

GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,
STATISTICS AND REVENUE
(REVENUE DIVISION)

Islamabad, the 19th September, 2009

NOTIFICATION
(SALES TAX)

S.R.O. (I)/2009.— In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 769(I)/2009, dated the 4th September, 2009, the Federal Government is pleased to zero-rate the import and supply of polyethylene and polypropylene falling under PCT heading No. 3901.1000, 3901.2000 and 3902.1000 for manufacture of mono filament yarn and net cloth subject to the condition that the manufacturer is duly registered and has in-house manufacturing facility and supplies net cloth to green house farming at zero-rate subject to the following conditions, restrictions, limitations and procedure, namely:—

- (i) A sales tax registered importer-cum-manufacturer having suitable in-house facilities shall submit a complete requirement in the prescribed format appended as Form-I of his annual consumption of permissible items (inputs) he is entitled to import for the manufacture of mono filament yarn and net cloth, to the Collector of Sales Tax and Federal Excise having jurisdiction or to any other organization or person as authorized by the Federal Board of Revenue;
- (ii) the importer-cum-manufacturer shall file a request containing a declaration of input/ output ratios to the Collector of Sales Tax and Federal Excise or the authorized person. The Collector or the authorized person may accept the declaration of input output ratio as declared by the applicant and determine the annual requirement of inputs. In case the Collector or authorized person is not satisfied with declared input output ratios of the items to be manufactured because of their being *prima facie* not in accordance with the prevalent average of the relevant industry or for any other reason, he may, after allowing a reasonable provisional quantity, make a reference to the Engineering Development Board or IOCO or to any other recognized authority for final determination thereof. The collector or authorized person

shall then determine the final annual quantitative entitlement of inputs and the applicant shall proceed to consume imported inputs in accordance with the input output ratios and quantities so determined;

- (iii) the clearance of inputs shall be allowed through one port or dry port only and maintenance of centralized record of quota debiting at the port for which the Provisional or Final Certificate is issued shall be maintained;
- (iv) the authorized officer of Sales Tax Collectorate shall furnish all relevant information online to Customs Computerized System (PACCS) as per Form-II appended to this notification against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorate/Customs stations where the PACCS is not yet operational, the Project Director or any other authorized person shall feed the requisite information in the PACCS on daily basis and on weekly basis of the data obtained from the stations which have not yet been computerized;
- (v) the importer-cum-manufacturer shall file Goods Declaration in the prescribed format and manner with complete details of authorization of imported inputs for clearance. The Collector of Customs on satisfaction of correct declaration shall allow clearance of imported inputs after obtaining post dated cheque for the differential amount of statutory tax and concessionary taxes.
- (vi) the importer-cum-manufacturer shall maintain records of the inputs and the goods manufactured from imported inputs in such form as may be prescribed by the Federal Board of Revenue or required under any other law for the time being in force;
- (vii) the importer-cum-manufacturer shall communicate to the concerned Collector of Sales Tax and Collector of Customs in writing about the consumption of imported items within sixty days of consumption of goods. The post dated cheque shall be released or cancelled on receipt of written confirmation regarding consumption of goods by the importer-cum-manufacturer. In case of non-consumption within one year from the date of import, the importer shall pay the sales tax involved or obtain extension from the Collector of Sales Tax and Federal Excise under intimation

to Collector of Customs giving plausible reasons for a reasonable period not exceeding ninety days ;

- (viii) the Collector of customs may, on its own or through the Collector of Sales Tax and Federal Excise or through any other department working under Revenue Division, whenever deemed necessary get the records of the importer-cum-manufacturer audited and may also get the stocks verified. In case it is found that the inputs have not been properly accounted for or consumed for the manufacture and supply of goods as prescribed, the Collector may initiate proceedings for the recovery of leviable sales tax besides penal action under the relevant provisions of the Sales Tax Act, 1990;

FORM-1

[See clause (i)]

(To be filled in by the importer-cum-manufacturer or any person or persons duly authorized by him from his organization)

Name & address of the Importer	NTN/FTN	
Port of clearance		Clearing Agents Name/No.

S. No.	HS Code	Description	Specification of imported inputs	Applicable rate of duty	Quantity	Unit value	Unit of measure	Total value in Pak rupees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

CERTIFICATE

It is certified that the description and quantity mentioned above are commensurate with the inputs requirement. It is further certified that the above items shall not be used for any other purpose.

Signature _____

Name _____

NIC No. _____

FORM-II
[See clause (iv)]

(To be filled in by the Collector of Sales Tax Collectorate)

Header information									
NTN/FTN of importer				Name of importer			Approval No.		
(1)				(2)			(3)		
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)							Goods imported (Collectorate of import)		
HS Code	Description	Specs	Applicable customs duty rate	Quantity	UOM	Quantity imported	Collectorate	CRN/Mach. No.	Date of CRN/Mach. No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

It is certified that the description and quantity mentioned above are commensurate with the input requirement.

Signature _____
Name _____
Stamp _____

Note.- In case of clearance through Pakistan Customs Computerized System (PACCS), the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.

[C. No. 4/4-STB/2007 (Pt)]

(Mahmood Alam)
Additional Secretary