

GOVERNMENT OF PAKISTAN
MINISTRY OF TEXTILE INDUSTRY

Islamabad the 22nd October, 2014.

Notification

No.1(41)TID/14-RDA. In pursuance of entry 7 of item 37 of Schedule II to the Rules of Business, 1973, and Textile Package announced in the Federal Budget 2014-15, the Federal Government is pleased to issue the following Order, namely:

1. **Short title, content and commencement.**- (1) This may be called the "Drawback of Local Taxes and Levies 2014-15".

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

(3) It shall come into force at once. The drawback will be available on annual basis on FOB-realized values of enhanced exports for shipments made during 2013-14 if increased beyond 10% over last year's exports i.e. 2012-13.

(4) The export performance will be analyzed separately for each category of eligible products.

2. **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 Annexure I to this Order.

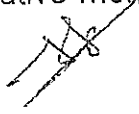
(2) All units availing the drawback shall be registered with the Ministry of Textile Industry.

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

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

3. **Role of associations.**- (1) Each textiles association shall be responsible for certifying the authenticity of information provided by the exporting units pertaining to the registration with the Ministry, and the application documents for claims under this Order. The Association concerned shall exercise due diligence to ensure authenticity of the documents.

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

 Cont. P. 02

4. **Procedure for Claims:-** (1) The units shall file claims for the incentive in the Form as specified in Annexure II of this Order. The unit shall fill the Form online and state all export shipments, during FY 2012-13 and 2013-14, and get online verification on the Form from the respective association of which the unit holds valid membership.

(2) The applicant will nominate one authorized bank to submit the claim to SBP BSC.

(3) Submit the printouts of the Form duly certified by the Association and supporting documents as mentioned in Annex II, by 31st March, 2015 to the field offices of the State Bank of Pakistan – Banking Services Corporations (SBP-BSC) – through nominated authorized bank. No claims shall be accepted after 31st March 2015.

(4) Before submission through the nominated bank the relevant entries of the claim shall be scrutinized by each concerned bank which would provide attested photocopies of the required documents duly certified with an undertaking, in the format specified at Appendix I to the nominated authorized bank of the applicant. The nominated bank will submit the undertaking in the format specified at Appendix II.

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

(6) In order to avoid delays or rejection of the incentive claim, the authorized banks, while certifying the documents shall ensure that the description of the commodity and Pakistan Custom Tariff code recorded in the form is correct and corresponds with the documents attached.

(7) The applications will be entertained on first come first serve basis. The discrepant claims will be processed on the basis of the date they are re-submitted after corrections.

(8) Applications containing discrepancies shall be returned by the State Bank of Pakistan to the authorized banks within thirty days from the date of submission of claims for re-submission after rectification of the discrepancies within twenty working days. While re-submitting the applications, authorized banks shall quote the reference of the "forwarding schedule" under which the application was originally submitted. In case of non submission within twenty working days the claims will be rejected without any further process.

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

(2) The Federal Government reserves the right to conduct periodical, random, on-the-spot checks and audits to verify the claims filed and drawbacks received under this Order.

6. Penalties 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 penalty of 100% of the claim along with reversal of the claim amount. The association concerned may also become ineligible for future verification of documents.

7. Appellate authority:- (1) The appellate authority for penalties on units shall be the SBP.

8. Reports:- (1) Textiles associations verifying the drawback claims shall submit quarterly reports of verifications to the Ministry of Textile Industry with Chairman's signature after taking printout from their online panel.

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.

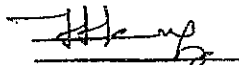
10. Interpretation:- (1) Any interpretation or clarification required regarding the application of this Order shall be made by the Ministry of Textile Industry.


(ZAHID NAZIR)
Section Officer (RDA)

The Manager,
Printing Corporation of Pakistan Press,
KARACHI

Copy to:-

1. PS to Minister for Textile Industry, Islamabad
2. Secretary, Ministry of Textile Industry, Islamabad
3. Secretary, Finance Division, Islamabad
- ✓ 4. Governor, State Bank of Pakistan, Karachi
5. Network Administrator, Ministry of Textile Industry, Islamabad for uploading the Notification on official website of the Ministry.


(ZAHID NAZIR)
Section Officer (RDA)

• Eligible Product Lines of Processed Fabrics Category @ 1%

52083100	52083200	52083300	52083900	52084100	52084200	52084300	52084900	52085100	52085200	52085300	52085900
52093100	52093200	52093900	52094100	52094200	52094300	52094900	52095100	52095200	52095900	52105100	52103200
52103900	52104100	52104900	52105100	52105900	52113100	52113200	52113900	52114100	52114200	52114300	52114900
52115100	52115200	52115900	52121300	52121400	52121500	52122300	52122400	52122500	53091900	53092900	53109010
53109090	54074200	54074300	54074400	54075200	54075300	54075400	54077200	54077300	54077400	54078200	54078300
54078400	54079200	54079300	54079400	54082200	54082300	54082400	54083200	54083300	54083400	55121900	55122900
55129990	55132100	55132300	55132900	55133100	55133900	55134100	55134900	55142100	55142200	55142300	55151190
55142900	55143010	55143090	55144100	55144200	55144300	55144900	55161200	55161300	55161400	55162200	55162300
55162400	55163200	55163300	55163400	55164200	55164300	55164400	55169200	55169300	55169400	60052200	60052300
60052400	60053200	60053300	60053400	60054200	60054300	60054400	60052200	60062300	60062400	60063200	60063300
60063400	60064200	60064300	60064400	5602	5603	5903	5906	5907	55151290	55151390	55151990
55152190	55152290	55152390	55152990	55159190	55159990	60011090	60012190	60012290	60012990	60019190	60019290
60019990	60031090	60032090	60033090	60034090	60039090						

- Eligible Products of Made-Ups Category @ 2%: Chapters 63 and 57 excluding 6309 and 6310
- Eligible Products of Garments Category @ 4%: Chapter 62 and 61

Annexure-III

SUBJECT: - Application for Payment of Drawback of local taxes and levies on Export of Textile Fabrics/Home Textiles/Garments.

Dear Sir, (Chief Manager Field Office SBP _____ (city))

I/We, M/s. _____ (Name & address of the manufacturing unit) having NTN No _____ and _____

MINTEX special identification No _____ (Name & address of the manufacturing unit) hereby apply for payment of Incentive of Rs. _____ through our Bank _____.

We further enclose the following documents in support of our claim: (All photocopies are to be attested by the submitting bank)

- (a) Copy of Goods Declaration Form (in case of manual GD Form, containing examiner's report and MR date) Prescribed under the Customs Act, 1969 (IV of 1969).
- (b) Copy of Commercial/Custom Invoice for e-forms in case of having multiple categories
- (c) Insurance Premium Paid Certificate (in case of CIF Exports) where applicable
- (d) Freight Invoice where applicable
- (e) Bank Verification Certificate (Appendix I)
- (f) Undertaking by the Bank (Annexure II)
- (g) Undertaking by the Claimant (Appendix III)
- (h) Detail of Export Proceeds (attested by relevant banks)

To be filled by Applicant) (to be filled by banks)

[illegible]

Bank Certificate of Verification for Drawback on export of
Value added Dyed/ Printed Fabrics, Garments & Home Textiles

This is to certify that Messer's _____ bearing Mintex
Registration No. _____ and NTN _____ had exports realization on
the shipments made during 2012-13 and 2013-14 as follows through our bank.

2012-13

2013-14

Garments

Made-ups

Processed Fabrics

Others

Total

The above information and form verified by the bank is genuine and complete in all
respect as per conditions of the Government Order on Drawback of Local Taxes and
Levies 2014-15. We undertake that in case any discrepancy is detected subsequently,
the SBP debit the amount involved to our account along with penal interest @ 4% p.a.
plus inter-bank rate on date of payment.

(Stamp & Signature of the Authorized Officials)

Subject: Undertaking by the Nominated Bank

Dear Sir,

We _____ the banker of M/s. _____
 _____ (Name & address of the manufacturing unit)
 having NTN No _____ and MINTEX special identification No
 _____ with head office at _____ hereby undertake
 that Drawback of Rs. _____ claimed against FOB values of enhanced exports of the
 year 2013-14 increased beyond 10% over last year's exports i.e. 2012-13 based on
 shipment date as detailed follows.

	Exports FY 2012-13	Exports FY 2013-14	Increment	Drawback
Garments				
Made-ups				
Processed Fabrics				
Others				
Total				

is genuine as per conditions of the Government Order on Drawback of Local Taxes and Levies 2014-15. 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)

Subject: **Undertaking by the Claimant**

Dear Sir,

I/We, M/s. _____ (Name & address of the manufacturing unit) having NTN No _____ and MINTEX special identification No _____ with head office at _____ hereby undertake that Drawback of Rs. _____ claimed against FOB values of enhanced exports of the year 2013-14 increased beyond 10% over last year's exports i.e. 2012-13 based on shipment date as per following details:

	Exports FY 2012-13	Exports FY 2013-14	Increment	Drawback
Garments				
Made-ups				
Processed Fabrics				
Others				
Total				

is genuine as per conditions of the Government Order on Drawback of Local Taxes and Levies 2014-15. In case any discrepancy is detected subsequently, the State Bank of Pakistan may impose penalties including monetary penalty of 100% of the claim in addition to the refund of the amount of claim drawn.

Yours faithfully,

(Stamp and Signature of the Claimant)

Verification Signatures and Stamp of Association _____