

**Government of Pakistan
(Revenue Division)
Federal Board of Revenue**

**NOTIFICATION
(Customs)**

Islamabad, the 16th June, 2022

S.R.O. 803 (I)/2022.- The following draft of further amendments in the Customs Rules, 2001, which the Federal Board of Revenue proposes to make in exercise of the powers conferred under section 219 of the Customs Act, 1969 (IV of 1969), is hereby published for information of all persons likely to be affected thereby and, as required under sub-section (3A) of the said section 219, 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 amendment in the official Gazette. Objections or suggestions which may be 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,

- (1) in rule 329-A, after sub-rule (3), the following new rules shall be added, namely:-

“(4) In case the clearing agent license of the bonded carrier issued under Chapter VIII of the Customs Rules 2001 is suspended or revoked by the licensing authority, the license to operate as bonded carrier shall also stand suspended or revoked and vice versa.

(5) **Right to Appeal.** Appeal against an order passed under rule 329-A (1) and (2) may be filed before the Director General Transit Trade, Karachi, within sixty days of passing of such decision or order.”;

- (2) in rule 478, for the preamble, the following shall be substituted, namely:-

“478. Approval of license.- On qualifying the criteria mentioned in rule 477, license shall be issued to the transport operator by the respective Director of Transit Trade in whose jurisdiction the business address of the applicant is located for a period of two years on the recommendation of a committee comprising the respective Director of Transit Trade, Collector of Customs Enforcement and Director, Directorate of Intelligence and Investigation-Customs of the jurisdiction, after seeking approval of the Director General of Transit Trade. The licensing authority shall issue approval letter for issuance of licence subject to the following, namely:-”;

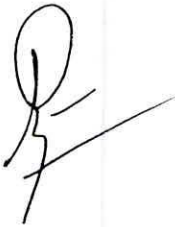
(3) after rule 480, the following new rules shall be added, namely:-

“480-A. Action in case of violations.- (1) The licensing authority may revoke or suspend a license or permission of any transport operator for one or more than one of following reasons:-

- (a) the licensee has made or cause to be made in any application for any license or permission under this chapter, or report filed with the customs, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report; or
- (b) the licensee has been convicted at any time for larceny, theft, robbery, extortion, forgery, counterfeiting, fraud, concealment, embezzlement, fraudulent conversion, or misappropriation of funds; or
- (c) the licensee is involved in any manner, including but not limited to, abetting, facilitating, substitution or replacement, removal, pilferage, tampering with transport units or seals etc. of *en route* transshipment or transit cargo; or
- (d) the licensee has knowingly employed, or continues to employ, any individual who has been convicted of any offence referred to under clause (b) and (c); or



- (e) the licensee, in the course of its customs business, with intent to defraud, has in any manner, willfully and knowingly deceived, misled or threatened any client or prospective client; or
- (f) violation by the licensee of any provision of the Act or the rules, regulations, notifications, instructions or orders issued there under; or
- (g) aiding or abetting any individual, firm or company, as the case may be, for violation of any provision of the Act or the rules or regulations made thereunder; or
- (h) negligence or inefficiency of the licensee in discharge of its obligations; or
- (i) unsatisfactory conduct of the licensee while transacting customs business or in relation to any person who has entrusted it with any customs business; or
- (j) failure of the licensee to comply with any condition of the bond executed by him under this chapter; or
- (k) concealing, removing or destroying, by the licensee, of its financial and customs business records or refusing to allow an officer of customs to inspect them and take extracts there from; or
- (l) attempt by the licensee to influence the conduct of any employee in the custom house, custom station, port, airport or *en route* transit or transshipment of cargo by the use of force, intimidation, false accusation, duress, bribery or by offering any special inducement or gift; or
- (m) failure of the licensee to exercise due diligence and due care to apprehend and forestall an untrue declaration in respect of description, content, classification, origin, quality or value of the goods by its client and *en route* transit/transshipment of cargo; or



- (n) withholding by the licensee, of any information, document or other evidence, from an officer of customs which is likely to prevent any fraud or evasion of customs duties and other taxes or dues and the circumvention or contravention of any restrictions imposed by any law for the time being in force; or
- (o) the licensee's previous performance has not been satisfactory or has not been true to the customs or towards his clients; or
- (p) the licensee's previous record of customs business due to his being concerned in any customs offence is not free from reasonable doubt.

(2) In case of revocation of a license under sub-rule (1), the licensing authority may, after issuing show cause notice to the licensee, forfeit the whole or part of the security deposited by the licensee under rule 478(a) for the settlement of any duty, taxes or any other charges due from him.

(3) The licensing authority shall not pass any order under rule 480-A (1) and (2) to suspend or revoke the license unless the licensee is informed in writing regarding the allegations and opportunity of hearing is afforded. While passing an order for revocation of license, the licensing authority may also direct forfeiture of the security deposited by the licensee under rule 478(a):

Provided that where it is expedient in the public interest, an immediate action is considered necessary against the licensee, for, including but not limited to, abetting, having knowledge of, tampering with transport units and seals affixed thereto, facilitations, substitution, replacement, removal, pilferage etc., during *en route* transit or transshipment of cargo, the licensing authority may suspend the license forthwith, after recording reasons in writing, pending final action under the Act and rules made there under.

(4) In case the clearing agent license of the transport operator issued under Chapter VIII of the Customs Rules 2001 is suspended or revoked by the respective licensing

authority, the license to operate as transport operator shall also stand suspended/revoked and vice versa.

(5) **Right to Appeal.** Appeal against an order passed under rule 480-A (1) and (2) may be filed before the Director General Transit Trade, Karachi, within sixty days of passing of such decision or order.”;

(4) In rule 639,-

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

“639. Approval of licence.- On qualifying the criteria mentioned in rule 638, license shall be issued to the transport operator by the respective Director of Transit Trade in whose jurisdiction the business address of the applicant is located for a period of two years on the recommendation of a committee comprising the respective Director of Transit Trade, Collector of Customs Enforcement and Director, Directorate of Intelligence and Investigation-Customs of the jurisdiction, after seeking approval of the Director General of Transit Trade. The licensing authority shall issue approval letter for issuance of licence subject to the following, namely:-”; and

(b) in clause (a), for the words “Collector of Customs Appraisalment”, the words “the respective Director of Transit Trade” shall be substituted;

(5) in Appendix-IV, prescribed vide clause (b) of rule 639, for the words “Collector of Customs Appraisalment”, the words --“respective Director of Transit Trade” shall be substituted; and

(6) after rule 641, the following new rule shall be added, namely:-

“641-A. Action in case of violations.- (1) The licensing authority may revoke or suspend a license or permission of any transport operator for one or more than one of following reasons:-

(a) the licensee has made or cause to be made in any application for any license or permission under this

chapter, or report filed with the customs, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report; or

- (b) the licensee has been convicted at any time for larceny, theft, robbery, extortion, forgery, counterfeiting, fraud, concealment, embezzlement, fraudulent conversion, or misappropriation of funds; or
- (c) the licensee is involved in any manner, including but not limited to, abetting, facilitating, substitution or replacement, removal, pilferage, tampering with transport units or seals etc. of *en route* transshipment or transit cargo; or
- (d) the licensee has knowingly employed, or continues to employ, any individual who has been convicted of any offence referred to under clause (b) and (c); or
- (e) the licensee, in the course of its customs business, with intent to defraud, has in any manner, willfully and knowingly deceived, misled or threatened any client or prospective client; or
- (f) violation by the licensee of any provision of the Act or the rules, regulations, notifications, instructions or orders issued there under; or
- (g) aiding or abetting any individual, firm or company, as the case may be, for violation of any provision of the Act or the rules or regulations made thereunder; or
- (h) negligence or inefficiency of the licensee in discharge of its obligations; or
- (i) unsatisfactory conduct of the licensee while transacting customs business or in relation to any person who has entrusted it with any customs business; or



- (j) failure of the licensee to comply with any condition of the bond executed by him under this chapter; or
- (k) concealing, removing or destroying, by the licensee, of its financial and customs business records or refusing to allow an officer of customs to inspect them and take extracts there from; or
- (l) attempt by the licensee to influence the conduct of any employee in the custom house, custom station, port, airport or *en route* transit or transshipment of cargo by the use of force, intimidation, false accusation, duress, bribery or by offering any special inducement or gift; or
- (m) failure of the licensee to exercise due diligence and due care to apprehend and forestall an untrue declaration in respect of description, content, classification, origin, quality or value of the goods by its client and *en route* transit or transshipment of cargo; or
- (n) withholding by the licensee, of any information, document or other evidence, from an officer of customs which is likely to prevent any fraud or evasion of customs duties and other taxes or dues and the circumvention or contravention of any restrictions imposed by any law for the time being in force; or
- (o) the licensee's previous performance has not been satisfactory or has not been true to the customs or towards his clients; or
- (p) the licensee's previous record of customs business due to his being concerned in any customs offence is not free from reasonable doubt.



(2) In case of revocation of a license under sub-rule (1), the licensing authority may, after issuing show cause notice to the licensee, forfeit the whole or part of the security deposited by the licensee under rule 639(a) for the settlement of any duty, taxes or any other charges due from him.

(3) The licensing authority shall not pass any order under rule 641-A (1) and (2) to suspend or revoke the license unless the licensee is informed in writing regarding the allegations and opportunity of hearing is afforded. While passing an order for revocation of license, the licensing authority may also direct forfeiture of the security deposited by the licensee under rule 639(a).

Provided that where it is expedient in the public interest, an immediate action is considered necessary against the licensee, for, including but not limited to, abetting, having knowledge of, tampering with transport units and seals affixed thereto, facilitations, substitution, replacement, removal, pilferage etc., during *en route* transit or transshipment of cargo, the licensing authority may suspend the license forthwith, after recording reasons in writing, pending final action under the Act and rules made there under.

(4) In case the clearing agent license of the transport operator issued under Chapter VIII of the Customs Rules 2001 is suspended or revoked by the respective Licensing Authority, the license to operate as transport operator shall also stand suspended or revoked and vice versa.

(5) **Right to Appeal.** Appeal against an order passed under rule 641-A (1) and (2) may be filed before the Director General Transit Trade, Karachi, within sixty days of passing of such decision or order.”.

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


(Muhammad Rizwan)
Secretary (Law & Procedure)