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GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

Islamabad, the 5th December, 2019.

**NOTIFICATION
(Customs)**

S.R.O. 1538(I)/2019.- The following draft of certain other 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 information of all persons likely to be affected thereby and, as required under sub-section (3A) of section 219 of the Customs Act, 1969 (IV of 1969), notice is hereby given that objections or suggestions thereon, if any, may for consideration of the Board be sent within fifteen days of publication of the draft amendments in the official Gazette. Any objections or suggestions which may be received from any person, before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue, namely:-

DRAFT AMENDMENTS

In the aforesaid Rules, in Chapter XXI, after Sub-Chapter VIII, the following new Sub-Chapter shall be inserted, namely:-

**“Sub-Chapter VIII-A
International Transshipment**

510A. Transshipment of imported cargo from gateway port to a foreign port.- The following procedure is prescribed for the movement of the International Transshipment (IT) cargo through any sea port in Pakistan, which shall be distinctly manifested as such in the IGM/carrier declaration uploaded electronically in the Customs Computerized System by the shipping line or its agent. Such manifest shall necessarily include the following information, namely:-

- (a) port of loading;
- (b) via port (name of the transshipment port of Pakistan);
- (c) port of destination (final port of discharge at foreign destination);


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- (d) bill of lading (B/L) No;
 - (e) name of foreign exporter; and
 - (f) name of foreign importer.

510B. Transshipment of containerized cargo.- The unloading of IT containers of the transshipment of containerized cargo shall be,-

- (a) mode in presence of Preventive Officer and after unloading, IT containers shall be stored separately at a place earmarked for them in the notified premises of a seaport;
 - (b) the Preventive Officer shall examine the shipper seals of the IT containers and in case of any broken seal, such container shall be examined and immediately resealed with the Customs seal in the presence of the custodian and same shall be recorded;
 - (c) the cargo so unloaded from one vessel for storage for subsequent loading at another vessel shall not be allowed under any circumstances to be taken out of the bonded-area. The terminal operator shall be responsible for safe storage and security of the goods. In case of any pilferage, shortage, theft or damage to goods, TO shall be liable to make payment of duty and taxes leviable thereon and compensate the owner of goods;
 - (d) for loading of stored international destined cargo, master of the vessel or his authorized agent, or Non-Vessel Operating Common Carrier (NVOCC) shall electronically file an online declaration in Pakistan Customs Computerized System for International Transshipment (IT) against respective VIR/IGM and index to be loaded on a vessel for transportation to an international destination;
 - (e) this online declaration shall indicate complete details of the consignment and shall be filed with invoice, packing list, Bill of Lading and any other required document;
 - (f) no goods for international transshipment shall be loaded on a vessel until the system has allowed loading electronically. The computerized system may on the basis of RMS assign such online declarations to the assessing officers for documentary and physical inspection;
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- (g) International transshipment of cargo shall be effected within thirty days of inward berthing of vessel;
 - (h) if there is a reason to believe that the goods in violation of any prohibition or restriction have been brought for international transshipment, the same shall be examined and auctioned after the approval of the Collector of Customs; and
 - (i) after online allow of loading, goods shall be allowed to be loaded on to the ship under the Customs supervision. The Preventive Officer supervising the loading shall acknowledge the loading of such cargo. This record shall be reconciled with the copy of Export General Manifest.

510C. Transshipment of oversized, bulk and break-bulk cargo.- (1) Oversized, bulk and break-bulk cargo shall be examined by the Customs upon discharge and examination report along with the pictures of the cargo shall be uploaded in the Customs Computerized system against B/L. Upon filing of online declaration for transshipment, the details of the cargo shall be reconciled with the imported cargo.

 (2) Partial transshipment of bulk or break-bulk cargo shall be allowed against Online Bulk Transshipment Declaration having endorsement "Partial Transshipment" containing details of total cargo arrived, quantity being transhipped and remaining quantity. The shipping line or its representative shall furnish a complete account of bulk or break bulk cargo to the Assistant Collector (Import Section) within twenty four hours of the completion of transshipment. In case of liquid bulk cargo, the same shall be stored in the storage tanks used exclusively for the international transshipment.

510D. Financial guarantee on transshipment goods.- (1) The international transshipment goods shall not be subject to payment of import or export duties and taxes provided the activities are in conformity with these rules.

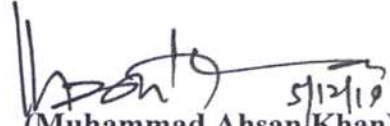
(2) Shipping line intending to use the facility of International Transshipment shall furnish a financial Guarantee for the leviable duty and taxes of the goods as security to ensure exit of goods outside the country within thirty days from the berthing of inward vessel. The financial guarantee shall be forfeited apart from other consequential penal action under the Act and the rules made there under, if the shipping line misuses the facilities of international transshipment;

(3) If a request for transshipment is not filed for the goods stored for transshipment within thirty days of its arrival, a notice shall be sent to the shipping line or its agent on the address given in the shipping documents for transshipment of goods from the port. If goods still remain on the port after sixty days of their arrival, the goods shall then be auctioned and unless the delay is attributable to the port authorities.

510E. Execution of Bond by Shipping Line.- Shipping line shall execute a bond for ensuring to follow Customs rules & regulations and for immediate removal of the goods from port in case the same is required by an officer not below the rank of Collector of Customs. The Collector of Customs, after recording the reason of such direction in writing, shall require the shipping line of immediate removal of transshipment cargo.

510F. Prohibitions and Restrictions.- The facility for International Transshipment shall not be available to cargo containing arms and ammunition, explosives, radioactive materials, goods and technologies relating to Nuclear and Biological Weapons and restricted commodities under the UNSC sanctions.

[C. No.18(3)/L&P/2019]


(Muhammad Ahsan Khan)
Secretary (Law & Procedure)