GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE
(REVENUE DIVISION)
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Islamabad, the 15th June, 2002.

NOTIFICATION
(CUSTOMS)

S.R.O. 358 (I)/2002.- In exercise of the powers conferred by section 19 of the Customs Act,1969(IV of 1969), and in supersession of its Notification No. S.R.O. 444(I)/2001, dated the 18th June, 2001, the Federal Government is pleased to exempt -

(i) the raw materials and components, as are not produced locally, and specified in column (3) of the Table I below, falling under the heading or sub-heading numbers of the First Schedule to the said Act and specified in column (4) of the said table, if imported by the manufacturers of goods specified in column (2) of the said Table, from so much of customs-duty as is in excess of the rates specified in column (5) thereof, subject to the conditions specified under the caption "conditions with reference to Table I" and produced below the said Table I; and

(ii) the raw materials, components and goods specified in column (2) of the Table II below and falling under the heading and sub-heading numbers of the First Schedule to the said Act specified in column(3) of the Table II, from so much of customs-duty specified in the First Schedule to the said Act, as is in excess of the rates specified in column(4) of that Table subject to the conditions specified in column(5) thereof;

TABLE I

S.No.	**Description of goods to be manufactured**	**Description of raw materials and components**	**Heading or sub-headings Nos.**	**Rate of duty.**
(1)	**(2)**	**(3)**	**(4)**	**(5)**
1.	Masterbatches.	Pigments, dyes, additives, fillers, resins.	Respective headings.	10% ad val.
2.	Dry battery cells.	Natural manganese dioxide.	2530.9010	5% ad val.
		Acetylene black.	2803.0020	5% ad val.
		Electrolytic manganese dioxide.	2820.1010	5% ad val.
		Ammonium chloride.	2827.1000	5% ad val.
		Zinc chloride.	2827.3600	5% ad val.
		Mercuric chloride.	2827.3990	5% ad val.

(1)	(2)	(3)	(4)	(5)
		Carbon rods.	8545.9020	5% ad val.
		Zinc slugs.	7907.0010	5% ad val.
		Electrolytic paper.	4811.9000	5% ad val.
3.	Oleo-chemical/Stearic acid.	Palm stearin.	1511.9010	10% ad val.
4.	Engineering goods.	Non-alloy (carbon) steel sections, bars and rods not manufactured locally.	72.14 72.15 72.16	20% ad val. 20% ad val. 20% ad val.
5.	Footwear.	PU paints.	3208.9000	10% ad val.
		Release agents.	3403.1990	10% ad val.
		Wax cream.	3405.1010	10% ad val.
		Shoe adhesives.	3506.9100 3506.9900	10% ad val. 10% ad val.
		Hot melt materials.	3506.9900	10% ad val.
		Isocyanate.	3824.9099	10% ad val
		Desmodur RE.	3824.9099	10% ad val.
		Toe puff material.	3921.9000	10% ad val.
		Fibre board.	4411.3900	10% ad val.
		Insole board.	4811.5990	10% ad val.
		Combralla lining material.	5603.1300 5603.1400	10% ad val.
		Shoe reinforcement tapes.	5906.1000	10% ad val.
		Rubber, master batch.	3204.1700	10% ad val.
6.	Disposable syringes and needles.	Medical grade paper labels	4821.1000	10% ad val.
		PVC gaskets.	3923.5000	10% ad val.
		Rubber gaskets.	4016.9310	10% ad val.
		Polypropylene (medical grade).	3902.1000	10% ad val.
		PVC (medical grade)	39.04	10% ad val.
		Plastic film.	3921.9000	10% ad val.
7.	Manufacture or Formulation of agricultural pesticides by manufacturers or formulators duly recognized and approved by the Ministry of Food and Agriculture.	i. Oils and other products of distillation of high temperature, coal-tar and similar products in which the weight of the aromatic constituents exceeds that of Non-aromatic constituents.	2707.6000 2707.9100 2707.9990	5% ad val. 5% ad val. 5% ad val.
		ii. Surface active agents.	3402.1190 3402.1200 3402.1300 3402.1990	5% ad val. 5% ad val. 5% ad val. 5% ad val.

(1)	(2)	(3)	(4)	(5)
		iii. Active ingredients, stabilizers, emulsifiers and solvents.	Respective headings/sub-headings Nos. of Chapter 28, 34 or 38.	5% ad val.
8.	Ribbons for Typewriter/computer printers.	Polyethylene film.	3920.1000	10% ad val.
		Empty cartridges.	3926.9090	10% ad val.
		Nylon fabrics.	3903.9000	10% ad val.
9.	Printing ink.	Organic pigments.	3204.1700	10% ad val.
		Inorganic pigments.	32.06	10% ad val.
			32.07	10% ad val.
		Driers.	32.11	10% ad val.
		Waxes.	34.04	10% ad val.
		Resins.	3912.2000	
			39.02	10% ad val.
10.	Articles of stationery.	Raw materials.	Respective headings.	5% ad val.
		Parts and components.	Respective headings.	10% ad val.
		<u>Under EEPAS</u>		
11.	i. Television sets.	Raw materials.	Respective headings.	5% ad val.
		Picture tube (colour).	8540.1100	5% ad val.
		Picture tube (black and white).	8540.1200	5% ad val.
		Deflection yoke.	8540.9100	5% ad val.
		Tuner.	8529.9000	5% ad val.
		Transformers.	8504.3100	5% ad val.
		Front and back cover.	8529.9000	5% ad val.
		Other sub-components, components, modules and sub-assemblies.	Respective headings.	5% ad val.
	ii. Cellular mobile phones; Laser video disc players; DVD player; VCP(Video Cassette Player); VCR(Video Cassette Recorder); Compact disc player; Stereo car cassettes players; Hi-fi system; Pocket size cassette player/ CD players; Radio-cum-cassette player; Radio; Electronic calculator; Microwave ovens; Caller Line Identification (CLI) apparatus.	i. Raw materials, components, sub-components for the electronic apparatus.	Respective headings.	5% ad val.
		ii. SKD kits for assembly of microwave ovens VCP, VCR, VCD and DVD apparatus under “Emerging Electronics Products Assembly Scheme”	Respective headings.	10% ad val.

(1)	(2)	(3)	(4)	(5)
		(EEPAS) imported in more than seven components, SKD kits would not contain packing materials, carton boxes, brochures and the printed materials.		
12.	Formic acid.	Sodium hydro oxide {caustic soda in equeous solutions (soda lye or liquid soda)}	2815.1200	20% ad val.
13.	Sticker paper.	Cast coated paper. Release base paper.	4810.2200 4811.5900	20% ad val. 20% ad val.
14.	Flexible tubes.	Aluminum foils P.E. laminated sheets.	3921.9000	20% ad val.
15.	Aluminum presensitized printing plates.	Aluminium plates, sheets and foils.	7606.1100 7607.1900	10% ad val. 10% ad val.
16.	Acrylic sanitary ware.	Sanitary grade acrylic sheets.	3920.5100	20% ad val.
17.	Toilet soap.	Cresylic acid Pigments and dry colours. Surface active agents. Mixture of odoriferous substances.	2707.6000 3204.1900 34.02 3302.9000	10% ad val. 10% ad val. 10% ad val. 10% ad val.

Note: For Sr. No.11 in Table I, the determination of local manufacturing aspect shall not be applicable

(Conditions with reference to Table I)

(i) The manufacturer has suitable in-house facilities for manufacture of goods in respect of which he claims exemption under this notification or is duly registered with the Sales Tax Department as a manufacturer of respective goods;

(ii) the manufacturer shall furnish to Chief (Survey), Central Board of Revenue, or any officer authorized in this behalf, the list of such goods along with the details of raw materials, sub-components and components required and the Chief (Survey) Central Board of Revenue, or such authorized officer, will certify input/output ratio and annual requirement of the manufacturer;

(iii) the manufacturer shall, at the time of import of raw materials and components make a written declaration on the bill of entry to the effect that the inputs have been imported in accordance with his entitlement in terms of condition (ii) above. The manufacturer shall also declare that the imported raw material and components, etc., shall be consumed for the purpose of manufacture and assembly of the permissible products within a period of one year;

(iv) the manufacturer shall communicate to the concerned Collector of Customs in writing about the consumption of imported goods within one month of consumption. In case of non-consumption within one year, the importer shall pay the customs-duty and other taxes involved or shall give plausible reasons to the Collector of Customs and seek extension for a reasonable period; and

(v) in case the manufacturer does not provide information regarding consumption or otherwise of the imported goods within a period of one year of import or such extended period as allowed by the Collector or if otherwise deemed necessary, the Duty Suspension Audit Organization (DSAO) shall carry out audit of the manufacturing unit. If upon audit consumption of goods is not found satisfactory the Collector of Customs shall initiate proceedings for the recovery of leviable customs duty and penal action under the relevant provisions of the law in force.

TABLE II

S. No.	**Description of Goods.**	**Heading or sub-headings.**	**Rate of Duty.**	**Conditions of import.**
(1)	**(2)**	**(3)**	**(4)**	**(5)**
1.	Air craft spares, parts, chemicals, lubricants and paints.	Respective headings.	5% ad val.	If imported by domestic air lines for maintenance of their aircrafts.
2.	Ships and all the floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistani entity and flying Pakistani flag.	Chapter 89 excluding PCT heading 89.08	0% ad val.	This exemption shall be available up to the year 2020, subject to the condition that the ships and crafts, etc., appearing in column (2) are used for the purpose for which they were procured and in case such ships and crafts

(1)	(2)	(3)	(4)	(5)
				are used for demolition purposes, full import duties and other charges applicable to ships purchased for demolition purposes shall be chargeable.
3.	Paraxylene. Acetic acid. Heavy duty polypropylene or polyethylene special bags and flexipacks for packing one ton or more, of PTA.	2902.4300 2915.2100 6305.3300	0% ad val. 0% ad val. 10% ad val.	If imported by M/s ICI Pakistan Limited for the manufacture of Pureterephthalic Acid (PTA). This concession shall remain valid up to the 30th June, 2008.
4.	i. Special steel round bars and rods of non-alloy steel exceeding diameters 75 mm. ii. Lubricating anti-rust and anti-corrosion preparation.	7214.9900 3403.9900	10% ad val 10% ad val.	If imported by a recognized seamless pipes manufacturing industry duly notified as such by the Ministry of Industries and in such quantities as are determined by Chief (Survey), CBR.
5.	Coking coal for manufacture of coke.	2701.1200 2701.1900	5% ad val.	If imported by the Pakistan Steel Mills.
6.	Phosphoric acid.	2809.2010	0% ad val.	If imported by the Phosphatic Fertilizer Industry.
7.	Desalination plants, Coal firing system, Gas processing plants and Oil & Gas field prospecting.	Respective headings.	5% ad val.	i. Goods are meant for setting up of a complete plant. Any machine meant for balancing, modernization, replacement or expansion of existing plant is excluded. ii. At the time of arrival of the first partial shipment of the plant, the importer shall furnish complete details of the whole machinery, equipment and components parts required for the plant, duly supported by the contract and layout plan and drawings.

(1)	(2)	(3)	(4)	(5)
8.	Oil refining (mineral oil/hydro-cracking and other value added petroleum products). Plants for petro-chemical/petro-chemical down stream products (including fibers) Cool chain plants, Plants for heavy chemical industry.	Respective headings.	10% ad val.	i. Goods are meant for setting up of a complete plant. Any machine meant for balancing, modernization, replacement or expansion of existing plant is excluded. ii. At the time of arrival of the first partial shipment of the plant, the importer shall furnish complete details of the whole machinery, equipment and components parts required for the plant, duly supported by the contract and layout plan and drawings.
9.	Sugar plants, cement plants, thermal power plants, hydro electric power plants upto 50 MW capacity per unit.	Respective headings.	20% ad val.	i. Goods are meant for setting up of a complete plant. Any machine meant for balancing, modernization, replacement or expansion of existing plant is excluded. ii. At the time of arrival of the first partial shipment of the plant, the importer shall furnish complete details of the whole machinery, equipment and components parts required for the plant, duly supported by the contract and layout plan and drawings.
10.	Motor vehicle not exceeding 1350 cc cylinder capacity fitted with special gadgets to overcome disability.	Respective headings.	10% ad val.	If imported by the war disabled defence force personal or by a civil disabled personal in accordance with the conditions laid down in the General Order issued by the Central Board of Revenue.

(1)	(2)	(3)	(4)	(5)
11.	Machinery and equipment for grain handling and storage facilities.	Respective headings.	5% ad val.	If not manufactured locally, imported for development of grain handling and storage facilities by private sector.
12.	Plant, machinery, equipment and articles imported by the importers for the sectors specified below:- **1. <u>Service sector.</u>** Wholesale, distribution and retail trade, transportation, storage and communication, infrastructure projects including development of industrial zones; telecommunication i.e. E-mail/internet/electronic information services (EIS), data communication network services, trunk radio services, cellular mobile telephone services, audiotex services, voice mail services, card pay phone services, close user group for banking operations, international satellite operators for domestic data communications, paging service and any other telecommunication service which is deregulated in future, will become part of this list, technical testing facilities; audio-visual services; sporting and other recreation services; rental services relating to transport equipment and machinery, equipment and tools for land development and agriculture purpose; environmental services	Respective headings	10% ad val.	If not manufactured locally and as certified through Central Board of Revenue by the Facilitation Committee of Board of Investment (BOI), Islamabad from time to time. The Board of Investment shall take such measures as it deems necessary to ensure that the concerned sectors entitled to avail exemption under this notification, import only those goods as are approved by the Committee in view of actual project requirement.

(1)	(2)	(3)	(4)	(5)
	2. **Social sector.**			
	Education, technical/vocational training, human resources development (HRD) as well as hospitals, medical and diagnostic			-do-
13.	Following agriculture machinery and equipment: -			
	(A) Land development, leveling and clearing machinery and equipment. i. Laser land leveling equipment. ii. Hydraulically driven land leveler/land planer; iii. Survey equipment like theodolite; iv. Stone collector wind rower, capacity 1.5-2.5 m; and v. Bulldozer pulled soil scrapper, capacity 20-25m3.	Respective headings.	0% ad val.	If not manufactured locally and imported for the purpose of land development and reclamation of barren, desert and hilly land for agriculture purpose and crops farming; reclamation of water front areas or creeks; crops, fruits, vegetables, flowers farming; integrated agriculture (cultivation and processing of crops); modernization and development of irrigation facilities and water management; plantation, forestry and horticulture; dairy; small ruminants (sheep, goat) and all other livestock farming and breeding.
	(B) **Tillage and planting equipment.** i. Para plow-sub-soiler (with vibratory mechanism); ii. Rotary tiller/weedier (above 90 HP); iii. Flame weedier; iv. Vegetable seedling			-do-

(1)	(2)	(3)	(4)	(5)
	transplants; and v. Paddy seeding raising equipment.			
	(C) Fertilizer, plant Protection equipment. i. Slurry spreaders; ii. Manure spreader/composite shredder; iii. Self propelled sprayers/air assisted sprayers, (excluding manual type sprayers); iv. Power knapsack/mist blower sprayers; v. Herbicides applicators (with working pressure above 40 psi); vi. Granular applicators; vii. Spray nozzles assembly; and viii. Spray pumps (gear and diaphragm type);			-do-
	(D) High efficiency irrigation and Drainage equipment. i. Sprinkler including high and low pressure (center pivota) system and conventional sprinkler equipment, water reel travelling sprinkler); ii. Drip/trickle irrigation equipment/mint irrigation sprinkler system; iii. Dredger/excavator/ dragline equipment/back hoe trenchers; iv. Tile drain laying equipment; v. Direct power rotary drilling rigs;			-do-

(1)	(2)	(3)	(4)	(5)
	vi. Tractor mounted rotary ditcher (excluding tractor); and vii. Tractor mounted chain trencher (excluding tractor).			
	(E) Harvesting and threshing machinery. i. Combine harvesters; ii. Straw balers; iii. Forage choppers; iv. Sugarcane, potato, onion, garlic, fruit, groundnut, harvester/digger. v. Cotton picker; vi. Stock pullers cum shredder; vii. Fodder rakes; viii. Forage wagon; ix. Rotary slusher; and x. Pruner machinery;			-do-
	(F) Post-harvest handling and processing machinery. i. Mobile/stationery seed processing units; ii. Vegetables and fruits cleaning and sorting/grading equipment; and iii. Fodder and feed cube maker equipment;			-do-
	(G) Dairy or livestock machinery/Miscellaneous. i. Milking machines; ii. Sheer machinery; iii. Slurry digester; iv. Solar heating equipment; v. Green houses/G.H. equipment; and vi. Veterinary equipment.			-do-

(1)	(2)	(3)	(4)	(5)
	(H) **Seeding and planting equipment.**			
14.	Hides, skins and finished leather.	41.01 41.02 41.03 (except 4103.3000) 41.04 41.05 41.06(except 4106.3100 & 4106.3200) 41.07 41.09	0% ad val.	Nil.
15.	Seeds for sowing.	Respective headings,	0% ad val.	Nil.
16.	Books, magazine, journals and newspapers.	4901.9100, 4901.9900, 4902.1090, 4902.9090, 49.03.	0% ad val.	Nil.
17.	Pulses.	07.13	0% ad val.	Nil.
18.	Raw cotton.	52.01	0% ad val.	Nil.
19.	Raw wool.	51.01 5105.1000, 5105.2100, 5105.2900.	0% ad val.	Nil.
20.	Pure terphthalic acid (PTA).	2917.3610	15% ad val.	Nil.
21.	Yarn spun from silk waste, not put up for retail sale.	5005.0000	15% ad val.	Nil
22.	Of nylon or other polyamides, measuring per single yarn not more than 50 tex.	5402.3100	15% ad val.	Nil.
23.	Other textured yarn.	5402.3900	15% ad val.	Nil.
24.	Of nylon or other polyamides, measuring per single yarn not more than 50 tex.	5402.4100	15% ad val.	Nil.
25.	Of nylon or other polyamides, measuring per single yarn not	5402.6100	15% ad val.	Nil.

(1)	(2)	(3)	(4)	(5)
	more than 50 tex.			
26.	Viscose yarn, untwisted or with a twist not exceeding 120 turns per metre	5403.3100	15% ad val.	Nil.
27.	Monofilament	5404.1000	15% ad val.	Nil.
28.	Other synthetic textile materials.	5404.9000	15% ad val.	Nil.
29.	Acrylic or modacrylic	5501.3000	15% ad val.	Nil.
30.	Acrylic or modacrylic	5503.3000	15% ad val.	Nil.
31.	Other textile products and articles for technical uses.	5911.9000	15% ad val.	Nil.
32.	Silver.	71.06	US $ 2.00 per KG.	If imported by companies specifically registered and authorized for the purpose by Ministry of Commerce and the import duty is realized in foreign exchange.
33.	Gold.	71.08.	US $ 1.00 per 11.664 grams.	If imported by companies specifically registered and authorized for the purpose by Ministry of Commerce and the import duty is realized in foreign exchange.
34.	Diamonds.	7102.1000, 7102.3100.	2% ad val.	Nil.
35.	Rough Gemstone.	7103.1000	2% ad val.	Nil.
36.	Phthalic anhydride	2917.3500	20% ad val.	If imported by recognized manufacturers of chemical resin and processed chemicals in such quantity as determined by Chief (Survey), CBR.
37.	Ambulances	Respective headings.	30% ad val.	Nil.

(1)	(2)	(3)	(4)	(5)
38.	Sealed Lead-acid batteries of a kind used in telephone exchanges.	8507.2000	10% ad val.	Nil.
39.	Imports against the authorization of SMEDA under Table-II of defunct Section 18 of Finance Act, 1999.	Respective headings.	As envisaged in Table-II of defunct Section 18 of the Finance Act, 1999.	If exemption letters have been issued or where the cases are under process with the competent authority of SMEDA provided the same are issued by the 30th June, 2002 and the imports are effected by the 31st December 2002.

[C.No.1(2)Mach./2002].

(Dr. Manzoor Ahmad)
Additional Secretary