

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE**

Islamabad, the 05th August, 2025

NOTIFICATION

S.R.O. 1435(I)/2025.- 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 by sub-section (3A) of the said section 219, was previously published *vide* Notification No. S.R.O 1359(I)/2025, dated the 29th July, 2025, namely:-

In the aforesaid Rules, in Chapter XL, -

(1) in rule 871,

(a) in clause (m),

(i) after the word "goods" occurring for the second time, the commas and words ", except raw cotton, cotton yarn and grey cloth falling under the respective headings of Pakistan Customs Tariff," shall be inserted; and

(ii) the words "except iron and steel scrap falling under the respective headings of Pakistan Customs Tariff" shall be omitted.

(b) After clause (m), the following new clause shall be inserted, namely:-

"(n) **"insurance guarantee"** means a guarantee issued by an insurance company duly notified by the Board, having Pakistan Credit Rating Agency rating of AA++, on such format and conditions as prescribed by the Board;"

(2) in rule 872, in sub-rule (1),-

(a) for the commas and words ", except persons engaged in import of iron and steel scrap falling under the respective headings of Pakistan Customs Tariff," the words "and goods" shall be substituted;

(b) in clause (e), the word "and", at the end shall be omitted;

(c) in clause (f), for the full stop, at the end, a semi-colon shall be substituted and thereafter the following new clauses shall be inserted, namely:-

"(g) import of compressor scrap and motor scrap shall be allowed for copper content only; and

(h) raw cotton, cotton yarn and grey cloth falling under the respective headings of Pakistan Customs Tariff shall be excluded from the scope of EFS;

Provided that import consignments of raw cotton, cotton yarn and grey cloth with bills of lading issued within ten days of the issuance of this notification shall be allowed under this scheme.";

(3) in rule 876, in sub-rule (1),-

- (a) in clause (a), in sub-clause (ii), after the word “guarantee”, occurring for the second time, the words “or insurance guarantee” shall be inserted;
- (b) in clause (b), after the word “guarantee”, occurring for the second and fourth time, the words “or insurance guarantee” shall be inserted;
- (c) in clause (c), after the word “Guarantee”, the words “or insurance guarantee” shall be inserted;
- (d) in clause (d), after the word “guarantee”, occurring for the second and fourth time, the words “or insurance guarantee” shall be inserted;
- (e) in clause (e), after the word “Guarantee”, the words “or insurance guarantee” shall be inserted; and
- (f) in clause (e), amended as aforesaid, for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be inserted, namely:-
“Provided that till the notification of the format of insurance guarantee by the Board, the EFS users shall be required to submit bank guarantee, wherever applicable.”;
- (4) in rule 877, in sub-rule (15),
- (a) before the existing proviso, the following new proviso shall be inserted, namely:-
“Provided that EFS users shall be allowed to acquire new raw materials to the extent of 10% of total authorization without requiring prior approval from the Regulatory Collector or IOCO.”; and
- (b) in the second proviso, after the word “Provided”, the word “further” shall be inserted;
- (5) in rule 879, in sub-rule (5), after the word “Guarantee” the words “or insurance guarantee” shall be inserted;
- (6) in rule 880, in sub-rule (1),-
- (a) in clause (c), the word “and”, at the end, shall be omitted; and
- (b) in clause (d), for the full stop, at the end, a semi-colon and the word “and” shall be substituted and thereafter the following new clause shall be inserted, namely:-
“(e) copper content for motor scrap shall be allowed on value of ten percent by weight and for compressor scrap eight percent by weight. Customs duty, additional customs duty, regulatory duty, sales tax and withholding tax shall be applicable at import stage on balance steel scrap component which shall only be sold to sales tax registered melters.”;
- (7) in rule 882, in sub-rule (2), in the proviso, for the word “sixty”, the word “ninety” shall be substituted;
- (8) in rule 883, for the figure and words “ 9 months extendable in exceptional circumstances by a committee to be constituted by the Board”, the expression “nine months. In exceptional cases, a committee comprising of senior officers from FBR, Ministry of

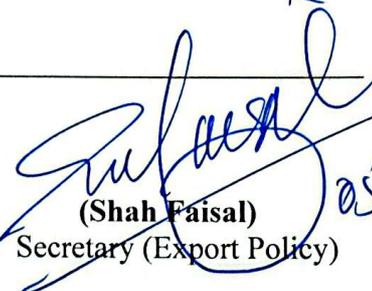

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Commerce and Ministry of Industries and Production may grant further extension in utilization period up to nine more months for reasons to be recorded” shall be substituted; and

(9) in rule 885,-

- (a) in sub-rule (2A), after the word “guarantee” the words “or insurance guarantee” shall be inserted; and
- (b) in sub-rule (5), for the word “revolving” the words “Bank Guarantee or” shall be substituted.”

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(Shah Faisal)
Secretary (Export Policy)

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