

Procedure for Lodgment of Claims under Para 1-4(a) and 1-4(d) of Textile Division's Notification Duty Drawback Taxes Order 2017-18

Role and Responsibility of Exporter:

1. Claims will be lodged by eligible exporters with the Authorized Dealer (AD) for eligible products against which export proceeds have been realized as per prescribed format (**Annexure I**) which also lists the documents required to be submitted with the claim. For preparing **Annexure I**, the exporter will input the data of exports on RDACell of Textile Division and obtain print out from there.
2. Claimant will obtain certificate from the relevant association as per prescribed format (**Annexure IV**) of whom it is a member as required under the Ministry of Commerce and Textile Order. The certificate of Association will be valid for one year from the date of issue. Certification of individual claims from Association is not required.
3. Application by the exporter will be signed and stamped by officer(s) of claimant who is/are authorized to operate the account of the claimant with the AD. The AD will verify the signatures.

Role of Authorized Dealer (AD):

1. The banks are required to properly examine and audit the claims and exercise extreme care in processing of claims prior to submission to FEOD and its field offices.
2. The claim will be scrutinized by the AD on FIFO basis as per the procedure circulated herewith. Claims found discrepant will be got rectified from the claimant and will be considered in processing queue as per date of rectification.
3. Each bank will designate a Central Hub in each region corresponding to SBP BSC Offices listed at **Appendix A**.
4. AD will receive and entertain only those claims for which the proceeds have been realized in its bank.
5. Each Central Hub will provide the details of at least two contact persons who will communicate with SBP BSC Offices for the purpose of drawback. This information will be provided to relevant email address provided in **Appendix A**.
6. Claims found in order will be submitted to relevant SBP BSC Office by the Central Hub in a consolidated form under covering letter format at **Annexure II** within two weeks of submission to them. For rectified claims, two weeks period available to AD for processing will be counted from the date of rectification.
7. The **Annexure II** will also be signed by Regional Compliance / Internal Audit Head.
8. The details of Claim will be provided as per format given at **Annexure III**. This is to be prepared on MS Excel file available at http://www.sbp.org.pk/sbp_bsc/BSC/epd/index.htm. Only the file downloaded from this address is to be used for the purpose. The printout of the **Annexure III** will also be signed by Regional Compliance / Internal Audit Head.
9. The Consolidated Claim will bear a unique number on the following format:

"Bank EFE Prefix-SBP BSC Office Code-T-Serial number of claim e.g. ABC-LHR-T-0001"

The "Serial number of claim" would be running serial of claims submitted by the bank to a particular SBP BSC Office.

10. In order to facilitate exporters on equitable basis and manage the work load, claims will be submitted to ADs in phased manner.
 - PHASE-1 (Upto 15th January 2018): Claims for shipments during July 2017 to September 2017 (where full realization has taken place)
 - PHASE-2 (From 16th January to 31st January 2018): Claims for shipments during July 2017 to December 2017 (where full realization has taken place)
 - PHASE- 3 (1st February 2018 to 31st March 2019): Claims for shipments from July 2017 to June 2018 (where full realization has taken place upto 31st March 2019). ADs may submit the claims to SBP BSC latest by 15th April 2019.
11. Besides the hard copies, the bank will also submit soft copy of the **Annexure III** on emails listed against each SBP BSC Field Office in **Appendix A**. The name of the MS Excel file will also be the same as the unique number of the claim
12. The consolidated claim will not include any individual discrepant claim and such claims of exporters whose RDA Cell registration is not valid or provisionally registered as on the date of submission of claim with the AD
13. The RDA cell registration can be verified from <https://www.rdacell.com/home/Statistics.aspx>
14. While submitting Annexures II and III containing claims of shipments during 16th June 2018 to 30th June 2018, relevant House / Master Bills of Lading / Airway Bills showing Shipped on Board / Flight Dates will also be submitted.
15. AD will chronologically maintain the record of Annexure II and Annexure III along with complete claims at central hub for verification by SBP / Govt. Auditors

Payment Mechanism:

1. As detailed above, the particulars of claims which are found in order for payment by the bank will be sent to SBP BSC Office by the Central Hub as a Consolidated Claim as per format and email.
2. If required, SBP BSC may defer the payment of a consolidated claim or any one or more individual claims in the consolidated claim and require submission of relevant documents.
3. Amount of claims found in order by SBP BSC will be credited to account of concerned bank for onward credit to claimants within 24 hours.

Broad Guidelines for Calculation of Drawback:

1. Each claim would be lodged against a single EFE/Manual E-Form/EPZ Gate Pass.
2. Date of shipment as per shipping documents must be from 01-07-2017 to 30-06-2018.
3. Shipments where GD date falls in the financial year 2016-17 are not eligible for this scheme.
4. Shipped goods must include eligible HS Codes as listed in Annexure II to Ministry Notification.
5. Amount of Foreign Currency to be used: Lowest of the following three:
 - a. Amount of EFE
 - b. Declared Value on GD form
 - c. Realized amount
6. Any commission paid will be deducted from the amount obtained from 5 above.
7. In claim of involvement of multiple categories in a shipment, amount obtained from 6 above will be divided into different categories in the ratio of declared values on GD form.
8. Applicable amount of Foreign Currency will be converted to PKR using the SBP DMMD WAR of the date of realization.
<http://www.sbp.org.pk/ecodata/rates/war/WAR-Current.asp>
For currencies not available in the DMMD WAR, Mark to Market Revaluation Ready rates may be used.
<http://www.sbp.org.pk/ecodata/rates/m2m/M2M-Current.asp>
9. From the PKR arrived at 8 above, freight and insurance amounts will be deducted. Gross amounts of the invoices are required to be deducted. In claim of multiple categories in a shipment, Freight and Insurance amounts will be proportionately divided into each category as done in 7 above. This will give Net FOB Value.
10. Applicable percentage of drawback will be applied on the Net FOB Value to arrive at the admissible drawback amount.
Applicable percentage (%)= 50% of the rate of drawback given in Annexure II to Ministry Notification (%) + 2% (if export has been done to a country listed in Annexure I to Ministry Notification)

The units operating in EPZ will also submit their claims for drawback through the concerned bank branch of EPZ to its Central Hub Branch. The said claims will be processed in Central Hub Branch 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 Proceed Realization Certificate" will be substituted by the following:
 - i. SWIFT message
 - ii. Certificate of Receipt of Export Proceeds issued by the concerned bank branch of EPZ.

ON LETTER HEAD OF CLAIMANT

No. _____

Date: _____

The Manager
 Name of Branch
 Name of Bank
 City

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

I / We, M/s _____ having NTN No. _____ and MinTex Identification No. _____ hereby apply for payment of Drawback under Para 1 (4) (a) of Textile Division Notification No. 1(42-A)/TID/17-TR-II and EPD Circular Letter No. _____ against shipment made by us as per following details:

1. E-Form / EFE No. _____ (EPZ Gate Pass in claim of claimant located in EPZ)
2. GD No. _____
3. Shipment Date: _____
4. HS Code(s) for Claim: _____
5. Country of Export: _____
6. Realization Date: _____
7. SBP DMMD WAR on Realization Date: _____
8. Realization FCY: _____
9. Commission Paid (FCY) : _____
10. Applicable FCY Amount: _____ (Lowest value of EFE/GD/Realized)
11. Equivalent PKR: _____
12. Freight Paid: _____
13. Insurance Paid: _____
14. Net FOB Value: _____
15. Category wise incentive of Drawback: ___ + ___ = ___ (50% of the incentive of drawback + 2% drawback for export to nontraditional market)
16. Total Amount of Drawback: _____
17. Validity of MinTex Registration _____ (provisional registration is not valid for the claim)

We undertake that the above claim is genuine as per the conditions of the Ministry of Commerce and Textile Notification "Duty Drawback of Taxes Order 2017-18". In claim any discrepancy is detected subsequently, SBP BSC may impose penalty of up to 100% of the claim in addition to refund of amount of claim paid.

In support of our claim, we enclose the following documents:

1. Print of EFE/E-Form
2. Print of GD Form
3. Copy of Commercial Invoice
4. Shipping Documents (HBL/MBL/HAWB/MAWB)
5. Copy of Freight Invoice
6. Copy Insurance Invoice
7. Copy of certificate from the Association
8. Copy of latest RDACell Registration Certificate.
9. Copy of Annexure "A"

Signatures with Stamp showing designation

ON LETTER HEAD OF BANK

No. (As per prescribed format)

Date: _____

The Director FEOD/ Chief Manager
State Bank of Pakistan
SBP BSC (Bank)
Karachi / Name of Field Office

Dear Sir / Madam

**SUBMISSION OF CONSOLIDATED CLAIM OF IN-ORDER
DRAWBACK CLAIMS ON EXPORT OF TEXTILE PRODUCTS**

With reference to EPD Circular Letter No. _____, we submit herewith consolidated claim against various claims received from our customers under Textile Division's Notification Duty Drawback of Taxes Order 2017-18. The summary of the claims is as under:

Number of in-order Claims: _____

Amount of in-order Claims: _____

We certify that we have scrutinized the individual claims as per guidelines given in the abovementioned EPD Circular Letter and Textile Division's Notification and that the claimants bear valid RDACell registration as at the time of submission of claim with the AD. Further, the full amounts of applicable freight and insurance have been deducted where required.

We understand that SBP / SBP BSC will verify the individual claims. SBP BSC may withhold the payment of any one or more of the individual claims included in this consolidated claim and require submission of claim documents.

We undertake that in claim any discrepancy is detected subsequently in any individual claim, the SBP may debit the amount involved to our account along with the penalty @ 4% p.a. plus inter-bank rate on date of payment. Penalty will be applicable from the date of submission of claim to SBP BSC till the date of rectification of discrepancy.

We also undertake that if an ineligible claim is subsequently detected, SBP may debit the amount involved to our account along with 100% penalty

We further undertake that we will keep proper record of the individual and consolidated claims for subsequent verification / audit / inspection.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

ON LETTER HEAD OF ASSOCIATION

No. _____

Date: _____

CERTIFICATION OF BEING MANUFACTURER-CUM-EXPORTER FOR PRODUCTS UNDER TEXTILE DIVISION
NOTIFICATION DUTY DRAWBACK OF TAXES 2017-18

This is to certify that M/S _____ bearing RDACell Registration No. _____ valid till _____, NTN _____ and our Registration No. _____ valid till _____ is a bonafide manufacturer-cum-exporter of products falling under Textile Division Notification "Duty Drawback of Taxes Order 2017-18" and SBP EPD Circular Letter No. _____.

Stamp and Signature of Authorized Executive Member
Seal of Association

SBP BSC Offices

Office	Code	Email Address
FEOD SBP-BSC, Karachi	KHI	govtschemes.khi@sbp.org.pk
Hyderabad	HYD	govtschemes.hyd@sbp.org.pk
Quetta	QTA	govtschemes.qta@sbp.org.pk
Lahore	LHR	govtschemes.lhr@sbp.org.pk
Faisalabad	FSD	govtschemes.fsd@sbp.org.pk
Sialkot	SKT	govtschemes.skt@sbp.org.pk
Multan	MUL	govtschemes.mul@sbp.org.pk
Rawalpindi	RWP	govtschemes.rwp@sbp.org.pk
Peshawar	PEW	govtschemes.pew@sbp.org.pk
Gujranwala	GUJ	govtschemes.guj@sbp.org.pk