

GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

Islamabad, the 5th August, 2021.

NOTIFICATION
(CUSTOMS)

S.R.O. 1013 (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 829(I)/2021, dated the 28th June, 2021, namely:-

In the aforesaid Rules,-

- (1) in rule 471, in sub-rule (1),-
- (a) in clause (iv), after the word "Wagha", the expression "Ghulam Khan" shall be inserted;
- (b) for clause (v), the following shall be substituted, namely:-
“(v) **“bulk cargo”** means cargo usually dropped or poured as solid or liquid into a bulk carrier’s hold and includes dry and liquid bulk cargo;”;
- (c) after clause (v), amended as aforesaid, the following new clause (va) shall be inserted, namely:-
“(va) **“oversized and bulky cargo”**, means any heavy or bulky object including animals which because of its weight, size or nature cannot be carried in a closed vehicle or closed container;”;
- (d) for clause (xviii), the following shall be substituted, namely:-
“(xviii) **“licensing authority”** means the respective Director of Transit Trade, where an applicant, based on his/her business address, has applied for issuance of transport operator’s license;”;
- (e) in clause (xxvi), for the expression “Customs General Order 4/2007”, the expression “Customs General Order No.03 of 2020” shall be substituted;

(f) in clause (xxxii), after the word "carrier", the words "or transport operator" shall be inserted;

(g) for clause (xxxvi), the following shall be substituted, namely:-

"(xxxvi) "User ID" means a unique user identifier as may be allocated to a foreign trader intending to transit his goods through territory of Pakistan as per procedure prescribed by the Directorate General of Transit Trade to access the customs computerized system; and";

(2) for the rule 472, the following shall be substituted, namely:-

"472. **Filing of goods declaration for transit cargo:** (1)The transit cargo shall not be subject to payment of import or export duties and taxes provided the activities are in conformity with these rules.

(2) The transit cargo shall be distinctly manifested as such in the IGM or carrier declaration uploaded electronically in the Customs Computerized System by the shipping line or its agent of customs agent of bonded carrier. The importer's country's name and address shall be of the said foreign country for which goods are intended to be imported.

(3) The trader or his authorized customs agent shall file the Goods Declaration online in the Customs Computerized System at the office of departure through User ID.

(4) The trader or his agent (customs agent or bonded carrier) shall upload scanned copies of bill of lading, commercial invoice and packing list at the time of filing of GD.

(5) In case of commercial cargo, the trader or his agent (customs agent or transport operator) shall ensure that sufficient credit is available against the face value of their revolving insurance guarantee maintained with customs, to cover the leviable duty and taxes on transit goods within territory of Pakistan.

(6) In case of non-commercial cargo, the GD shall be accompanied by scanned copy of exemption certificate issued by the relevant authority of Government of Afghanistan. However, the Customs authorities in Pakistan may require customs security from the bonded carrier, if the non-commercial transit goods are of high value or sensitive nature.";

(3) for rule 473, the following shall be substituted, namely:-

"473. **Processing of transit cargo at the office of departure at seaports Karachi, Port Muhammad Bin Qasim and Gwadar.**– (1) The GD shall be filed by the trader or his authorized customs agent or the

bonded carrier, having valid clearing agent licence. In case, a GD is filed by the trader or his customs agent, he shall nominate the bonded carrier at the time of filing.

(2) The bonded carrier or customs agent filing the GD, shall be required to submit "revolving insurance guarantee" with the customs and shall ensure that sufficient amount is available in their revolving insurance guarantee to cover the leviable duty and taxes in the GD for customs security. The GD will be assessed by the Customs Computerized System (CCS) on pattern of GDs filed for local home consumption and the amount equal to leviable duty and taxes will be deducted from the face value of revolving insurance guarantee as customs security. Subsequently, the said amount will be credited after completion of cross border formalities at the border customs station.

(3) After filing of GD, upto twenty (20) per cent consignments of transit goods shall selected by the Risk Management System (RMS) for scanning, while those consignments cleared by RMS will be forwarded to the respective terminal operator for delivery and to the sealing officer for sealing.

(4) In case of over-sized, bulk and break-bulk cargo, where scanning is not possible, such goods may be examined subject to approval from respective Assistant or Deputy Director.

(5) In case of any discrepancy noticed at the scanning, the said container shall be marked for examination with specific remarks. The selected consignments shall be examined hundred percent and the examining officer shall compare the items examined with the packing list and feed his report in the CCS.

(6) In case, no discrepancy is found during the examination, the GD shall be forwarded to the respective terminal operator and sealing officer for delivery and sealing of container respectively.

(7) While in case of difference between the declaration and goods found on physical examination, GD shall be marked by the examiner to the Appraising Officer for further action as under the law i.e., framing contravention in case of mis-declaration or rectification of the mistake with the approval of concerned AD or DD.

(8) Any transit GD marked as "Green" by RMS can only be examined with prior written approval of the concerned Director of Transit Trade.

(9) Upon completion of all Customs formalities, the GD shall be assigned to the bonded carrier for feeding of carrier information including vehicle registration number or railway wagon number, driver's name, and other particulars as required by the system. Before the cargo is allowed "Gate out" by the Terminal operator or the Customs staff, as the case may be, it shall be presented to the Customs Containerized Sealing

Unit (CCSU) or the Customs sealing staff for affixing of machine-readable seals and feeding of the seal number and other relevant information in the system. Moreover, tracking device seal shall be affixed on the containers, carrying transit cargo, by the tracking company licensed by the FBR in accordance with the prescribed procedure.

(10) The sealing staff shall verify the installation of the same and upload images of the seals, tracking devices, vehicles, and the containers in the system and shall generate the Transport note on the prescribed format (**Appendix-I**) for handing over to the carrier. Each copy of the Transport note shall be signed by the Customs sealing staff. One copy shall be retained by the sealing staff, one copy shall be handed over to the driver of the transport unit who will submit the same to the gate in staff of the office en-route and last copy shall be retained by the representative carrier for his record.

(11) The Terminal operator or the Customs staff, as the case may be, shall allow "Gate out" to the cargo in transit on receipt of the Seal Verification Mechanism (SVM) message through EDI. Where EDI messaging has not yet been established, the Customs staff shall allow "Gate out", on completion of the sealing event in the system.

(12) The Terminal operator shall enter the weight of the container, bulk, break-bulk cargo at the time of "Gate out" for onward communication to the Customs Computerized System through EDI. Upon the completion of Gate out event, Terminal operator shall send "GTO" message to the Customs Computerized System.";

(4) for rule 474, the following shall be substituted, namely:-

"474. Processing of transit goods at the Office of departure at land border stations (Torkham, Chaman, Ghulam Khan, Sost etc.).- The transit cargo entering into Pakistan through land border stations shall be processed in the following manner:

- (i) The incharge of conveyance shall hand over IGM at zero line of the border in triplicate to Customs, Frontier Corps and terminal operator. The carrier declaration shall be uploaded electronically in the system by a person authorized by the Customs specifying the description and quantity of goods, their destination and registration number of vehicles wherever applicable:

Provided that in case of foreign registered commercial vehicles, the Transport operator or his authorized agent shall first apply and obtain the Temporary Admission Document (TAD) as per the procedure specified in rule 482;

- (ii) the vehicle transporting the transit goods shall be allowed "Gate in" in the system by the terminal operator or Customs

staff as the case may be after filing of the carrier declaration or IGM;

- (iii) the goods declaration filed by or on behalf of the foreign trader or user shall be processed in the same manner as prescribed in these rules in the light of relevant documentation:

Provided that transit cargo coming from third countries in terms of article-4(c) of Protocol Three, with whom, the contracting parties have a transport agreement may be allowed transit in the territory of Pakistan by the Board on case to case basis;

- (iv) upon completion of all Customs formalities including integrated weighment and scanning (whenever made available). The GD shall be assigned to the Customs sealing staff for sealing as per prescribed procedure. The sealing staff shall affix the seals, enter the sealing information and upload images of the seals, tracking devices, vehicles, and the containers (wherever applicable) in the system directly in the system, and generate triplicate copies of "Transport note" to these rules. Each copy of the Transport Note shall be signed by the Customs Sealing staff and transporter or his authorized representative; one copy shall be retained by the Sealing staff, one copy shall be handed over to the driver of the transport unit, who will submit the same to the designated customs staff of the Office en route and last copy shall be retained by the trader or his representative for his record;
- (v) the terminal operator or the Customs staff, as the case may be, shall allow "Gate out" to the cargo in transit on receipt of the Seal Verification Mechanism (SVM) message through EDI. Where there is no licensed Terminal operator and/or EDI messaging has not yet been established, the Customs staff will allow "Gate out", on completion of the sealing event in the system.";

- (5) for rule 475, the following shall be substituted, namely:-

"475. Physical Customs inspection at office of departure.- (1)

The Terminal operator or the Customs staff, as the case may be, assigned to "Gate out" shall verify the seal and container/truck number declared in the GD.

(2) All containers of transit goods shall be fitted with tracking and monitoring devices at the office of departure from a tracking company duly approved by the Board.

(3) Upto 20% containers of transit cargo shall be scanned at the office of departure. In case of land border customs stations, all the incoming transit cargo shall be weighed, scanned and examined accordingly.

(4) The Customs authorities at the office of departure may require transit goods consigned from or destined to the territory of the foreign countries to be transported under Customs escort while in the territory of the Pakistan in very exceptional cases such as where the goods are precious or highly susceptible to misuse of transit facility. The approval for this measure must come from an officer not below the rank of Director, Transit Trade after recording reasons in writing.”;

(6) for rule 476, the following shall be substituted, namely:-

“**476. Transportation of goods.**-(1) Transportation of transit goods by transport operators shall be allowed in containers of international specifications.

(2) Oversized, heavy and bulky transit goods, vehicles and live animals may be transported in open transport units provided sealing requirements are fulfilled as per prescribed procedure.

(3) Imported transiting vehicles may be allowed in roll-on and roll-off carriers.

(4) Bulk Cargo, such as ship loads may be transported in open sealable vehicles. While in case of liquid bulk cargo, it may be transported in containerized flexi tanks or in bowsers or in containers of international specifications.

(5) Exports of perishable goods (fruits and vegetable) in transit may be transported in open trucks or other transport units in accordance with the prescribed procedures.

(6) Change of conveyance en-route shall be allowed, in exceptional circumstances such as accident or any other break down etc. with the prior written approval of the Deputy or Assistant Director having jurisdiction.

(7) Transportation of the cargo from the port of entry to the port of exit in a safe and secure manner shall be the responsibility of the concerned authorized carrier.”;

(7) in rule 478,-

- (a) in clause (a), for the expression, "Collector of Customs, Appraisalment-West,", the words "respective Director of Transit Trade" shall be substituted; and
- (b) in clause (f), for the expression, "Collector of Customs, Appraisalment-West,", the words "respective Director of Transit Trade" shall be substituted;

(8) for rule 479, the following shall be substituted, namely:-

"479. Renewal of licence.- While considering renewal of licences issued to the transport operators under Chapter VIII of these rules, the licensing authority shall also take into account the profile of the bonded carrier based upon rating of the transporters linked with their compliance to the rules and procedures which may include compliance to the time lines, number of alerts generated or transit cargo carried safely without en-route pilferage, number of contravention / seizure reports etc.";

(9) after rule 479, the following new rule 479A shall be inserted, namely:-

"479A. Allowing single transport vehicle owner to transport transit goods.- The application on the prescribed format (**Appendix-IIA**) for registration of a single vehicle for transport of transit goods shall be submitted to the Directorate of Transit Trade in whose jurisdiction the applicant is a resident or his vehicle is registered with Motor Registration Authority (MRA). The transport of transit goods by owner of single transport vehicle shall be allowed by the concerned Director of Transit Trade subject to the following conditions:-

- (a) the unit is properly registered with the motor registration authorities of Pakistan in the name of the owner, to be verified by customs authorities;
- (b) he shall submit defence saving certificate duly pledged to the concerned Director of Transit Trade or furnish Bank Guarantee for Rupees One million as security for transport operation of Transit goods, which shall be forfeited apart from other consequential penal action under the Act and Rules made there under, if the owner of the transport unit violates of Custom Act, 1969 and the rules made thereunder;
- (c) in cases where in transit cargo is transported by owner of single vehicle transport, the revolving insurance guarantee covering the leviable duty and taxes on transit goods shall be submitted by the afghan importer or respective customs agent or transport operator (**Appendix-IIB**);

- (d) The prime mover or vehicle shall be fitted with the tracking device by a tracking company duly licensed by the Board under S.R.O 413(I)/2012 dated the 25th April, 2012.
- (e) the trip shall be completed within seven days from office of departure to office en-route;
- (f) the permission shall be given to such owner of the transport vehicle for one year which shall be renewed if operations of transportation of transit goods are found satisfactory;
- (g) the owner shall also submit an undertaking on a stamp paper to the effect that he shall be responsible for safe transportation of transit goods;
- (h) copies of such permission shall be sent to Directorate of Reforms and Automation Karachi and concerned officers of Customs who will enter the particulars of the vehicles in CCS;
- (i) The above provisions shall also be applied to the transport operation of transit goods carried through Pakistan Railways from Karachi to Azakhel Railway Stations, for onward transportation to Torkham; and
- (j) in case of any violation of Customs laws/procedures, institution of any criminal /civil case against the owner/vehicle under any law, the permission shall be terminated and name of the owner shall be blacklisted with transmission to all field formations;

(10) in rule 480,-

- (a) in sub-rule (1), after the word "operator", wherever occurring, the expression ", and driver" shall be inserted;
- (b) in sub-rule (2), after the words "duty cases on transit goods, the expression ", along with fine and penalty as determined under S.No. 64 and other entries relating thereto of sub-section 1 of Section 156 of the Customs Act, 1969" shall be inserted;

(11) in rule 484-A, for sub-rule (1), the following shall be substituted, namely:-

"(1) The authorized Customs agents, brokers or transport operators in Pakistan shall furnish financial security in the form of revolving insurance guarantee for goods destined for territory of other countries, from an insurance company, as per criteria prescribed by the Directorate General of Transit Trade, on the prescribed format (**Appendix-IV**) or any other form prescribed by the Board which shall be valid for at least one year and shall be en-cashable in Pakistan, for ensuring the fulfillment of any obligation arising out of Customs transit operation between Pakistan and the contracting party.

(2) The amount of financial security for transit operation shall be determined by system on the basis of the assessment done by Customs Computerized System at the office of departure so that it covers all import levies.

(3) Financial security is not obligatory in case of non-commercial consignments and the respective bonded carrier transporting non-commercial transit cargo shall be wholly responsible if goods are pilfered en-route.”; and

(12) after Appendix-II, the following new appendix shall be inserted, namely:-

“Appendix-IIA
[See rule 479A]

APPLICATION FORM FOR REGISTRATION OF A SINGLE
VEHICLE FOR TRANSPORT OF TRANSIT GOODS

Photograph of the
owner

The Director,
Directorate of Transit Trade,
.....

I hereby apply for the registration of vehicle to transport transit goods in terms of rule 479A of the Customs Rules, 2001 for a period of one year. The particulars of the applicant and vehicle are given below:-

1	Name of owner	
2	Nationality	
3	Present address	
4	Permanent address	
5	CNIC No.	
6	Vehicle Registration No.	
7	Vehicle Make and Model	
8	Vehicles Chassis No.	
9	Vehicle Engine No.	
10	Affidavit of good performance	

I/We hereby declare that the particulars finished in this application are correct and I/We have read the relevant Customs Rules and I/We agree to abide by them.

Yours faithfully.

Name of applicant”.

Appendix-IIB

[see rule 479A(c)]

(On appropriately stamped non-judicial paper)

**REVOLVING INSURANCE GUARANTEE FOR IMPORTED GOODS IN-TRANSIT BY
OWNER OF SINGLE VEHICLE TRANSPORT**

The Director of Transit Trade,
Directorate of Transit Trade
Custom House
Karachi.

Dear Sir,

WHEREAS Messers _____ having their registered office at.....
(herein after referred to as the foreign importer / Customs Agent / Transport Operator) are engaged in the clearance / transportation of transit cargo within territory of Pakistan.

2. AND WHEREAS leviable duty and taxes assessed by CCS in respect of the transit goods shall be debited from the face value of the revolving insurance guarantee and the assessed amount shall be payable by the foreign importer / customs agent / transport operator, in case he fails to take the goods out of the territorial jurisdiction of Pakistan.

3. AND WHEREAS the Directorate General of Transit Trade (Customs Department) shall release goods on debiting an amount equal to the leviable duty and taxes involved on the goods from the face value of the revolving insurance guarantee.

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4. NOW, THEREFORE, in consideration of the release of the imported goods, in-transit, to the foreign importer / customs agent / transport operator, we, Messers do hereby bind ourselves with the President of Pakistan to pay to the, *Director of Transit Trade*, the aforesaid guaranteed amount of duties and taxes and the surcharge thereon at the rate of fourteen percent per annum for the whole period on the amount or any part thereof remained un-paid from the date on which the in-transit goods are released to the importers.

5. **THE COMPANY ISSUING THIS GUARANTEE ALSO UNDERTAKES:-**

- (a) That the foreign importer / customs agent / transport operator shall pay to you the guaranteed amount in lump sum after demand.
- (b) That the foreign importer / customs agent / transport operator shall also pay to you the surcharge due on the involved amount at the rate of fourteen percent per annum.
- (c) That in the event of any default on the part of the foreign importer / customs agent / transport operator to pay the guaranteed amount on demand along with surcharge due as aforesaid, we, Messers, shall pay to you the same immediately upon demand by Director of Transit Trade. On receipt of demand from the, Director of

Transit Trade, it shall be considered by us as conclusive evidence of non-payment of the government dues plus surcharge, if payable by the importers.

- (d) That we do hereby agree to the payment of duty/taxes and surcharge on the amount chargeable from the date of clearance of goods till the date the payment is made, provided that you agree, on the request of the foreign importer / customs agent / transport operator, not to take action under condition (6) (a) of this insurance guarantee.
- (e) That we do hereby agree and declare that in the event of any default in the payment of any sum stated above it may, without prejudice to any other remedy which may be available to you, be recovered by you under section 202 of the Customs Act, 1969.
- (f) That, notwithstanding anything contained in the foregoing, the guaranteed amount or any part thereof and surcharge, as aforesaid, shall immediately become payable to you.

6. **ADDITIONAL CONDITIONS OF THIS INSURANCE GUARANTEE ARE AS FOLLOWS:-**

- (a) Any notice may be given to the foreign importer / customs agent / transport operator by sending the same, by registered post, which shall be deemed to have been served at the time when it would have been received by the addressee in the ordinary course of the post.
- (b) The amount payable hereunder as principal or surcharge at the specified date may be declared and the same shall there-upon become due and payable immediately.

7. That this insurance guarantee is valid up to.....

8. IN WITNESS WHEREOF we have thisday of..... 2014 caused this guarantee to be signed under the official stamp in the presence of-

1.....
Officer

2.....
Manager

Witnesses:-

1.....

2.....”

[C. No.10(18)L&P/2020]


(Wajid Ali)
Secretary (Law & Procedure)