

GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

Islamabad, the 16th July, 2021.

NOTIFICATION
(CUSTOMS)

S.R.O. 935 (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 798(I)/2021, dated the 22nd June, 2021, namely:-

In the aforesaid Rules,-

- (1) in rule 226, in sub-rule (9), in second proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided also that after expiry of utilization period, the input goods may be put to auction as per customs laws and rules.”;

- (2) after rule 230, the following new rule shall be added, namely:-

“230A. Subcontracting from units of the tariff area.- Manufacturing Units operating in a zone and having in house manufacturing facility but requiring some part of manufacturing process to be done in tariff area shall, subject to the law for the time being in force, be allowed to undertake sub-contracting from the units located in the tariff area with the prior permission of the Collector of Customs on such conditions, restrictions and limitations as may be prescribed by the Collector or as otherwise provided in the Act or the rules made thereunder:

Provided that the manufacturer at the time of applying for sub-contracting shall declare in his application about the process that he intends to get done from a vendor, along-with particulars of the vendor. The vendor shall have a valid sales tax registration being a manufacturer 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 Deputy Collector or Assistant Collector concerned. Two sealed and signed samples of the goods shall be retained

at the time of the movement of the goods for vending and the same shall be handed over on arrival of the goods after the stated work has been carried on the goods.”;

- (3) in rule 234,-
(a) after the figure “230”, the expression “, 230A” shall be inserted;
and
(b) after the words “area or for” the word “sub-contracting” shall be omitted;
- (4) in rule 296, in sub-rule (1), in clause (g), in sub-clause (ii), after the word “tenders”, the words “either to supply locally or to export abroad” shall be inserted;
- (5) in rule 305, for the word “twelve”, the word “eighteen” shall be substituted;
- (6) in rule 342, after clause (d), the following new clause shall be added, namely:-
“(d1) “export” includes supply of goods,-
(i) by an indirect exporter to a direct exporter;
(ii) against international tenders either to supply locally or to export abroad;
(iii) to projects or sectors entitled to import or purchase such goods free of duties and taxes; and
(iv) to export processing zones;”;
- (7) in rule 343, in sub-rule (1), for clause (c), the following shall be substituted, namely:-
“(c) banker’s certificate directly forwarded by the bank to the regulatory authority under sealed envelope regarding financial transactions of the applicant during the last two years while in case of newly incorporated companies bank certificate directly forwarded by the bank to the regulatory authority under sealed envelope along-with the statement showing sufficient funds in the bank account to cover the amount of duty and taxes leviable on the purported imports under these rules;”;
- (8) in rule 351, in sub-rule (2), in first proviso, after the word “certificate”, the words “as applied by the licensee” shall be inserted;
- (9) in rule 356,-
(a) for sub-rule (1), the following shall be substituted, namely:-
“(1) The bond to bond transfer of warehoused goods is allowed on filing of declaration of such transfers by the licensee (seller) and acceptance of the same through declaration by the licensee (buyer) in WeBOC, provided intimation regarding such

WAC

transfers and indemnity bond as per Appendix-VII is also submitted to the Collector or the regulatory authority. The seller along-with buyer shall be responsible to ensure that warehoused goods transferred have ultimately been exported. Security so deposited shall only be released by the Collector after the goods manufactured from transferred goods have been exported:

Provided that in case the transferor (seller) intends to release his own indemnity bond, the same may be approved by the Collectorate once properly executed indemnity bond is submitted by the buyer to assume responsibility for export of goods transferred under this section, which shall remain in possession of customs Collectorate till such goods are exported.”; and

(b) for sub-rule (3), the following shall be substituted, namely;-

“(3) In respect of a manufacturing bond, a licensee (seller) is allowed to sell the warehoused goods to another licensee (buyer) or a licensee under DTRE rules or Notification No.S.R.O. 327(I)/2008, dated 29th March, 2008, on declaration of such transfers in WeBOC and acceptance of the same through declaration in WeBOC by the buyer (licensee), within the validity period of the seller subject to such extension as the Collector may allow from the date of importation or purchase.”; and

(10) in rule 457, after sub-rule (4), for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely;-

“Provided that the duty drawback claims marked by the Risk Management System (RMS) for compliance check to the Collector or designated officer shall be decided by the Collector or designated officer within seven working days on F.I.F.O basis.”.

[C. No.2(5)L&P/2020]


(Wajid Ali)

Secretary (Law & Procedure)