

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad the 2nd February, 2017

ORDER

S.R.O.- 62(I)/2017.- In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to make the following Order :-

1. **Short title, extent, commencement and application.**-(1) This Order may be called the Drawback of Local Taxes and Levies (Non-Textile) Order, 2017.

(2) It extends to the whole of Pakistan including Export Processing Zones.

(3) It shall come into force at once.

(4) The drawbacks under this Order shall be allowed for the shipments made from 16th January, 2017 to 30th June, 2017. The drawback under this Order shall be allowed for the shipments made from 1st July, 2017 to 30th June, 2018 if the exporter achieves an increase of 10% or more in exports as compared to corresponding period of last year's exports. The procedure for claims of shipments made during 2017-18 shall be notified later.

2. **Definitions.**-In this Order, unless there is anything repugnant in the subject or context,-

- (a) "Annexure" means an annex to this Order;
- (b) "association or Chamber" means respective association or chamber of the selected sectors duly registered with the DGTO;
- (c) "BSC" means SBP-Banking Services Corporation established under the SBP Banking Services Corporation Ordinance, 2001 (I.XVII of 2001);
- (d) "DGTO" means Directorate General of Trade Organizations, Ministry of Commerce, Government of Pakistan;

- (e) "manufacturer" is any person (sole proprietor, partnership or company) having a valid National Tax Number (NTN) and registered as such with respective associations or chamber;
- (f) "authorized bank" means the SBP's authorized bank nominated by claimant for submission of claim under this Order;
- (g) "SBP" means the State Bank of Pakistan; and
- (h) "FEOD" means Foreign Exchange Operations Department of SBP-BSC.

3. Eligibility.-(1) The drawback shall be provided to manufacturing-cum exporting units on exports of products under specific Tariff Codes of the Pakistan Customs Tariff at rates specified in the **Annexure- I**.

(2) The drawback shall be available only to manufacturing-cum exporting units.

(3) The unit availing the drawback shall be a registered sole proprietor, partnership or a company, having valid NTN number and shall be a member of respective association or chamber registered with the Directorate of Trade Organizations, Ministry of Commerce.

(4) The unit shall furnish data and any information related to its operations, domestic sales, accounts and exports as and when required by the Ministry of Commerce.

(5) The exporters of sports goods including gloves and footballs, leather tanned, leather manufactures including garments, footwear, surgical goods and cutlery availing facility under this scheme shall not be eligible to claim facility under notification No. S.R.O. 582 (I)/2016, dated 01-7-2016, for the shipments made during 16-01-2017 to 30-6-2018.

4. Role of associations and chamber.- (1) Each sector's Association or chamber shall be responsible for certifying the authenticity of information provided by the exporting units pertaining to the application documents for claims under this Order. The association or chamber concerned shall exercise due diligence to ensure authenticity of the documents.

(2) Only notified executive members of the association or chamber shall be eligible for verifying the claim documents.

(3) The authentication of claim by association or chamber shall bear a reference number identifying the relevant association or chamber performing the authentication along with a running serial number of authentications performed by that association or chamber for future reference.

(4) The associations and chambers shall also provide list of manufacturers registered with them, to the relevant field office of BSC and FEOD head office, Karachi on the following format, namely:-

S. No.	Name of Company / Firm / Sole Proprietors hip	Association or chambers Registrati on No.	NT N	Name and CNIC of CEO	Active Status of Member -ship (Yes / No)	Export er (Yes / No)	Address of Company / Firm / Sole Proprietors hip	Phon e	Email
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(5) Any change in the same shall be promptly communicated to the field office of BSC and FEOD head office, Karachi

5. Procedure for claims.- (1) The units shall file claims for the drawback in the Form as specified in **Annexure-II**, within ninety days of the date of realization of export proceeds to the field offices of the State Bank of Pakistan – Banking Services Corporations (SBP-BSC) – through nominated authorized bank.

(2) The units shall declare the association or chamber for processing claims pertaining to the product being exported. The association or chambers once designated for a product by the unit shall not be changed subsequently.

(3) The authorized banks shall scrutinize the claim forms and submit the same duly certified with an undertaking, in the form specified at **Annexure-III**, to the field offices of the SBP-BSC during banking hours. The authorized banks shall scrutinize the claims within 30 days of receiving of the application.

(4) The admissible drawback payment as approved by the field offices of the SBP- BSC shall be made by crediting the account of the authorized bank, which shall pay the amount to the exporter within twenty-four hours thereafter.

(5) In order to avoid delay or rejection of the claim, the authorized banks while certifying the c-form, shall ensure that the description of the commodity recorded in the c-form and invoices is correct and corresponds to the nomenclature given in Pakistan Customs Tariff 2016-17.

(6) Authorized banks, while forwarding applications for payment of drawback shall stamp the triplicate copy of the relevant c-form with the following narration, namely:-

“Applications for Drawback of Rs. ____ submitted to field office,
SBP-BSC vide forwarding scheduled No. dated
_____ at serial No. _____”

(7) For manual bill of exports the unit shall stamp the copy of the Goods Declaration Form (containing examiner’s report and MR dated) prescribed under the Customs Act, 1969 (IV of 1969), the following narration, namely:-

“Drawback 2017 as notified shall be claimed for this consignment.”

(8) Applications containing discrepancies shall be returned by the State Bank of Pakistan to the authorized banks within a week from the date of submission of claims for re-submitting the applications. On resubmission of claim after removing the discrepancies, the authorized banks shall quote the reference of the “forwarding schedule” under which the application was originally submitted.

(9) No remittance on account of foreign importer’s subsequent claims for refund of money on account of quality or short quantity, etc shall be allowed, unless proportional amount of drawback is refunded.

(10) In case of exports against advance payments, claim for drawback may be lodged once the shipment of the goods has been made. Ninety days period shall be counted from the date of shipment.

6. Fine for contravention.- (1) Any unit which in contravention of the provisions of this Order, through acts of omission or commission, files fraudulent or false claims shall be liable to fine of 100% of the claim along with reversal of the claim amount. The association or chambers concerned may also become ineligible for future verification of documents.

7. Periodical audit.-(1) The receipt of drawback payments shall be properly reflected in the book of accounts or balance sheets of the exporting unit.

8. Appellate authority.-(1) The appellate authority for penalties on units shall be the State Bank of Pakistan.

9. Modifications.-(1) The Federal Government reserves the right to make any changes, additions, deletions and modifications in the Scheme under this Order which it may consider necessary.

10. Interpretation.-(1) Any interpretation or clarification required regarding the application of this Order shall be made by the Ministry of Commerce.

Annexure-I

[see para 3(1)]

**ELIGIBLE PRODUCTS WITH THEIR HS CODES AND
DRAWBACK RATES**

Sr. No.	Description	Chapters / sub-headings as per Pakistan Customs Tariff	Specified rates
1.	Gloves	4015.1100,4015.1900,4203.2100, 4203.2910,4203.2920,4203.2930, 4203.2990,6116.6216,7323.1000, 7418.1000, 7615.1000	7%
2.	Footballs and Other sports goods	9506, 9507	7%
3.	Leather garments including articles of leather and manufactures thereof	4203	7%
4.	Other Leather manufactures	4201.0000, 4202.1120, 4202.2100, 4202.3100, 4202.9100	7%
5.	Foot wear	64	7%
6.	Leather tanned	4104, 4105, 4106	5%
7.	Surgical goods/medical instruments	9018, 9019, 9020, 9021, 9022, 9025.1110	5%
8.	Cutlery	8211, 8212, 8213, 8214, 8215	5%

SUBJECT: - Application for Payment of Drawback on Export of Non-Textile Products

Dear Sir, (Chief Manager field office SBP)

I/We, M/s. _____ having NTN No and (Name& address of the manufacturing unit) hereby apply for payment of Drawback of Rs. _____ (Rupees _____ only) against shipments made by us to

M/s. _____ as per following details:

(Name and address of the importer abroad)

- i. E Form No. & date: _____
- ii. Date of shipment: _____
- iii. Description of goods exported _____
- iv. HS Codes under: _____ the Pakistan Customs Tariff.
- v. Value realized : FCY: _____
- vi. Equiv PKR: _____ (based on SBP WAR)
- vii. Freight paid : _____
- viii. Insurance premium paid : _____
- ix. Commission paid : _____
- x. Net FOB value realized (vi)-(vii) - (viii) – (ix): _____
- xi. Amount of Drawback claimed _____

We further enclose the following documents in support of our claim:

- (a) Electronic Form E
- (b) Copy of Goods Declaration Form (containing examiner's report and MR date) Prescribed under the Customs Act, 1969 (IV of 1969).
- (c) Copy of certified invoice.
- (d) Copy of Bill of Lading/Master Airway Bill along with House bill of Lading/(FCR along with Master Bill of Lading/House Airways Bill (where applicable)/Original Truck Receipt
- (e) Bank's Export Proceeds Realization Certificate. (Appendix-I)
- (f) Commission Paid Certificate.
- (g) Insurance Premium Paid Certificate (in case of CIF Exports).
- (h) Drawback Verification Certificate from relevant Association (Appendix II)
- (i) Undertaking by the Claimant (Appendix III)

The units operating in EPZ will also submit their claims for drawback to SBP-BSC Offices through their designated bank's branches in Pakistan. The said claims will be processed in

SBP-BSC Offices under the same instructions issued for Pakistani exporters, except for the differences enlisted as under:

- a). E-Form will be replaced by "Export Gate Pass" issued by the Manager Facilitation, Export Processing Zone.
- b). "Export Proceeds Realization Certificate" will be substituted by the "Certificate of Receipt of Export Proceeds" issued by the concerned bank branch of EPZ.

Export Proceeds Realization Certificate

This to certify that the following export bill (s) drawn by M/s. _____ has been negotiated and collected by us and the proceeds will be repatriated/have been repatriated to Pakistan.

(i) Bill No. _____

(ii) E-Form No. _____

(iii) Date of Negotiation/Realization: _____

(iv) Amount Negotiated/Realized: _____

2. The triplicate copy of E-Form has been, will be, sent to the State Bank of Pakistan with our monthly returns for the period ended on _____.

(Stamp & signature of authorized
bank)

Certificate of Verification for Drawback on export of
Non-Textile Product

This is to certify that the claim of Messers _____ bearing
Association or chamber Registration No. _____ for Rs. _____
against Form 'E' # _____ is verified as eligible under the terms of Notification #
_____ dated _____.

(Stamp & Signature of the Authorized Officials)

(Stamp/Seal of Association or chamber Containing Date)

hereby undertake that Drawback of Rs. _____ (Rupees _____ only) claimed against shipment(s) made by us to M/s. _____ as per following details:

(Name and address of the importer abroad)

- i. E Form No. & date: _____
- ii. Date of shipment: _____
- iii. Description of goods exported _____
- iv. HS Codes under: _____ the Pakistan Customs Tariff.
- v. Value realized : FCY: _____

is genuine as per conditions of the Government Order on Drawback of Taxes Order.2017. In case any discrepancy is detected subsequently, the State Bank of Pakistan may impose penalties including monetary penalty of upto 300% of the claim in addition to the refund of the amount of claim drawn.

Yours faithfully,

(Stamp and Signature of the Claimant)

Subject: **Bank certificate for Drawback on export of Non-Textile Products**

We _____ the banker of M/s. _____
(Name of the Bank) (Name of the manufacturing unit)

Holding Association or chamber ID Number _____, certify that we have verified the above particulars and found them in order. Drawback on export of Non-Textile Products,

works out to Rs. _____ (Rupees _____ only) on the above shipments which may please be credited to our account for payment to M/s. _____).

(Name of the manufacturing unit)

We undertake that in case any discrepancy is detected subsequently, the SBP may debit the amount involved to our account along with penal interest @ 4% p.a. plus inter-bank rate on date of payment.

Yours faithfully,

(Stamp and Signature of the authorized bank)

F. No.1(26)/ 2013- SO (TP)


(Aemen Javairia)
Section Officer