

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

Islamabad, the 16th May, 2025.

NOTIFICATION

S.R.O. 814 (I)/2025.- The following draft of further amendment 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 the said section 219, notice is hereby given that objections or suggestions thereon, if any, may be sent for consideration of the Board, within fifteen days of publication of this Notification 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 AMENDMENT

In the aforesaid Rules, after Chapter-XLVI, following new Chapter-XLVII shall be added, namely: -

**“Chapter XLVII
FREIGHT FORWARDERS LICENSING RULES**

1207. Definitions – In this chapter, unless there is anything repugnant in the subject or context: -

- (a) **“air shipment”** transportation of goods/cargo by air viz aircraft;
- (b) **“airways bill”** means a document which serves as a contract of carriage for goods shipped by air, and is construed as a contract of carriage between the shipper and the airlines;
- (c) **“dispute resolution committee (DRC)”** means the committee established under rule 1261 for resolving disputes;
- (d) **“e-commerce shipment”** means goods/cargo handled through e-commerce’s channel by 3PL, 4PL, and 5PL manner;

- (e) **“freight forwarder”** means a person or a company, as an agent, concluding a contract with a customer on freight forwarding services relating to carriage, consolidation, deconsolidation, storage, handling, packing or distribution of the goods, as well as, ancillary and advisory services in connection therewith;
- (f) **“freight forwarder association”** an association registered in Pakistan, under Directorate General of Trade Organizations (DGTO), Ministry of Commerce vide Trade Organization Act, 2013, and Trade Organization rules, 2013, such as PIFFA (Pakistan International Freight Forwarders Association);
- (g) **“form”** means a form in this chapter;
- (h) **“house bill of lading”** means a document issued by the Freight Forwarder or a Non-Vessel Operating Common Carrier (NVOCC), to the shipper/consignee, representing a specific individual shipment within the larger cargo, each having its own set of terms and conditions;
- (i) **“license”** means a license granted under this chapter to act as a freight forwarder;
- (j) **“licensee”** means a person or a legal entity to whom a license is granted under this chapter to act as a freight forwarder;
- (k) **“licensing authority”** means a committee comprising of the Collector of Customs HQ (Exports-IOCO), Collector of Customs (Enforcement), Karachi and Collector of Customs JIAP, Karachi; and
- (l) **“master bill of lading”** means a document issued by the carrier (shipping line or airline) to the shipper or the freight forwarder, serving as a contract of carriage of goods, against the entire shipment, encompassing all individual consignments.

1208. Application.- (1) No person shall operate as freight forwarder unless licensed under these rules.

(2) Any person who seeks to obtain licence as freight forwarder shall make an application to the licensing authority on the format as set out in Form-A along with the following documents with treasury challan evidencing payment of five thousand rupees in favour of the Collector of

Customs, on account of application processing fee, which shall be non-refundable, namely:-

- (a) NTN and applicable STRN;
- (b) copy of CNIC (in case of proprietorship), partnership deed registered with the registrar of firms, along with CNICs of all the partners (in case of partnership), certificate of incorporation Form 29, Form A or 3A (in case of a single member company, limited liability partnership or a private limited, issued by the Securities and Exchange Commission of Pakistan), as the case may be;
- (c) valid membership certificate issued by the freight forwarder association in accordance with Trade Organization Act, 2013 (II of 2013) and the rules made thereunder; and
- (d) photographs (4x passport size) of proprietor in case of proprietorship, all partners in case of partnership and all directors in case of company.

1209. Eligibility to file an application – An applicant is eligible to make an application with the licensing authority, subject to the following conditions if he:-

- (a) is a citizen of Pakistan, and a legal entity duly registered under the relevant laws of Pakistan;
- (b) is not below the age of 18 years at the time of filing of the application;
- (c) is having valid membership certificate issued by freight forwarder association in accordance with the Trade Organizations Act, 2013 (II of 2013) and the rules made thereunder; and
- (d) demonstrates the existence of an insurance coverage (upon written instruction by the shipper or carrier).

1210. Approval of license.- (1) Upon receipt of application, the licensing authority shall issue license subject to fulfilment of the following conditions, namely:-

- (a) the applicant fulfills the conditions for grant of licence under these rules;

- (b) deposits a sum of two hundred thousand rupees as security deposit for operating in one customs station and five hundred thousand rupees as security deposit for operating in more than one customs station, in the shape of Defense Saving Certificates, pledged to the Collector of Customs; and
 - (c) execute a bond for ensuring good conduct and to follow customs rules and regulations.
- (2) The Collector of Customs HQ (Exports-IOCO) shall be responsible to receive applications for processing and maintain records of the freight forwarders.

1211. License and its conditions.- (1) The licensing authority may, on fulfilling all conditions under rule 1209 of these rules, grant a non-transferable license initially for a period of two years which shall be renewable after every two years subject to the following conditions, namely:-

- (a) the licence shall not be transferable or sub-let and no licensee shall bring about a change in the composition of the company, proprietorship or firm, as the case may be;
- (b) change of status of firm from proprietorship to partnership to company shall be allowed on submission of partnership deed duly attested by notary public on successful passing of interview or test or both by the new proprietor or partner, to be conducted by the licensing authority or any officer authorized in this behalf;
- (c) retirement of partner shall be allowed on submission of an additional undertaking that the existing partner may take the responsibility of all previous and future acts of the company and shall be responsible for payment of any outstanding government dues accrued on the company before and after retirement of the partner;
- (d) dissolution of partnership shall be allowed on submission of dissolution deed and an under taking that the person continuing the firm shall be responsible for the payment of all or any outstanding government dues accrued in the name and title of the firm;
- (e) change of status of firm from proprietorship / partnership to limited company or changes of directorship in case of a company shall only be allowed if duly approved by the Securities and Exchange Commission of Pakistan;
- (f) in case of death of an individual licensee, the license may be re-issued to his legal heir if he fulfills the requisite criteria under the

law. The new licensee shall execute a fresh bond for the said purpose; however, the licensing Authority may allow the transfer of the security deposit held in the name of the deceased licensee to the name of new licensee subject to adjustment of the liabilities attached to such deposit:

Provided that subject to enhancement of fee and satisfactory performance of licensee, the license may be renewed for a period of five years, if it has remained valid for the last ten years and no criminal proceedings have been initiated or pending against the licensee;

- (g) in case the license is lost or damaged, a duplicate copy thereof may be issued on a written request by the licensee, duly supported by the documentary evidence regarding loss or damage and on payment of fee of five thousand rupees.

1212. Renewal of license – (1) An application as set out in form-B for the renewal of license shall be made to the licensing authority two months before its expiry, along with the following documents: -

- (a) proof of undertaking transactions in capacity of a freight forwarder; and
- (b) proof of payment of the renewal fee, which shall be rupees ten thousand for renewal of license for a period of five years.

(2) The licensing authority may refuse to renew the license if it finds that –

- (a) the licensee has failed to apply for the renewal of license within the prescribed time;
- (b) the licensee has become insolvent or bankrupt or is involved in cases of tax fraud or criminal cases, established through conviction under any law for the time being in force;
- (c) the licensee is declared to be of unsound mind by a competent court or medical authority;
- (d) the licensee had violated any applicable law including the provisions of the Customs Act, 1969 and the rules made thereunder; and
- (e) the licensee has been revoked under these rules.

1213. Authorization to sign and submit documents on behalf of the Licensee.— A licensee may authorize not more than three permit holders to sign customs documents on his behalf.

1214. Issuance of permits – (1). The licensee shall apply to the licensing authority as set out in form-C for the grant of Customs permit to such clerks as he/she employs for transacting business at the customs station such as custom house, seaport, airport, rail station or land customs station.

(2) Such application shall bear a court-fee stamp of rupees fifty, accompanied by three passport size photographs of the persons whose permits are applied for.

(3) The person for whom the permit has been sought, must at least have passed intermediate examination and holds a valid CNIC.

(4) A customs permit shall not be transferable and shall be valid only for the person in favor of whom it was issued.

(5) A customs permit shall be issued on payment of rupees one thousand and shall be valid for two years, unless suspended or earlier revoked in accordance with these rules.

(6) The licensee shall apply for the renewal of the customs permit issued in favor of his clerk at least one month prior to its expiry, duly accompanied with a renewal fee of rupees five hundred.

(7) The licensee shall immediately inform the licensing authority in case the service of any permit holder is terminated, where after, the licensee shall surrender the permit with the licensing authority for cancellation.

(8) A customs permit shall be liable to be revoked or suspended at any time by the licensing authority for any irregularity, misbehavior or for any other reason for which a license may be revoked or suspended.

(9) The customs permit shall always be carried by the person to whom it has been issued and shall be produced before the relevant officer of customs, on demand.

(10) The licensee shall be responsible for all the acts of any person holding a customs permit on his behalf.

1215. Responsibilities of licensee.— (1) A licensee shall;

- (a) act as an intermediary between the cargo owner and the carrier;
- (b) exercise due diligence and take reasonable measures in the performance of freight forwarding services;
- (c) arrange inland transportation of goods, maintaining effective communication with the exporter/transport companies so as to ensure that the goods are timely delivered to the port/airport;
- (d) manage multimodal transportation in a situation where the goods are required to be delivered to the destination through sea, land and/or air route, simultaneously;
- (e) negotiation of freight rates on behalf of the exporter/importer with the carriers;
- (f) consolidating shipments when necessary to optimize costs and efficiency;
- (g) arranging storage and warehousing facility for the goods as and when required by the exporter/importer;
- (h) prepare and process documents related to all shipment activities, including issuing their own house bill of lading/airway bill;
- (i) prepare and submit customs manifest;
- (j) issuance of delivery orders and managing FCL, LCL, air, sea land and rail shipments;
- (k) manage or undertake e-commerce logistics through 3PL (third party logistics), 4PL (fourth party logistics) and 5PL (fifth party logistics) manner or services; and
- (l) responsible to carry out his service according to the exporter's instructions, as agreed, and as per the correct information provided by the consignor or consignee.

1216. Dispute resolution mechanism.- (1) For the purpose of any dispute requiring resolution, there shall be a dispute resolution committee

(DRC) to be constituted by the Pakistan International Freight Forwarders Association (PIFFA).

(2) The DRC under sub-rule (1) shall comprise such representatives as the PIFFA may determine.

(3) Upon receiving a written complaint with supporting documentation, the DRC shall issue notices to the concerned parties within seven days, requiring their replies within ten days.

(4) A hearing shall be scheduled within five days after receipt of all replies.

(5) The DRC shall resolve the dispute amicably and issue decision within fifteen days of the hearing.

(6) A report regarding settlement of disputes through DRC shall be submitted to the Collector of Customs HQ (Exports-IOCO).

(7) If the dispute is not resolved by the DRC within thirty days from the date of the complaint, the matter shall be brought in appeal before the Customs Dispute Resolution Committee (CDRC) consisting of the following, namely:—

- (a) Collector Export (HQs) – Chairman
- (b) Additional Collector of Customs (Enforcement) – Member;
- (c) Chairman/Member PIFFA-South Zone – Member; and
- (d) Chairman/Member of PIFFA-North Zone - Member

(8) The CDRC shall convene its meeting at Customs House, Karachi for hearing the parties including online hearings where necessary with recorded justification.

(9) In respect of the notices, hearings, proceedings and decisions the CDRC shall follow the same timelines as are applicable to the DRC.

(10) The appeal by the CDRC constituted under sub-rule (8) shall be decided through a speaking order.

(11) Where any party is aggrieved by decision in appeal under sub-rule (10), it may opt to challenge the decision before the competent court of law in accordance with the applicable laws.

(12) Any freight forwarder or licensee, aggrieved by any decision or order of the licensing authority denying, revoking or suspending a license under this chapter, may prefer an appeal as set out in form-D along with a copy of the impugned order and grounds of appeal, with the Chief Collector of Customs (Exports-IOCO) within sixty days of the passing of such decision or order.

1217. Action in case of a violation of the conditions of license.—

(1). The licensing authority may revoke or suspend a license or permit of any freight forwarder for the following reasons:-

- (a) the licensee has made or cause to be made, in any application for any license or permit 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;
- (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;
- (c) the licensee has knowingly employed or continues to employ any individual who has been convicted of any offence referred to under clause (b);
- (d) the licensee has, in the course of its freight forwarding business, with the intent to defraud, in any manner, willfully and knowingly deceived, mislead or threatened any client or prospective client;
- (e) violation by the licensee of any provisions of the rules, regulations, notifications, instructions or orders passed thereunder;
- (f) aiding or abetting any individual, firm or company, as the case may be, for violation of any provision of these rules.
- (g) negligence and inefficiency of the licensee in the discharge of his/her obligations;
- (h) attempt by the licensee to influence the conduct of any employee on the customs house, customs station, port or airport by the use of force, intimidation, duress, bribery or by offering any special inducement or gift; and
- (i) the licensee's previous performance has not been satisfactory or has not been true to the customs.

(2) In case of revocation of license under sub-rule (1), the licensing authority after issuing show cause notice to the licensee, forfeit

the whole or part of the security deposited by the licensee under rule 1210 for the settlement of any outstanding dues. Whereas, in case if the security deposit is not forfeited, it shall be returned to the concerned person within six months from the date of revocation or surrender of license.

(3) The licensing authority may, in case where immediate action is considered necessary against the licensee, suspend his licence forthwith after recording reasons in writing pending the final action under the rules.

- (4) The license shall stand revoked immediately if the licensee-
- (a) is declared insolvent;
 - (b) fails to apply for renewal of license after three years from the last renewal;
 - (c) files an application seeking cancellation of license;
 - (d) fails to renew membership with PIFFA; and
 - (e) cancellation/Suspension of PIFFA membership by its executive committee.

1218. Training and capacity building.- Freight Forwarding agents shall be required to undertake mandatory annual training program from the Customs Academy of Pakistan subject to the terms and conditions as set out by the Academy. The annual training program conducted by Pakistan Customs Academy shall be subject to a fee notified from time to time by the Academy and shall be borne by the licensee. Failure to attend the mandatory training without sufficient cause may lead to suspension of license.

1219. Transitional provision - Existing freight forwarders operating at the time of commencement of these rules shall apply for licensing under these rules within six (6) months of this notification.

1220. Penalty for non-compliance - Any licensee failing to comply with these rules shall be liable to penalties as prescribed under the Customs Act, 1969 (IV of 1969) and may face suspension or revocation of license as well as WeBOC ID.

Application for Grant of Freight Forwarder License

To,
The Licensing Authority.

Subject: **Application for Grant of Freight Forwarder License**

Sir / Madam,

I, the undersigned, hereby apply for the grant of a Freight Forwarder License under the Freight Forwarders (Multimodal) Licensing Rules.

I submit the following particulars for your kind consideration:

1. **Name of Applicant (Individual/Company/Firm):**

2. **Nature of Legal Entity:**
(Proprietorship / Partnership / Company)

3. **Registration Details:**
 - NTN Number: _____
 - STRN (if applicable): _____
 - CNIC No. (for individuals/partners): _____

4. **Business Address:**

5. **Phone No.:** _____ **Email:** _____

6. **Proof of Valid Membership:**
(Membership Certificate of Freight Forwarder Association, e.g., PIFFA)
Attached: [Yes/No]

7. **Educational Qualification (for individuals/partners/directors):**

8. **Experience in Freight Forwarding (if any):**

9. **Treasury Challan No. and Date:**

Deposited Rs. _____ vide Challan No. _____, dated _____.

10. **Security Deposit (upon approval):**

Rs. 200,000 for one Customs Station

Rs. 500,000 for countrywide operation

11. **Insurance Coverage Evidence:**

Attached: [Yes/No]

12. **Other Attachments:**

- Copy of CNIC / Partnership Deed / SECP Documents (Form 29, Form A/3A)
- Four (4) Passport Size Photographs

Declaration:

I hereby declare that the information provided above is true and correct to the best of my knowledge and belief, and that I shall abide by the Customs Act, 1969, and all rules and regulations made thereunder.

Date: _____

Place: _____

Signature of Applicant: _____

Name: _____

Designation: _____

Zubair Shah
Secretary (T&BT)
Friday, 16 May, 2025, 11:20:37 AM

Application for Renewal of Freight Forwarder License

To,
The Licensing Authority.

Subject: **Application for Renewal of Freight Forwarder License**

Sir,

I, the undersigned, hereby apply for the renewal of my Freight Forwarder License bearing License No. _____ issued on _____ and expiring on _____.

I submit the following documents/information:

- 1. Proof of Freight Forwarding Activities:**
(Attach supporting documents such as contracts, bills of lading, delivery orders.)
- 2. Proof of Payment:**
Treasury Challan No. _____ dated _____, for Rs. 10,000 (Renewal Fee).
- 3. Proof of Continuing Membership with Freight Forwarder Association (e.g., PIFFA):**
Attached: [Yes/No]
- 4. Any Changes in Legal Status:**
If Yes, details: _____
(Attach SECP approval and other documents if applicable.)
- 5. Declaration:**
I hereby declare that there is no pending criminal or insolvency case against me/us and that all information provided is correct to the best of my knowledge.

Date: _____

Place: _____

Signature of Applicant: _____

Name: _____

Designation: _____

Application for Issuance of Customs Permit for Clerk/Employee

To,
The Licensing Authority.

Subject: **Application for Issuance of Customs Permit for Clerk/Employee**

Sir,

I, the undersigned, on behalf of M/s.

_____ (Name of Licensee/Freight Forwarder), License No. _____, hereby apply for the issuance of a Customs Permit for the following clerk/employee engaged by us for transacting business at Customs House / Port / Airport / Station:

1. **Name of the Employee:**
2. **Father's Name:**
3. **CNIC Number:**
4. **Date of Birth:**
5. **Educational Qualification:**
(Minimum: Higher Secondary School Certificate)
6. **Residential Address:**
7. **Designation in the Company:**
8. **Nature of Duties to be Performed:**
9. **Passport Size Photographs Attached:**
 Yes — (Three Photographs Enclosed)
10. **Court Fee Stamp (Rs. 50) Affixed:**
 Yes
11. **Declaration:**

I hereby declare that the above-named employee is of good character and integrity, possesses the requisite qualification, and is being nominated by us to transact business at Customs House/Port/Airport/Rail Station. I undertake full responsibility for the acts and conduct of the employee concerned.

Date: _____

Place: _____

Signature of Licensee/Authorized Signatory: _____

Name: _____

Designation: _____

Official Seal: _____

Form-D

[see rule 1219]

Form of Appeal

To,
The Chief Collector of Customs (Exports & IOCO),
Customs House, Karachi.

Subject: **Appeal Against Order of Licensing Authority**

Sir,

I, the undersigned, hereby prefer an appeal under Section [Insert Section] of the Freight Forwarders (Multimodal) Licensing Rules against the decision/order dated _____, passed by the Licensing Authority.

The particulars of the appeal are as follows:

1. Name of Appellant (Licensee/Applicant):

2. License/Permit Number (if any):

3. Date of Impugned Order:

4. Grounds of Appeal:
(Attach a separate sheet if necessary.)

5. Relief Sought:

6. Attachments:

- Copy of the impugned order
- Supporting documents

7. Declaration:

I declare that the facts stated above are true to the best of my knowledge and belief.

Date: _____

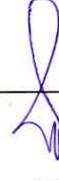
Place: _____

Signature of Appellant: _____

Name: _____

Designation: _____

[C. No.2(3)/L&P/2020]



(Zubair Shah)
Secretary (Law & Procedure)

Zubair Shah
Secretary (T&BT)
Friday, 16 May, 2025, 11:20:37 AM

Zubair Shah
Secretary (T&BT)
Friday, 16 May, 2025, 11:20:37 AM