.”;

(36) in rule 484-E, in sub-rule (7), in the proviso, after the word “authorities”, the words “or NLC authorities” shall be inserted;

(37) in rule 484-H, in sub-rule (4), for the word “Collector”, the word “Director” shall be substituted;

(38) after Chapter XXIX, the following new chapter shall be added, namely:-

### **“CHAPTER-XXX**

#### **APPEALS AND ALLIED MATTERS**

**717. Definitions.-** (1) In this chapter, unless there is anything repugnant in the subject or context.-

- (a) “authorized representative” means a person, duly authorized by the appellant to appear, plead and act before the Collector of Customs (Appeals);
- (b) “Collector of Customs (Appeals)” means an officer appointed under clause (aa) of section 3 of the Customs Act, 1969 (IV of 1969);
- (c) “Appendix” means an Appendix to this chapter; and
- (d) “Schedule” means a Schedule to this chapter.

(2) All other expressions used and not defined in these rules shall have the same meaning as has been assigned to them.

**718. Prescribed form of appeal to the Collector of Customs (Appeals).-** An appeal under section 193 shall be filed as memorandum of appeal on the format as set out in Appendix-I and verified in the manner indicated therein.

**719. Date of presentation and filing of Appeals.-** (1) Any officer authorized by the Collector of Customs (Appeals) in this behalf shall endorse on front page of every memorandum of appeal the date on which it is presented or deemed to have been presented under sub-rule (2), sign the endorsement and thereafter the endorsed appeal memo shall be entered in a register as provided under rule 732.

(2) A memorandum of appeal sent by registered post or courier under sub-rule (1) shall be deemed to have been presented to officer authorized by the Collector of Customs (Appeals) on the day on which it was received in the office of the Collector of Customs (Appeals).

**720. Documents to accompany appeal.-** (1) Every memorandum of appeal shall be accompanied with the following documents along with checklist specifying the documents attached with the memorandum in duplicate, one of which shall be a certified copy, namely:-

**Documents/Check List**

- (a) the order-in-original or assessment order under section 80, etc.,  
    appealed against;
- (b) proof of payment of appeal fee;
- (c) a certificate showing the date of service of the impugned order-in-  
    original or duty assessment order to the appellant;
- (d) a certificate showing the date of communication of the memorandum  
    of appeal and grounds of appeal to the respondent department;
- (e) Affidavit duly signed by the appellant; and
- (f) Stay application if any.

(2) The appellant shall annex an index on face of memorandum of appeal, showing the documents filed under this rule along with paging in paper book form in duplicate.

**721. Intimation of filing of appeal to the respondent.-** The appellant shall before filing of appeal send a copy of the memorandum of appeal and grounds of appeal to the respondent and a certificate to this effect shall be appended with the appeal. The Collector of Customs (Appeals) office shall also forward a copy of appeal to the respondent for submission of comments.

**722. Filing of affidavit.-** Where a fact, which cannot be borne out by or is contrary to the record, is alleged, it shall be stated clearly and concisely by a duly sworn affidavit and shall have to be filed with the memorandum of appeal.

**723. Defective appeals, etc.-** (1) Where a memorandum of appeal is not filed in the manner specified in these rules, the official authorized under rule 719 may require the appellant or his authorized representative, if any, to bring the memorandum of appeal in conformity with the provisions of these rules within such time, not exceeding three working days, as he may specify.

(2) Where the appellant or his authorized representative does not meet the requirement under sub-rule (1), the authorized officer shall place the matter before the Collector of Customs (Appeals) for appropriate orders.

**724. Appellant to give reasons for delay.-** (1) Upon the presentation of memorandum of appeal, the officer authorized under rule 719, shall examine the copy of the order appealed against and shall calculate whether after allowing time given in section 193 of the Act, the memorandum of appeal has been presented within time or not.

(2) If the memorandum of appeal is presented after the limitation period, as prescribed under section 193 of the Act, a note to this effect shall be recorded by the officer authorized in this behalf under rule 719.

(3) Where the appellant has not tendered, with memorandum of appeal, any explanation in writing setting out the reasons for delay, the Collector of Customs (Appeals) may allow the appellant to submit an explanation in writing and upon sufficient cause having been shown, may admit appeal for hearing.

**725. Power of attorney etc., by authorized representative.-** Where an authorized representative has been appointed or declared, such representative shall annex with the memorandum the document showing his authority and his acceptance thereof, which shall be signed and dated by the representative and shall also specify his capacity in which he is acting as such.

**726. Procedure for filing and disposal of stay application.-** (1) On receipt of application for grant of stay against the implementation of order appealed, the official authorized in this behalf shall fix the application for hearing in the following manner, namely:-

- (a) for applications received before 01:00 PM on a working day, hearing shall be fixed on the next working day; and
- (b) for applications received after 01:00 PM on a working day, hearing shall be fixed on the day after the next working day.

(2) Stay applications shall be disposed by the Collector of Customs (Appeals) within seven working days of fixation.

**727. Date and place of hearing of appeal.-** (1) The Collector of Customs (Appeals) shall issue and properly serve notices on both the parties to the appeal informing them about the date and place of hearing of appeal.

(2) The Collector of Customs (Appeals) may, where deemed necessary, require the respondent to submit para-wise comments in response to the appellant's written submissions, if any, on or before the due date of hearing.

**728. Hearing of appeal.-** On the day fixed for hearing or any other day to which the hearing is adjourned the appellant shall be heard and the Collector of Customs (Appeals) shall then hear the respondent against the appeal and in that case the appellant shall have a right to reply.

**729.** The provisions of rule 718, 719, 720, 727 and 728 for filing and hearing of appeals shall apply to applications of stay in the same manner.

**730. Notice to be issued to both parties under third proviso to sub-section (3) of section 193A.-** The Collector of Customs (Appeals) shall issue notices to both parties within the time-limit specified in section 32 of the Act, for providing them a reasonable opportunity to present their stance in case he is of the opinion that any duty has not been levied or has been short levied or erroneously refunded.

**731. Order to be signed, dated and communicated.-** (1) The order of the Collector of Customs (Appeals) shall be in writing and shall be signed by him.

(2) The Collector of Customs (Appeals) shall cause its order to be communicated to appellant, respondent and adjudicating authority.

**732. Maintenance and preservation of registers.-** (1) The registers for maintenance of record on the formats prescribed in Appendix-II shall be maintained.

(2) The registers of the Collector of Customs (Appeals) specified in sub-rule (1) shall be preserved for ever.

**733. Reports.-** (1) The Collector of Customs (Appeals) shall submit monthly performance report (MPR) to the Federal Board of Revenue on the format given at Appendix-III by the 5<sup>th</sup> day of each month.

(2) The Collector of Customs (Appeals) shall submit the stay application's disposal report to the Federal Board of Revenue on the format prescribed in Appendix-IV by the 5<sup>th</sup> day and 20<sup>th</sup> day of each month.

**734. Arrangement and preservation of record.-** (1) The record of appeals and other applications shall consist of two parts, namely 'Part-A' and 'Part-B'.

(2) The documents specified in the Schedule shall form "Part-A" of the record unless otherwise directed by the Board and all other documents shall form "Part-B" of the record.

Explanation.- The expression "documents" used in this rule includes all forms of electronic record.

(3) The documents forming part of appeals and other applications specified in this rule shall be preserved for a period specified below, which shall be reckoned from the date of final order, namely:-

- (a) documents to be preserved permanently, are-
  - (i) Part "A" of the appeals and applications; and
  - (ii) judgments of High Courts, Supreme Court;
- (b) documents to be preserved for twelve years, are Part "B" of the appeals record and any other documents as directed by the Board; and
- (c) destruction of record, after the prescribed period as provided in clause (b), shall be in the manner as directed by the Board.

**735. Manner of destruction of record.-** (1) After expiry of the period of preservation specified in rule 734, the record of the appeals and other applications shall be destroyed in supervision of Collector of Customs (Appeals).

(2) All court fee stamps, affixed to documents which are to be destroyed, shall be removed there from and burnt.

(3) The record shall be destroyed by tearing, shredding or otherwise so that no document may be used again.

(4) After destruction of the record, the Collector of Customs (Appeals) under whose supervision the record was destroyed shall certify that the destruction has been rendered and such record is of no use.

(5) The fact of destruction of appeals and other applications shall be recorded under signatures of the Collector of Customs (Appeals) immediately after their destruction in the register in which such appeals and applications are entered and also in the index prefixed to the record.

**736. Seal of the Collector of Customs (Appeals).**- (1) There shall be a seal of the Collector of Customs (Appeals) on which shall be inscribed his name insignia, designation and jurisdiction.

(2) The seal shall remain in custody of the officer as the Collector of Customs (Appeals) may direct and shall be affixed on each order passed by the Collector of Customs (Appeals).

**737.** The procedure and record prescribed under these rules shall be computerized on availability of resources.

**SCHEDULE  
Part-A**

- (a) Folder containing the particulars of appeals, applications and brief abstract of the impugned Order-in-Original/ Appellate order of the Collector;
- (b) order sheet or chronological abstract of orders and Note sheet;
- (c) original copy of memorandum of appeal;
- (d) original copies of grounds of Appeal;
- (e) affidavits;
- (f) judgment or any other final order against which appeal is preferred; and
- (g) Judgments and orders of High Courts and Supreme Court.

**Appendix-I**  
[see rule 718]

FORM OF APPEAL

APPEAL NO. \_\_\_\_\_  
APPEAL DATE \_\_\_\_\_  
(For office use only)

To  
THE COLLECTOR OF CUSTOMS  
(APPEALS) \_\_\_\_\_

1. Amount of appeal fee paid	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>											2. Date of payment of Appeal fee	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>										

3. Amount of duty and other taxes demand based on Order in original/Assessment order/etc._____											
4. Value of offending goods as in seizure report/contravention report:_____											
5. Goods Declaration No. & date (if applicable) _____											
6. National Tax Number of Appellant				-		-					
or CNIC of Applicant											
7. Jurisdiction _____											
8. Name of Appellant											
9. Address of Appellant											
10. Name of Authorized Representative (if any)											
11. CNIC of Authorized Representative:_____											
12. Address to which the Notice may be sent											
13. Name of the officer (who passed the order)											
14. Designation of officer who passed the order in original_____											
15. Code											
16. Duty/Taxes Declared					Assessed						
Signature of the official who received the appeal											
Name _____											
(in capital letter)											
Designation _____											

17. DUTY ASSESSED

(a) Customs duty										Indicate the section and sub-section of the Customs Act, 1969 under which appeal filed.
(b) Sales Tax										
(c) Other Taxes										
(d) Penalty/Redemption fine										
(e) Total										
(f) Undisputed liability. This shall not be less than the duty due on the basis of Order-in-Original/ duty assessment order.										
(g) Total Demand										

- N.B. (i) The appeal should be filed in duplicate and should be accompanied with
- a) the Order-in-Original/ duty assessment order appealed against;
  - b) proof of payment of appeal fee;
  - c) a certificate showing the date of service of impugned Order-in-Original/ duty assessment order to the appellant; and
  - d) a certificate showing the date of communication of the memorandum of appeal and grounds of appeal to the respondent department alongwith evidence of service.

18. **BRIEF HISTORY AND FACTS OF THE CASE**

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19. **GROUND OF APPEAL**  
(Attach separate sheets, if required)

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

20. **BRIEF CLAIM IN APPEAL/ PRAYER**

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21.

VERIFICATION

(a) I, \_\_\_\_\_ S/o \_\_\_\_\_ the proprietor/partner/managing director/member of M/s. \_\_\_\_\_ the appellant, do hereby declare that whatever is stated above is true to the best of my knowledge and belief.

(b) I am competent to file the appeal in my capacity as \_\_\_\_\_.

(c) I further certify that a true copy of this form of appeal has been sent by Registered Post/ AD/ Courier service, or delivered personally to the concerned Office of the Collector of Customs \_\_\_\_\_ on \_\_\_\_\_ (date).

Evidence of service by any of the following modes attached:-

(Please tick the relevant box)

- i) Receipt of registered post
- ii) Receipt of courier service
- iii) Receipt of personal service

Signature of Appellant \_\_\_\_\_

Name (in capital letters) \_\_\_\_\_

CNIC Number of person signing the appeal \_\_\_\_\_

The form of appeal and verification form appended thereto shall be signed:-

(a) in case of an individual by the individual himself

(b) in case of a company by the principal officer.

(c) In case of AOP by member/partner.-

This portion is for official use

Appeal received by transfer  
From Collectorate of Customs Appeal

Date appeal received  
by transfer

In ward register No.

\_\_\_\_\_

\_\_\_\_\_

Appeal transferred to  
No.

Date of appeal

Outward register

Jurisdiction

transferred out \_\_\_\_\_

UDC/LDC/ Officer of Appeal Section \_\_\_\_\_ Collector (Appeal)

\_\_\_\_\_  
(Initial)

\_\_\_\_\_  
(Initial)

**APPEAL ACKNOWLEDGEMENT RECEIPT**

Collector of Customs (Appeals) \_\_\_\_\_

City \_\_\_\_\_

\_\_\_\_\_

Appeal No.



National Tax  
No/CNIC.


\_\_\_\_\_

Appellant's Name \_\_\_\_\_

Signature of Appellant

Date of receipt of  
Appeal

Signature, and name of receiving  
Official  
Designation \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Appendix-II**  
[see sub-rule (1) of rule 732]

**FORMAT OF REGISTERS**  
**APPEAL REGISTER**

S #	Appeal No.	Date of institution of Appeal	Name / address of Appellant	NTN / CNIC	Field formation	Revenue involved	Date of Order-in-Appeal	Status (extended/confirmed/modified/annulled/ other)
1	2	3	4	5	6	7	8	9

**STAY APPLICATION REGISTER**

S.#	Appeal No.	Date of institution of Appeal	Name/ Address of Appellant	Date of receipt of stay application	Field formation	Revenue involved	Stay granted for number of days/not granted	Date of order
1	2	3	4	5	6	7	8	9

**EARLY HEARING REGISTER**

S.#	Appeal No.	Date of institution of Appeal	Name, / Address of Appellant	Request date for early hearing	Request made by (Appellant/ Respondent)	Field formation	Revenue involved	Date of Appellate order
1	2	3	4	5	6	8	9	10

COMPLIANCE REGISTER OF COURT DIRECTIONS/ORDERS

S.#	Appeal No	Title	Date of Receipt of Court Order	Direction/ Order of the Court	Last Date for Disposal	Date of Appellate order
1	2	3	5	6		8

**Appendix-III**  
[see sub-rule (1) of rule 733]

**MPR (APPEALS) FOR THE MONTH OF \_\_\_\_\_ 201 /**  
**(COLLECTOR OF CUSTOMS (APPEALS))**

**Particulars of reporting officer:**

Code:	Name of Collector	Telephone / Mobile No.	E-mail Address	City

**Appeals for Disposal**

Opening Balance	Transfer			Fresh Filling	Available for Disposal	Revenue involved (M)
	In	Out	Net			

Disposal		Revenue Involved		Balance Pendency		Revenue Involved (M)	
During the month	Upto the Month	During the month (M)	Upto the Month (M)	During the month	Upto the Month	During the month (M)	Upto the Month (M)

Withdrawal		Revenue (Million)		Stay of Proceedings as per ADRC		Revenue (M)	
During the month	Up to the month	During the month	Up to the month	During the month	Up to the month	During the month	Up to the month

**Aging Composition**

Upto 4 Months Old		4 to 6 Months Old		7 to 12 Months Old		More than year Old	
No. of Cases	Revenue Involved (M)	No. of Cases	Revenue Involved (M)	No. of Cases	Revenue Involved (M)	No. of Cases	Revenue Involved (M)

**Analysis of Appeals decided.**

	No. of Appeals	Extended	Confirmed	Modified	Annulled	Others	Total
For the Month							
Up to the Month							

**Disposal of Stay Applications**

Opening Balance of Stay Applications	New stay application filed in the month	No. of applications decided during month	Stay application pending for more than 10 days	Closing balance (end of month)

**Disposal of cases on directions of Superior Courts.**

Opening balance of cases remanded by Superior Courts	New cases referred / remanded during the month	Cases decided during the month	Closing Balance

**Appendix-IV**  
[see sub-rule (2) of rule 733]

**STAY APPLICATIONS DISPOSAL REPORT  
FOR THE MONTH OF \_\_\_\_\_, 201**

S.#	Appeal No.	Name of Taxpayer	NTN/ CNIC	Date of Receipt of Application	Date of Fixation	Date of Disposal
1	2	3	4	5	6	7".

[C. No.2(3)/L&P/2018]

**(Muhammad Nayyer Shafiq)**  
Secretary (Law & Procedure)