

## **CHAPTER XVIII**

### **IMPORT AND EXPORT OF CURRENCY NOTES AND COIN, FOREIGN EXCHANGE, JEWELLERY, GOLD AND SILVER**

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#### **1. General.**

In exercise of the powers conferred by sub-section (1) of Section 8 of the Act, the Federal Government has issued Notification No.F1(8)/EF/49 dated the 2nd May, 1949 and No.1(2)ECS/48 dated the 1st July, 1948 as amended by Notification No.1(14)-EF/49 dated 5th November, 1949, prohibiting the bringing or sending into Pakistan from any place outside Pakistan, of Pakistan and foreign currency notes or bank notes, un-issued or in circulation, or coin, except with the general or special permission of the State Bank.

#### **2. Import of Pakistan Currency Notes.**

However, under Notification No.FE.5/92-SB dated the 28<sup>th</sup> December, 1992 State Bank has granted general permission for bringing into Pakistan notes legal tender in Pakistan not exceeding Rs 500 from India and Rs 3000 from any country other than India, in value, in all per person at any one time.

### **3. Import of Foreign Currency Notes and Coin.**

The State Bank has also granted under Notification No.F.E.30/49-SB dated the 5th November, 1949 and Notification No.FE. 5/92-SB dated the 28<sup>th</sup> December, 1992 general permission to the travellers to Pakistan, to bring with them without limit foreign currency notes except un-issued notes and coin, except coin which is legal tender in India, which can be brought only upto Rs.5/- in value per person at any one time.

### **4. Ban on sending Pakistan and Foreign Currency Notes or Coin by Post.**

The permission contained in preceding paragraphs 2 and 3 is valid only for bringing in of Pakistan or foreign currency notes or coin by travellers personally with them, but not for sending them into Pakistan by post or otherwise which is illegal. Currency notes and coin sent by post to Pakistan are liable to be confiscated, which is besides the legal action that will be taken under the Act in such cases.

### **5. Export of Pakistan Currency Notes.**

State Bank has granted general permission vide Notification No.FE.4/92-SB dated the 28<sup>th</sup> December, 1992 for taking out from Pakistan currency notes of the Government of Pakistan and State Bank of Pakistan notes not exceeding Rs 500 and Rs 3000 in value to India and any country other than India respectively, in all per person at any one time.

### **6. Export of Currency on Steamers and Aircrafts.**

The State Bank has granted general permission for export of currency which has been brought into Pakistan in the safes of vessels or aircrafts, or which has been taken on board a vessel or aircraft with the permission of the State Bank.

### **7. Prohibition to sell Pakistan Currency Notes abroad.**

Pakistan currency notes upto Rs 500 and Rs 3000, which the persons leaving Pakistan are permitted to take with them to India and to any country other than

India respectively, are not intended for expenditure in foreign countries, but are meant for immediate expense on their return to Pakistan. Authorised Dealers should bring this to the notice of travellers when issuing exchange to them for travel purposes.

#### **8. Ban on Export of Foreign Exchange Instruments and Pakistan and Foreign Currency Notes and Coin by Post.**

The permission contained in paragraphs 5 and 10 (d), (e) and (f) is valid only for taking out foreign exchange instruments and currency notes and coin by the travellers themselves, but not for sending them out by post or otherwise, which is illegal and renders the foreign currency instruments and currency notes and coins so sent liable for confiscation, besides any legal action that may be taken against the sender under the Act.

#### **9. Import of Foreign Exchange Instruments.**

The term 'foreign exchange' as defined in Section 2 of the Act means foreign currency and inter alia includes any instrument drawn, accepted, made or issued under clause (8) of Section 17 of the State Bank of Pakistan Act, 1956 and any drafts, travellers cheques, letters of credit and bills of exchange expressed or drawn in foreign currency or in Pakistan currency but payable in any foreign currency. There are no restrictions on the import of foreign exchange instruments either personally or by post or otherwise. Such restriction applies only to foreign currency notes and coin in respect of which para 4 *ibid* may be referred.

#### **10. Export of Foreign Exchange.**

In pursuance of sub-section (2) of Section 8 of the Act, the State Bank has issued Notification No. F.E.2/98-SB dated July 21st, 1998 granting general permission to: -

(a) Authorised Dealers to send out of Pakistan, cheques, drafts or bills of exchange which have been acquired by them in the normal course of their business and within the terms of their authorisation.

(b) Any person maintaining an account expressed in a foreign currency, and held under any permission, general or otherwise, granted by the State Bank of Pakistan to take or send out of Pakistan, cheques or drafts drawn on such account.

(c) Any person, other than a person to whom foreign exchange is issued for travelling purposes only, to send out of Pakistan foreign exchange issued to him

by an Authorised Dealer.

(d) Any person to take out of Pakistan foreign exchange issued to him by an Authorised Dealer in Pakistan and endorsed on his passport.

(e) Any person not ordinarily resident in Pakistan, to take out of Pakistan the unspent amount of foreign currency brought by him into Pakistan, provided the period of his continuous stay in Pakistan does not exceed three months, and

(f) Any person to take out of Pakistan US\$ 10,000/- or equivalent thereof in other foreign currencies.

#### **11. Definition of Jewellery and Precious Stones.**

The terms "jewellery" and "precious stones" are deemed to include all articles made wholly or mainly of gold, platinum, diamonds of all kinds, precious or semi-precious stones, pearls whether or not mounted, set or strung and articles set or mounted with diamonds, precious or semi-precious stones or pearls.

#### **12. Import of Jewellery and Precious Stones.**

Under the Act there are no restrictions on the import of jewellery and precious stones, but their import is regulated by the Import Trade Control Regulations. Import of jewellery, precious metals, precious stones, etc., by incoming passengers is regulated by the Rules made under the Customs Act.

#### **13. Export of Jewellery and Precious Stones.**

Sub-section (2) of Section 8 of the Act prohibits export from Pakistan of jewellery or precious stones except with the general or special permission of the State Bank. The State Bank has granted general permission vide its Notification No.F.E.3/85-SB dated the 15th August, 1985, under which any person can take out of Pakistan at any one time to any country outside Pakistan, precious stones or jewellery other than articles made wholly or mainly of gold as under:

(a) India. Nil.

(b) Afghanistan, Bangladesh and Iran. upto Rs.1,000/- in value

(c) Any other country or place not upto Rs.2,000/- in value  
mentioned in (b) above

No person is allowed to take any jewellery to India without the approval of the State Bank.

#### **14. Taking out of Precious Stones and Jewellery.**

(i) Under the State Bank Notification No.FE.3/85-SB dated the 15th August, 1985, any person other than a person domiciled in Pakistan or India, who is returning to his/her own country, may take with him/her any precious stones or jewellery brought by him/her into Pakistan without limit if the same had been declared to the Customs Authorities on the prescribed form at the time of his/her arrival in Pakistan, and precious stones and jewellery, other than articles made wholly or mainly of gold purchased in Pakistan upto a further Rs.10,000/- in value. The intention is that this facility will be available only to the families of foreign nationals who are working in Pakistan with the permission of the concerned authorities. Foreign nationals and overseas Pakistanis can also take out gold, jewellery, precious/semi precious stones upto the value of \$10,000/- in all provided the same have been purchased against encashment of foreign exchange brought by them from abroad.

(ii) Applications to carry jewellery to India or to other countries in excess of the limit prescribed in para 13 *ibid*, should be made to the State Bank in duplicate on Form 'J' (AppendixV-81). The application should be accompanied by an undertaking from the traveller that should the State Bank accede to his/her request, he/she will bring back the jewellery to Pakistan within the specified period, declare it to the Customs and produce proof thereof to the State Bank. Where such requests are allowed by the State Bank, it will issue a licence for the Customs in duplicate. While the original copy of the licence will be surrendered to the Customs at the time of taking out the jewellery, the duplicate thereof will be retained by the traveller. On his/her return to Pakistan, the jewellery brought back by the traveller will be declared to the Customs who will endorse the duplicate copy of the licence. The duplicate copy of the licence endorsed by the Customs will be produced by the travellers to the State Bank within the specified period in pursuance of the undertaking given by him/her at the time of departure.

#### **15. Definition of Gold and Silver.**

'Gold' as defined in Section 2 of the Act includes gold in the form of coin, whether legal tender or not, or in the form of bullion or ingot, whether refined or not. 'Silver' means silver bullion or ingot, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and uncurrent silver coin which is not legal tender in Pakistan or elsewhere.

#### **16. Import of Gold and Silver.**

(i) The Federal Government by their Notification No.1(2) ECS/48 dated the

1st July, 1948 issued pursuant to sub-section (1) of Section 8 of the Act have prohibited, except with the general or special permission of the State Bank, the import into Pakistan from any place outside Pakistan of:

- (a) any gold coin, gold bullion, gold sheets or gold ingot whether refined or not, and
- (b) any silver bullion, any silver sheets or plates which have undergone no process of manufacture subsequent to rolling or any uncurrent silver coin.

Import of gold and silver into Pakistan is, therefore, subject to State Bank's authorisation.

(ii) Import of pure gold/silver and rough/uncut precious and semiprecious stones will be allowed against export of gold/silver jewellery and cut and polished precious/semi-precious stones in accordance with the procedure notified by the Government of Pakistan and the instructions issued by the State Bank from time to time.

(iii) The State Bank vide its Notification No. F.E.1/94-SB dated the 20<sup>th</sup> March, 1994 has granted general permission for import of gold into Pakistan from any place outside Pakistan as accompanied baggage provided such imports are made in accordance with the existing import policy.

## **17. Export of Gold and Silver.**

Sub-section (2) of Section 8 of the Act prohibits the export of gold except with the general or special permission of the State Bank. The State Bank, however, does not allow the export of gold.

Under the Act, there are no restrictions on the export of silver. Its export when allowed requires to be declared on form 'E' prescribed for export by the State Bank and the export proceeds are required to be repatriated within the stipulated period.

## **18. Declaration to Customs by Outgoing Passengers.**

In terms of State Bank's Notification No.FE.4/91-SB dated the 26th February, 1991, all persons are required to declare to the Custom authorities at the time of leaving Pakistan, jewellery and precious stones carried by them in prescribed declaration Form 'CD' (Appendix V-82).

In order to ensure that the outgoing passengers do not face any difficulty in obtaining 'CD' forms and filling them at the time of their departure, airlines/shipping companies, travel agents are required to supply these forms to

the intending passengers at the time of issuing the tickets so that the completed forms are with them before they enter the Custom Lounge.