

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

Notification

Islamabad, the 14th May, 2024.

S.R.O. 685 (I)/2024.- 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 (VII of 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, the same having been previously published vide Notification No. S.R.O 456(I)/2024 dated 28th March, 2024, as required by sub-section (3A) of section of section 219 of the Customs Act, 1969 (IV of 1969), namely:-

In the aforesaid Rules,-

(1) in rule 871, for clause (q), the following shall be substituted, namely:-

(q) “manufacture” includes any process in which an article singly or in combination with other articles, materials or components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product.”;

(2) in rule 872, in sub-rule (1), in the first proviso, the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided further that the EFS users shall import their goods at the first port of entry or from the ports or dry ports falling under the jurisdiction of their Regulatory Collector.”;

(3) in rule 873, in sub-rule (1), in clause (b), for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that where the applicant has no previous export history, the firm contract shall be allowed subject to-

- (a) detailed scrutiny by the Regulatory Collectorate including but not limited to financial viability, production capacity and history of local supplies; and
 - (b) mandatory approval of the Chief Collector for all firm contracts above \$ one million. However, where the applicant has firm contract and submits a bank proof of advance payment, the Regulatory Collector after detailed scrutiny, as required under clause (a), may grant authorization at his own without referring the case to Chief Collector.”;
- (4) in rule 875, in sub-rule (2), in clause (ii), after the word “facility”, the expression “, duly declared in the Sales Tax Registration and in case there are more than one manufacturing facilities, all such facilities must be incorporated in Sales Tax Registration” shall be added;
- (5) in rule 876, in sub-rule (1),-
 - (a) in clause (b), after the words “Insurance Guarantee”, the phrase “or revolving bank guarantee” shall be inserted;
 - (b) in clause (c), after the phrase “Insurance Guarantee”, the words “or revolving bank guarantee” shall be inserted;
 - (c) in clause (d), after the phrase “Insurance Guarantee”, the words “or revolving bank guarantee” shall be inserted;
- (6) in rule 881, in sub-rule (1), for the expression “PSW:”, the expression “PSW. The plant, machinery and equipment shall be installed in the premises declared under rule 875 and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector. The Regulatory Collector or an officer authorized by him in this behalf, may conduct snap check, audit or reconciliation of the installation plant, machinery and equipment. The value of acquisition of machinery and spares shall not exceed 50% of the value of exports during the preceding year.” shall be substituted;
- (7) in rule 886, in sub-rule (3), after the word “condition”, occurring at the end, the expression “and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector.” shall be added;
- (8) in rule 892,-
 - (a) in sub-rule (1), for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-



“Provided that the new entrants in Export Facilitation Scheme, not availing any previous export scheme, shall submit a quarterly reconciliation statement within fifteen days of the end of each quarter.”; and

- (b) in sub-rule (3), after the word “year” and “fullstop”, the expression “The Regulatory Collector or an officer authorized by him in this behalf shall scrutinize the reconciliation statement. In case of any discrepancy in the reconciliation statement (including imports not commensurate with export performance or absolute non-utilization of previously imported input goods), the Regulatory Collector may suspend authorization of input goods by recording reasons of suspension in writing and such suspension shall be fed into WeBOC or PSW. The Regulatory Collector shall decide the case within thirty days of the suspension failing which the suspension shall stand revoked” shall be added; and
- (9) in rule 897, after sub-rule (3), the following new sub-rule shall be added, namely:-

“(3A) The WeBOC or PSW shall develop an interface for the Regulatory Collector or an officer nominated by him, for real-time monitoring of the imports and exports of the user.”.

[F.No.3(1)EP/2024-25]


(Fazle Samad)
Secretary (Export Policy)