

Government of Pakistan
Revenue Division
Federal Board of Revenue

NOTIFICATION
(CUSTOMS)


Islamabad, the 9th May, 2023.

S.R.O. 536(I)/2023.- 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, notice is hereby given that objections or suggestions therein, if any, necessary 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 Board, namely:-

In the aforesaid Rules, in Chapter XXXIX, after Sub-Chapter 4, the following new Sub-Chapter shall be added, namely,-

“Sub-Chapter 5
SPECIAL TECHNOLOGY ZONES

870A. Definitions.- In these rules, unless there is anything repugnant in the subject or context,-

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- (a) “**Act**” means the Customs Act, 1969 (IV of 1969), the Federal Excise Act, 2005, Sales Tax Act, 1990 and Special Technology Zones Act, 2021;
 - (b) “**Ordinance**” means the Income Tax Ordinance, 2001 (XLIX of 2001) and Special Technology Zones Authority Ordinance, 2020 (XIII of 2020);
 - (c) “**Annex**” means an appendix to this sub-chapter;
 - (d) “**Authority**” means the Special Technology Zones Authority established under section 3 of STZA Act, 2021;
 - (e) “**Collector of Customs**”, in relation to a Special Technology Zone, means the Collector of Customs, in whose jurisdiction such zone is established;
 - (f) “**Customs Computerized System**” means the customs computerized system as defined in clause (ia) of section 2 of the Customs Act, 1969 (IV of 1969);
 - (g) “**development agreement**” means a duly approved agreement between Authority and a zone developer, agreed to and endorsed by the Approvals Committee that authorizes zone developer to develop and establish a zone or a part thereof;
 - (h) “**Member**” means Member of the Authority;
 - (i) “**person**” includes any person as specified in sub-para (pa) of Paragraph (2) of Customs Act, 1969 and as specified in STZA Act, 2021;

- (j) **“research and development”** includes regular activities carried out with the purpose of obtaining new knowledge that shall enable the development of science and technology or creating new equipment, systems, products, services, processes, applications, and tools etc., using the available information and resources, including training and development, software production or improving those that are available;
- (k) **“rules”** means rules under PCT 9917 (4) (i) & (ii) of 1st Schedule to the Customs Act, 1969 (Pakistan Customs Tariff) framed by Federal Board of Revenue;
- (l) **“technology sector”** includes one or more technology sectors prescribed by the Authority under the rules;
- (m) **“Zone developer”** means a public, private or a public-private person responsible for development, operation or management of the whole, or a part of the whole special technology zone, and licensed by the Authority as such, and includes a co-zone developer;
- (n) **“Zone enterprise”** means any public, private, or public-private person developing, operating and managing a technological enterprise within the zone and licensed as such by the Authority; and
- (o) **“Zone”** means a particular type or class of zones, which may be geographical or virtual, new or existing or expansion of an existing zone, as approved and notified by the Authority under the rules, including, but not limited to special technology zones, information technology parks, high-tech industrial areas, software technology parks, hardware technology parks, technology export zones, free technology zones, science and technology zones, R&D zones, opportunity zones, innovation zones, technology development zones, knowledge parks, smart cities, knowledge cities, technology development, promotion and proliferation of technology, particularly all the latest cutting edge technologies and may require technological intervention such as biotech, chemical technologies, agritech, fintech, robotics, nanotech, edtech, etc., and other zones with any combination or combinations of the aforesaid fields.

870B. Registration to operate under Customs Computerized System. –

- (1) The licensee of zone shall apply for a user ID to the registration authority after acquisition of a valid license from the licensing authority;
- (2) The business facility of a licensee including manufacturing areas and stores shall be verified by the Customs and upon such verification licensee shall be issued a user ID by the registering authority to start operations through Customs Computerized Systems on the basis of items allowed under respective tariff headings:

Provided that regulatory Collectorate may devise the procedure for registration with necessary modifications in Sub-Chapter II of Chapter XXI of Customs Rules, 2001, if required.

- (3) Upon any violation under the Act or these Rules, the registration authority may block the under ID of an enterprise.
- (4) The registration authority upon establishment of any offence under the Act or relevant rules may cancel the user ID, after issuance of show cause notice, besides any other action which may be taken under the Act.

870C. Import of goods for Special Technology Zones.-

- (1) The benefits under these Rules shall be provided only if import thereof is made for a period of ten years commencing from the date of signing of the development

agreement, or issuance of license, as the case may be, for consumption within zones by the eligible importers under these Rules.

- (2) The goods on which duty/tax exemption has been availed shall be solely used within the limits of a Special Technology Zone and shall not be disposed of except with the prior approval of the Federal Board of Revenue.
- (3) No exemption shall be allowed to an enterprise which does not hold a valid license issued by the developer of a Special Technology Zone and which is not registered under the Customs Computerized System through a unique user ID.
- (4) Upon the import of every consignment, the authorized officer of STZA shall certify in the prescribed manner and format, as per **Annex-A**, that the imported capital goods are bona fide project requirements; Provided that an eligible importer under these rules shall be allowed to import capital goods through partial shipment provided the total period of import of these partial shipments shall not exceed twenty months from the date of first import.
- (5) Whether or not goods are imported in one complete shipment or through partial shipment, the importer shall furnish complete details and requirements of the machinery to be imported in assembled or disassembled form, duly supported by the contract with suppliers, lay out plan, BOQ and drawings.
- (6) For clearance of the imported goods through Customs Computerized System, the authorized officer of the STZA shall furnish all relevant information online as per said format through a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). Only those goods shall be considered for the benefits under these Rules and that PCT heading 9917 (4) of the First Schedule to the Customs Act, 1969 which are uploaded in the system by the Authority so that automated quantity debiting is made by the computerized system against each import by authorized importers.
- (7) A goods declaration in respect of goods imported for a Special Technology Zone alongwith other documents showing details of the goods as required under the Act and the Rules made there under shall be presented to the Customs authorities for clearance.

870D. Retention Period.-

- (1) The goods imported under the scope of these Rules shall be retained for a period of at least ten years from the date of importation and shall not be sold or otherwise disposed of without prior approval of the Federal Board of Revenue (FBR):

Provided that the disposal before the expiration of ten (10) years shall be subject to following rates of duty and taxes as applicable at the time of importation of these goods, namely;-

S. No.	Disposal Period	Duty and taxes
1.	If sold or otherwise disposed of before the expiration of five years from the date of importation.	Full
2.	If sold or otherwise disposed of after five years but before seven and a half years from the date of importation.	50%
3.	If sold or otherwise disposed of after seven and half years but before ten years from the date of importation.	25%
4.	If sold or otherwise disposed of after ten years from the date of importation.	0%

- (2) The Assistant or Deputy Collector of Customs or any other person authorized by Collector of Customs or FBR shall conduct annual survey of the enterprises established in a Special Technology Zone to verify availability of imported goods on which benefits under these rules have been availed.
- (3) If any enterprise fails to give proper account of the imported goods to the satisfaction of FBR or any other organization or person authorized by the FBR, as the case may be, the enterprise shall pay on demand an amount equal to the duty and taxes leviable on such goods at the time of original import, and shall also be liable to pay penalties imposed under the Customs Act 1969 and the rules made there under.

Annex-A

[See sub-clause (iv) of Para 873 above]

Header Information									
NTN or FTN of importer							Approval No.		
(1)							(2)		
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)									
HS Code	Description	Specificati ons	Custom- duty rate (appli- cable)	Sales Tax rate (applic- able)	WHT	Quantity	UOM		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		

Certificate.- It is certified that the goods to be imported are genuine and bona fide requirement of the project, and admissibility of the same, for benefit of concessions of duties and taxes shall be determined by the concerned officer of Pakistan Customs in accordance with PCT heading 9917 (4) of the 1st Schedule to the Customs Act, 1969.

Signature: _____
 Designation: _____

[C.No. 1/9/Mach./92-Pt]


 (Baasit Hussain)
 Secretary (Tariff-II)