

GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE

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Islamabad, the 5<sup>th</sup> July, 2021

NOTIFICATION  
(Customs)

S.R.O. 872 (I)/2021.- The following draft of certain further amendments in the Customs Rules, 2001, which the Federal Board of Revenue proposes to make 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. Objections or suggestions received from any person, before the expiry of the aforesaid period, shall be taken into consideration by the Federal Board of Revenue, namely:-

DRAFT AMENDMENTS

In the aforesaid Rules, in Chapter XV,-

(1) in rule 342,-

(a) after clause (j), the following new clause shall be inserted, namely:-

“(ja) POL products includes petroleum, LNG, oil and lubricant products;”;

(b) in clause (n), after semicolon, the word “and” shall be omitted and thereafter for clause (o), the following shall be substituted, namely:-

“(o) "warehouse" means a common bonded warehouse, a manufacturing bond, a private bonded warehouse or a public bonded warehouse, a floating barge for warehousing and transportation of POL products, licensed by the Collector or the Regulatory Authority designated by the Collector, as the case may be; and”;

(c) after clause (o), amended as aforesaid, the following new clause (p), shall be inserted, namely:-

“(p) “licensee” means any person who has been granted the license to operate a warehouse under these rules.”;

(2) in rule 343, in sub-rule (1), in clause (a), for the semicolon, the colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that in case of a floating barge to be licensed as a warehouse for POL products, the particulars of such floating barge shall be filed along with the application instead of the site plan;” and

(3) after rule 363, the following new rules shall be inserted, namely: -

**"363A. Bonded warehousing and export of POL products.-** (1) The owner may store any imported POL products in a warehouse and export the same in accordance with rules 363A to 363F.

(2) At the time of arrival of goods at a port, the owners shall file goods declaration through WeBOC system for in-bonding of the imported POL products submitting the documents as required under the Act.

(3) The securities in the shape of postdated cheques and indemnity bond furnished by the owner under section 86 of the Act, at the time of warehousing of POL products, shall continue to be in force notwithstanding the transfer of the goods to any other person or firm unless the warehoused POL products are exported by way of supply to conveyances as provisions and stores as provided in section 106 of the Customs Act, without payment of any duties, taxes or levies, as the case maybe.

**Explanation / Note:** Since the POL products, to be imported under this scheme, will be shipped or supplied without foreign exchange remittances from Pakistan, on account of cost of goods at the time of their imports, therefore, no Electronic Import Form (EIF) shall be required at the time of filing of GD for their in-bonding. Similarly, no EIF shall be required at the time of export.

(4) The owner of any POL products, warehoused in accordance with the foregoing provisions of this rule, may export such POL products as provisions and stores for conveyances proceeding to any foreign territory including by way of direct sale or sale through a third party.

**Explanation / Note:** ‘direct sale’ – means that owner makes a direct sale to the owner or charterer of the conveyance and deliver the POL products to such conveyance. ‘Sale through a third party’ – means that the owner will:

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- (i) issue sales invoice to a foreign entity other than the owner or charterer of the conveyance; and
- (ii) deliver POL products to a conveyance on the instructions of such foreign entity.

**363B. Submission of documents.-** At the time of export as stores and provisions for use on board a conveyance, the owner shall file all the relevant documents including bunker delivery note, containing the following information-

- (a) name of receiving conveyance;
- (b) name of the POL product;
- (c) quantity;
- (d) delivery date;
- (e) seal no of all samples taken while conducting bunker deliveries; and signature of authorized official from the warehouse barge and receiving conveyance (e.g. authorized individuals are captain or chief engineer).

**363C. Recording of volumes at the time of delivery and taking of sample.-** (1) Prior to delivery of POL products, the captain of the warehousing barge in presence of receiving conveyance engineer shall note meter reading on the barge and similarly, the receiving conveyance engineer shall note the meter reading of the conveyance, in the presence of barge captain.

(2) After noting the volumes in both barge and the receiving conveyance as aforesaid, the delivery shall be made.

(3) A sample shall be taken of the product being delivered and shall be sealed; with individual reference seal number of both the barge and the receiving conveyance. These samples shall be maintained by the owner and the conveyance for a maximum period of four months, which are subject to laboratory testing in the event of a dispute.

(4) A copy all documents of meter readings with signatures from both warehousing barge and receiving conveyances taken pursuant to sub-rule (1) will be sent to the appropriate officer.

(5) Samples taken pursuant to sub-rule 3 will also be made available to the Custom Officer by the custodian of the warehouse, in case of any audit.

**363D. Release of securities furnished at the time of in-bonding of imported goods.-** Upon completion of ex-bonding of entire quantity of warehoused goods covered by a GD (IB) in accordance with Rule 363F above, the securities furnished in the shape of postdated cheque and indemnity bond in respect of such GD (IB) shall be released and returned to the owner.

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**Explanation / Note:** A discrepancy in the quantity of POL product warehoused and exported may arise on account of use of different measuring apparatus by the receiving conveyances and the warehouse, sampling, spillage, evaporation or any other circumstances. Accordingly, any discrepancy shall be dealt as per tolerance limit defined by Ministry of Petroleum in this regard from time to time.

**363E. Access to appropriate officer.-** The licensee shall be responsible at all times to provide logistics from port and necessary means to ensure 24/7 access to appropriate officer(s) to the warehouse and any conveyance on which the goods are to be exported, provided reasonable notice is given to the licensee to make such arrangements.

**363F. Exemption from warehouse surcharge and development surcharge.-** (1) In terms of SRO 822(I)/91 dated 20<sup>th</sup> August 1991, POL products as stores and provisions for use on board a conveyance are exempt from additional customs duty leviable as surcharge under section 10 of the Finance Act, 1991 (XII of 1991).

(2) In terms of SRO 369(I)/2002 dated 15<sup>th</sup> June 2002, POL products as stores and provisions for use on board a conveyance are exempt from special customs duty leviable as Export Development Surcharge under section 11 of the Finance Act, 1991 (XII of 1991).”.

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[C. No.2(1)L&P/2020-Shell]

  
(Wajid Ali)  
Secretary (Law & Procedure)