

**GOVERNMENT OF PAKISTAN**

**MINISTRY OF COMMERCE**

**IMPORT TRADE**

**Islamabad, the 6th July, 1998.**

**ORDER**

S.R.O. 783(I)/98.-- In exercise of the powers conferred by sub-section (I) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), and in supersession of its Notification No. S.R.O. 599(I)/91, dated the 1st July, 1991, and without prejudice to any restriction, regulation or prohibition for the time being in force relating to the import of goods into Pakistan, the Federal Government is pleased to prohibit, except in the cases set out in Schedule I, the import by sea, land or air from any country outside Pakistan of any of the goods specified in Schedule II.

2. This Order shall take effect on the 6th day of July, 1998.

**SCHEDULE-I**

- (1) Any goods imported by the Federal Government for Defence purposes.
- (2) Any goods imported by the Federal Government, orders in respect of which are placed direct by the department concerned.
- (3) Any goods in transshipment to a country outside Pakistan.
- (4) Any goods manifested for a country outside Pakistan which on import into Pakistan are bonded for re-export to that country.
- (5) Any goods imported and bonded for re-export as ship's stores to a country outside Pakistan or any goods in transit through Pakistan by post, or any goods re-directed by post to any address outside Pakistan without leaving the custody of the Postal Department.
- (6) Any goods imported for transmission across Pakistan by land to any country outside Pakistan under claim for exemption from duty or for refund of duty either in whole or in part:

Provided that such goods are imported by or on behalf of the Government of a country bordering Pakistan or that in the case of goods in transit to a country other than Afghanistan the importer undertakes to produce within the specified period evidence that such goods have crossed the borders of Pakistan or in default to pay penalty equal to the c.i.f. value of such goods:

Provided further that nothing herein contain entitles any goods to an exemption from the Export Trade Control Regulations.

7. (1) Any goods imported as passenger's baggage by an individual coming or returning from a country, other than India for his bona fide personal use in accordance with the Non-Tourist Baggage Rules and Transfer of Residence Rules notified by the Central Board of Revenue from time to time.

- (2) Any goods imported as passenger's baggage by an individual coming or returning from India in accordance with the Passengers Baggage (India-Pakistan) Rules, 1979, as notified under the Central Board of Revenue Notification No. S.R.O. 659(I)/79, dated the 11th July, 1979.
8. Reading material including Quranic records and medicines imported by a person through post, provided that –2
- (a) these are imported for the personal use of the importer;
- (b) the maximum C&F value of newspapers does not exceed ten thousand rupees per annum against the import of reading material including Quranic records up to twenty thousand rupees per annum but books of specialized nature required by professionals and specialized organizations will be allowed to be imported up to forty thousand rupees per annum and Braille books for the blind will be allowed up to forty thousand rupees per annum; and
- (c) the maximum C&F value of medicines does not exceed five hundred rupees per annum.
9. - (1) Bona fide samples of articles imported as such by a consignee in Pakistan, provided that—
- (a) the aggregate c.i.f. value of samples does not exceed US \$ 10,000 or equivalent, per firm, per annum, except in case of samples for medicines the value of which shall not exceed twenty-five thousand rupees:
- Provided that the import of three per cent samples of commercial consignments shall be allowed for medicines containing new chemical entities, for three years from the date of registration, except Narcotics, Psychotropic drugs and similar other drugs.
- (b) the samples are supplied free of charge by the suppliers or manufacturers abroad;
- (c) the consignee is a registered importer or indentor under the Registration (Importers and Exporters )Order, 1993, or has been exempted from registration there under: and
- (d) Mutilated samples without any monetary or quantitative ceiling:
- Provided that the recognized units of leather goods industry shall be exempt from the application of the limit specified in clause (a) and shall be allowed to import up to fifty samples (including cuttings, swatches and finished products) in a calendar year.
- (2) Written publicity materials in the shape of brochures, posters, calendars, pamphlets and technical literature supplied free of cost.
10. Any goods supplied free of charge in replacement of goods previously imported which have been found to be defective or otherwise unfit for use.
11. Any goods which are exempt from duty on importation by or on behalf of the Foreign Diplomatic Missions in Pakistan, Diplomats and Consulars under the Diplomatic and Consular Privileges Act, 1972 (IX of 1972), provided that this exemption shall not apply

to liquor if imported on behalf of foreign diplomatic missions in Pakistan, diplomats or Consulars.

12. Any goods which are exempt from customs duty on re-importation under section 22 of the Customs Act, 1969 (IV of 1969), or under Notification NO. S.R.O. 681(I)/80, dated the 26th June, 1980.
13. Any goods which are covered by an import license or an import permit or a clearance permit issued by the Chief Controller or any Controller, Deputy Controller or Assistant Controller of Imports and Exports, or such other officer as may be authorized to issue licenses under sub-section (2) of section 3 of Imports and Exports (Control) Act, 1950 (XXXIX of 1950).
14. Any goods which are freely importable, as specified from time to time.
15. Any goods, other than freely importable items, the import of which are subject to conditions, procedural requirements, restrictions and specific authorization specified in the Import Policy.
16. Material imported under temporary importation scheme notified vide Ministry of Finance Notification No. S.R.O. 818(I)/89, dated the 9th August, 1989.
17. Material imported under No Duty No Drawback Rules, 1997, Manufacturing in Bond Rules, 1997 and imports in Common Bonded Manufacturing Warehouses (as amended from time to time) specified in the Import Policy Order from time to time.
18. Freely importable items of raw materials imported free of cost by industrial consumers operating under bonds through Ministry of Finance Notification No. S.R.O. 1140(I)/97, dated 06-11-1997.
19. Motor cars imported free of customs-duty, sales tax and iqra surcharge against home remittances.
20. Any goods imported on Government account and covered by a license issued by the Director General, Department of Supplies, Ministry of Industries, or by a Deputy Director General or a Director or a Deputy Director or an Assistant Director in that Department appointed in this behalf by the Federal Government.
21. Any goods supplied as free gifts by individuals and organizations in the United States to individuals and organizations in Pakistan under Agreement dated the 2nd October, 1954, between the Government of the United States of America and the Government of Pakistan and exempt from customs duty under the Revenue Division Notification No. 3 C dated the 12th January, 1955.
22. Any goods imported on Government account and covered by a license issued by the Director General of Defence Purchase or by a Director or a Deputy Director or an Assistant Director of the Directorate General of Defence Purchase in the Ministry of Defence, appointed in this behalf by the Federal Government.
23. Any goods imported on Government account and covered by a license issued by the Director Mechanical engineering and Stores (Railway Board), Chief Controller of Stores (Pakistan Railways, Lahore), or an Assistant Controller of Stores authorized by the Federal Government in this behalf.

24. All goods imported by the provincial Government, orders in respect of which are placed directly by the administrative Secretaries of the respective Departments or officers authorized by the administrative Secretaries; provide that they meet their requirements of foreign exchange from their own foreign exchange budget allocation.

25. Unsolicited gift parcels involving no remittance of foreign exchange from Pakistan containing goods as under :-

- (a) books, magazines, journals and medicines up to the value of five thousand rupees per annum; and
- (b) any goods excluding textiles (not made-up garments, imitation jewelry, watches and watch bands of all sorts, fountain pens, cameras, radios including transistor sets and trophies (e.g. skins, antlers, horns and other products of wild animals, and feathers, eggs, egg shell of wild birds) up to the value of one thousand rupees per annum.

26. Any goods imported from United States of America under PL-480 Title-I Programme in accordance with such procedure as may be laid down by the authority.

27. Any goods imported on Government account and covered by a license by the Director General, Munitions production, Ministry of Defence, or the Director of Fighting Vehicles Research and Development Establishment or the Director of Armament Research and Development Establishment of the said Ministry, or a Director, Munition Production, of the said Ministry appointed in this behalf by the Federal Government.

28. Any goods imported on Government account and covered by a license issued by the Chairman of the Director of Industrial and Commercial Relations of the Pakistan Ordnance Factories Board, constituted under the Pakistan Ordnance Factories Ordinance, 1961 (XVII of 1961).

29. Any goods imported by the Pakistan Atomic Energy Commission for their own use.

30. Any goods imported by the National Logistic Cell under the National Logistic Board for their own use.

31. Any goods imported by Pakistan Space and Upper Atmosphere Research Commission (SUPARCO) for their own use.

32. Any goods imported by mountaineering and tracking expeditions for their own use excluding ham, bacon and liquor.

## **SCHEDULE II**

### **I.T.C. SCHEDULE BASED ON THE HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM GENERAL RULES FOR THE INTERPRETATION OF THE HARMONIZED SYSTEM**

Classification of goods in the Nomenclature shall be governed by the following principles :

1. The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the

headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:--

- (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled; and
  - (b) any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rules 2.
2. When by application of rule 1 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:
  - (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods;
  - (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to rule 2 (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable; and
  - (c) When goods cannot be classified by reference to rule 2 (a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
3. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.
4. In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:--
  - (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character; and
  - (b) subject to the provisions of rule 4 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.

5. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutates mutandis, to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.
6. For the purpose of interpretation, "Explanatory Notes to the Harmonized Commodity Description and Coding System" (1996 version) published by Customs Cooperation Council (World Customs Organization), Brussels as amended from time to time shall be considered authentic source of interpretation.
7. For the purposes of imports and exports for reference purposes and for classification of goods, first schedule to the Customs Act 1969 shall act as schedule II of this order.

[No. F.4(1)/98-AC(Imports)].

**( MOHAMMAD SULAIMAN )  
ACTING SECRETARY**

**As amended**

S.R.O.903(I)/99, dated - 04.08.1999