

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE



Islamabad, the 15th May, 2015

ORDER

S.R.O. 415(I)/2015.- In exercise of the powers conferred by section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), and in supersession of its Notification No S.R.O. 177(I)/2015, dated the 27th February, 2015, the Federal Government is pleased to make the following Order, namely:-

1. **Short title application and commencement.-** (1) This Order may be called the Drawback of Local Taxes and Levies Order, 2015.

(2) The drawback shall 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. The export performance shall be analyzed separately for each category of eligible products.

(3) It shall come into force at once.
2. **Definitions.-** In this Order, unless there is anything repugnant to the context,
 - (a) “**Annex**” means an annexure to this Order;
 - (b) “**Association/Chambers**” means the association and chamber duly registered with the Directorate General of Trade Organization;
 - (c) “**BSC**” means SBP-Banking Services Corporation (SBP-BSC), a wholly owned subsidiary of State Bank of Pakistan, under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001);
 - (d) “**Exporter**” means any person with a valid NTN and registered with his respective association or chamber;
 - (e) “**Forwarding Schedule**” means reference under which the original application is submitted;

(f) "Nominated bank" means the SBP authorized Bank which is located in the vicinity of the concerned registered with the Directorate General of Trade Organizations;

(g) "SBP" means the State Bank of Pakistan; and

(h) "TDAP" means Trade Development Authority of Pakistan

3. **Eligibility.-** (1) The drawback shall be provided to the exporters on export of products as specified in Annex-I, at the rate of 4% of FOB value of their enhanced exports.

(2) The exporter shall hold a valid NTN number and previous tax returns for two years.

(3) The exporter shall furnish data or any information related to its operations, domestic sales, accounts and exports as required by the Association/respective Chamber.

4. **Role of association/respective Chamber.-** (1) The Association/respective Chamber shall verify the authenticity of the information provided by the exporter as specified in Annex-II and Annex-III.

(2) The claim documents shall be verified by the chairman/president of the relevant association or bearer designated on his behalf.

(3) The authentication of claim by Association/respective chamber shall bear a unique reference number identifying the relevant Association/respective Chamber performing the authentication along with a running serial number of authentications performed by that office of Association/respective Chamber.

(4) The Association/respective Chamber shall also provide list of exporters registered with them to relevant Field Office of SBP BSC and FEOD SBP BSC head Office, Karachi on the following format:-

Sr. No.	NTN	Association/respective Chamber Special Identification No.	Name	Address
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5. **Procedure for claims.-** The drawback for local taxes and levies shall be provided subject to the following conditions, namely:-

(i) the exporter shall file claims for drawback along with an undertaking as specified in Annex-II and III respectively and get this verified by Association/respective Chamber;

- (ii) the exporter shall nominate one authorized bank to submit the claims to the SBP - BSC. The Exporter shall also give undertaking to the effect that it has only nominated one bank of its choice and that the claims have not been submitted for the same shipment, through any other bank. All claims shall have the NTN of each exporter;
- (iii) exporter shall submit the filled-in forms duly certified by the Association/respective Chamber along with supporting documents as mentioned in **Annex II**, by 1st June, 2015 to the nominated authorized bank. No claims shall be accepted after 2nd June, 2015;
- (iv) the nominated bank shall scrutinize the application carefully and upon verification, submit the same with an undertaking, on the format specified at Annexure-IV, to the field offices of the SBP-BSC. Such applications shall be received by the said offices in the normal public dealing hours on all working days.
- (v) the admissible drawback payment as approved by the field office of the SBP-BSC shall be made by crediting the account of the authorized banks, which shall pay the amount to the exporters within twenty-four hours thereafter;
- (vi) in order to avoid delays or rejection of the drawback claims, 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;
- (vii) applications containing discrepancies shall be returned by the SBP to the authorized banks within thirty days from the date of submission of claims. The authorized banks, after rectification of the discrepancies, shall submit claims within twenty 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 days, the claims shall be rejected without any further process; The detailed guidelines for the banks would be issued by SBP BSC;
- (viii) the claim certified by the Association/respective Chamber shall only be allowed from SBP offices that are located in the concerned city (e.g. the claims certified by Association/respective Chamber office Lahore will only be entertained at SBP BSC Lahore). The list of field offices which shall deal with claims under this scheme is at Annex-V; and

- (ix) the applications shall be entertained on first come first serve basis. The discrepant claims shall be processed on the basis of the date they are re-submitted after corrections.
6. **Periodic audits.-** (1) The receipt of drawback payments shall be properly reflected in the book of accounts or balance sheets of the exporting unit.
7. **Fraud and penalty.-** In case any fraud is detected in claiming the drawbacks under this Order, the Chief Executive, Trade Development Authority of Pakistan shall be the competent authority to levy fines and penalty up to 300% of the fraud penalty claimed account. The appellate Authority in this case shall be the Secretary Commerce.
8. **Monthly reports.-** Associations shall submit to the Ministry of Commerce and Trade Development Authority of Pakistan (TDAP) on a monthly basis a statement giving details of export consignments certified by them, for the purpose of drawbacks, giving description of goods with H.S. codes, amount, quantity and destination.

ANNEX-I

(See paragraph 3(1))

**LIST OF SECTORS ELIGIBLE FOR DUTY DRAW BACK FOR LOCAL TAXES
AND LEVIES SUPPORT**

Sr. No.	Description	Chapters / sub-headings as per Pakistan Customs Tariff	Association/Chamber
1.	Fish and Fish Preparations	1603, 1604, 1605, 03	Pakistan Fisheries Exporters Association
2.	Meat and meat preparation	1601, 1602 excluding 1602.9000 0201, 0202, 0204, 0206, 0207, 0208, 0210	Respective Chamber of Commerce & Industry
3.	Spices	0904, 0906, 0907, 0908, 0909, 0910	Respective Chamber of Commerce & Industry
4.	Gloves	4015.1100,4015.1900,4203.2100,4 203.2910,4203.2920,4203.2930,42 03.2990,6116,6216,7323.1000,741 8.1000, 7615.1000	Pakistan Gloves Manufacturers and Exporters Association
5.	Footballs and Other sports goods	9506, 9507	Pakistan Sports Good Manufacturers Exporters Association
6.	Leather garments	4203	Pakistan Leather Garments Manufactures & Exporters Association
7.	Other Leather manufactures	4202.1120, 4202.2100, 4202.3100, 4202.9100	Respective Association/ Chamber of Commerce & Industry
8.	Leather Foot wear	64	Pakistan Footwear Manufacturers Association
9.	Surgical goods/medical instruments	9018, 9019, 9020, 9021, 9022, 9025.1110	The Surgical Instrument Manufactures Association of Pakistan

10.	Cutlery	8211, 8212, 8213, 8214, 8215	Pakistan Cutlery & Stainless Utensils Manufactures & Exporters Association
11.	Electric Fans	8414.5110, 8414.5120, 8414.5130, 8414.5140, 8414.5190, 8414.5910	Pakistan Electric Fan Manufacturers Association
12.	Transport equipment and Auto Parts	4008.1110, 4008.1910, 4008.2110, 4008.2910, 4009.1110, 4009.1120, 4009.1130, 4009.2110, 4009.2120, 4009.2130, 4009.3110, 4009.3120, 4009.3130, 4009.4110, 4009.4120, 4009.4130 4010.3110, 4010.3210, 4010.3310, 4010.3410, 4010.3510, 4010.3610, 4010.3910, 4011, 4016.9920, 4016.9930, 4016.9940, 5703.2020, 5703.2030, 5703.3020, 5703.3030, 6813, 7007.1111, 7007.1119, 7007.2111, 7007.2119, 7009.1010, 7009.1090, 7014.0010, 7014.0020, 7307.9120, 7315, 7320, 8206, 8301.2010, 8301.2090, 8302.1010, 8302.1020, 8302.1030, 8302.3010, 86, 87, 88, 89, 9026.1010, 9026.1020, 9026.1030, 9029.2011, 9029.2012, 9029.2013, 9030.3310, 9030.3320, 9032.8910, 9032.8920, 9104, 9106.1010, 9106.1020, 9401, 9402, 9613.8010, 9613.8020	Pakistan Association of Automotive Parts & Accessories Manufacturers, Pakistan Automotive Manufactures Association and Engineering Components & Machinery Manufacturing Association of Pakistan
13.	Machinery specified for a particular industries or	84, 85	Engineering Components & Machinery

	other machinery and Other electric equipment		Manufacturing Association of Pakistan
14.	Furniture	9403	All Pakistan Furniture exporters Association and All Pakistan Furniture Makers Association

Application for Payment of Drawback of local Taxes and levies on Exports

Director FEOD, SBP BSC, Karachi / Chief Manager, SBP BSC _____ (city)

Dear Sir,

I/We, M/s _____ (Name & address of the exporter) having NTN No. _____ and -
the _____ Association's/respective chamber's special identification No. _____ hereby apply
for payment of Incentive of Rs. _____ (Rupees) through our nominated Bank _____
(Name of Bank).

We further enclose the following documents in support our claim: (all photocopies are to be attested by the relevant banks).

- (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
- (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) Undertaking by the Claimant (Annex- III)
- (f) Bank Verification Certificate (Annex- IV)
- (g) Detail of Export Proceeds (attested by relevant banks)

(To be filled by Applicant
Banks)

) (to be filled by

Sr. No	E-Form #	Amount of E-Form (FCY)	Date of Shipment	HS Code	Description of goods	Quantity	Date of Realization	Value Realized (FCY)	Rate of Exchange	Equivalent PKR	Freight, Commission Insurance (PKR)	Net FOB Realized after deducting freight, insurance, commission etc	Name of Bank	Month	Schedule	Page	Sr	

Verification Signatures and Stamp of Association/respective chamber

Subject: **Undertaking by the Claimant**

Dear Sir,

I/We, M/s. _____ (Name and address of the manufacturing unit)
having NTN No _____ and the _____ Association's/respective chamber's
special identification No _____ with the office at _____
hereby undertake that;

I. The 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 given below is genuine as per conditions of the Government Order on Drawback of Local Taxes and Levies 2014-15;

HS code	Description	Exports FY 2012-13	Exports FY 2013-14	Increment	Drawback
Total					

Yours faithfully,

(Stamp and Signature of the Claimant)

Verification Signatures and Stamp of Association/respective chamber

Bank Certificate of Verification for Drawback on export of Value added Goods

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

HS Code	Description	2012-13	2013-14
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 may 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)

Annex-V

[See paragraph 5(viii)]

**LIST OF THE SBP BSC OFFICES DEALING
WITH CLAIMS UNDER MOC INCENTIVE
SCHEME**

Sr. No.	Name of Office
1.	Faisalabad Office
2.	Gujranwala Office
3.	Hyderabad Office
4.	Karachi Office (FEOD SBP BSC HOK)
5.	Lahore Office
6.	Multan Office
7.	Peshawar Office
8.	Quetta Office
9.	Rawalpindi Office
10.	Sialkot Office
11.	Sukkur Office

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

Sd/-
(Muhammad Ali Bandial)
Deputy Director