

**Procedure for Lodgment of Claims under Para 1-4(b) and 1-4(c) of Commerce Division's Local Taxes and Levies Drawback (Non Textile) Order 2017**

1. The claim under 1 (4) (b) and 1 (4) (c) will be lodged in consolidated form from a single Authorized Dealer (AD), even if the exporter has claimed under 1 (4) (a) through multiple ADs.
2. Claim under 1 (4) (b) would be required to be lodged through the same AD through whom claim under 1 (4) (c) will be lodged.
3. Similarly, if an exporter has claimed from multiple Offices of SBP BSC under 1 (4) (a), consolidated claims under 1 (4) (b) and 1 (4) (c) would be lodged to any one of these. Claims under 1 (4) (b) will be lodged to the same Office of SBP BSC where claim under 1 (4) (c) will be lodged.
4. Claims will be lodged through the Regional Hubs formed under procedure given in EPD Circular Letter No. 24 of 2017.

**CLAIM UNDER 1 (4) (c)**

5. For the purpose of 1 (4) (c), the claimant will claim an amount equal to the sum of all its claims paid / ready for payment (submitted to SBP BSC) under 1 (4) (a) for shipments made during July – Dec 2017.
6. Claimant will obtain a certificate of payment from all involved ADs in format given at **Annexure V**. In case of loss of certificate, the word "Duplicate" will be prominently marked in indelible ink at the top of duplicate certificate.
7. These certificates in original along with consolidated claim will be provided to nominated AD as per format at **Annexure VI**.
8. The nominated AD will verify the consolidated claim in **Annexure VI** as per the certificates (**Annexure V**) provided by all involved ADs and it's own and forward the same to SBP BSC on **Annexure VII**.
9. Only claims already paid / ready for payment (submitted to SBP BSC) till the date of claim will be included. Pending discrepant claims, if any, will not be included.
10. The claim amount shall not include the incentive for non-traditional markets as the same has already been paid in full.
11. AD will process the claim within 15 days on FIFO basis from the date of receiving. Discrepant claims will be returned and will be considered as fresh in queue upon resubmission.
12. The exporter will also provide a Bank Guarantee to the effect that amount paid to it under 1 (4) (c) will be refunded immediately upon demand by the AD in case it fails to achieve 10% or more increase in exports in any eligible category in FY 2017-18 over FY 2016-17. This bank guarantee would be required by AD from claimant, when the SBP / BSC informs AD that submitted claim is found in order and specified amount of fund will be released upon confirmation by the AD that bank guarantee is arranged from claimant.
13. The Bank Guarantee will be kept by the AD submitting the claim till finalization of claim submitted under 1(4)(b). In case refund is required (point 23), SBP BSC will debit the account of the AD which in turn will recover the amount from exporter as per Bank Guarantee.
14. Upon verification of claim, SBP BSC will pay the total amount of claim to the nominated AD for onward credit to the claimant within 24 hours of credit.

## **CLAIM UNDER 1 (4) (b)**

15. For the purpose of claim under 1 (4) (b), data of two Financial Years i.e. FY 2016-17 and FY 2017-18 will be required.
16. The data of claims paid under 1 (4) (a) will be used to determine export performance in FY 2017-18. For this purpose, the concerned ADs will provide summary of paid claims for the whole FY 2017-18 on **Annexure VIII**. The nominated bank will forward these **Annexure VIIIs** along with it's own to SBP BSC. No other data will be required by SBP BSC for the purpose of FY 2017-18.
17. The export performance in FY 2016-17 will be provided by the exporter through involved ADs on MS Excel as per format provided at **Annexure XII** ([http://www.sbp.org.pk/sbp\\_bsc/BSC/epd/index.htm](http://www.sbp.org.pk/sbp_bsc/BSC/epd/index.htm)) through email (as per Appendix - A). Only the Excel file attached with this Circular Letter will be used for the purpose. Data relevant to each AD will be prepared separately and provided to the AD for verification.
18. The data provided in Excel will be authenticated against data in Pakistan Customs WeBOC system by SBP BSC. As such exporters are required to ensure that the data so provided is complete and accurate as per official shipment record. However, the amounts of Freight, Insurance, Commission which may not be reflected (correctly) in WeBOC data may be filled in as per actual.
19. Each AD will verify the data and prepare a summary of performance in the format at **Annexure XII**. Original of this Annexure will be provided to the Exporter and a copy of it along with Excel file will be provided to the AD nominated by the exporter.
20. For the purpose of calculating export performance, the established practice of using net FOB values will be followed. Further, the increase will be calculated separately for each category i.e. claim under 1 (4) (b) will be evaluated separately for each category. The calculation method has been elaborated separately.
21. Format for the claim by exporter is provided at **Annexure IX**. Whereas AD will forward the same as per format given at **Annexure X**.
22. The claims under 1 (4) (b) must be submitted latest by July 31, 2019.
23. Exporters not submitting claims under 1 (4) (b) latest by July 31, 2019 will be considered to have not achieved 10% increase in 2017-18 over 2016-17. Any payment made under 1 (4) (c) to such exporters will be got refunded by invoking provided guarantee. Similar refund will be effected for exporters who submit the claim under 1 (4) (b), but their increase is less than 10% in any one or more categories. Such refund will be considered Category wise. For example, if the exporter achieves 10% increase in Leather Garments but not in Gloves, only the payment obtained under 1 (4) (c) for Gloves claims will be got refunded. However, net receivable or payable claim amount against all categories will be calculated before finalization of claim.

### **Calculation of Export Performance:**

1. For each export transaction, lowest of the following three foreign currency amounts will be used as basis of calculation:
  - a) Amount of EFE
  - b) Declared Value on GD form
  - c) Realized amount
2. Any commission paid will be deducted from the amount above.
3. In case of involvement of multiple categories in a shipment, amount obtained from above will be divided into different categories in the ratio of declared values on GD form.

4. Applicable amount of Foreign Currency will be converted to PKR using the average of daily DMMD WAR for the FY 2016-17 as given in **Annexure XI**.
5. From the PKR arrived above, freight and insurance amounts will be deducted. Gross amounts of the invoices are required to be deducted. In case of multiple categories in a shipment, Freight and Insurance amounts will be proportionately divided into each category in the ratio of declared values on GD form. This will give Net FOB Value for each category of the export shipment.
6. Net FOB values for all export shipments of a Financial Year will be summed for each category separately.
7. Yearly total Net FOB values for each category will be compared separately to determine percentage increase in each category.

ON LETTER HEAD OF BANK

No. \_\_\_\_\_

Date: \_\_\_\_\_

**To whom it may concern**

With reference to EPD Circular Letter No. \_\_\_\_\_, we have received / submitted category wise total claim amounts on behalf of M/s. \_\_\_\_\_ having NTN No. \_\_\_\_\_ for shipments from July 17 – Dec 18 as per the following summary:

SBP BSC Office	Category	Claim Amount received / submitted under Para 1(4)(a)	Claim amount received / submitted for export to Non-traditional Market (2%) {under Para 1(4)(d)}	Total Amount received / submitted {under Para 1(4)(a) plus Para 1(4)(d)}

We undertake that if any discrepancy is subsequently detected in provided information, SBP BSC may debit the amount involved to our account along with 100% penalty.

We further undertake that we will keep proper record of 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 CLAIMANT

No. \_\_\_\_\_

Date: \_\_\_\_\_

The Manager  
Name of Branch  
Name of Bank  
City

Dear Sir / Madam

**APPLICATION FOR PAYMENT OF LOCAL TAXES AND LEVIES DRAWBACK ON EXPORT OF NON-TEXTILE PRODUCTS**

I / We, M/s \_\_\_\_\_ having NTN No. \_\_\_\_\_ hereby apply for payment of Drawback under Para 1 (4) (c) of Commerce Division vide S.R.O. No. 1248(I)/2017 and EPD Circular Letter No. \_\_\_\_\_ against claims paid / ready for payment (submitted to SBP BSC) under Para 1 (4) (a) for exports done by us during July – Dec 2017 as per following summary:

SBP BSC Office	Authorized Dealer	Amount of Claims Received / submitted less Incentive for Non-Traditional Markets (Rs.)	
		Category 1 (5%)	Category 2 (7%)
Totals			
Total of All Categories			

In view of the above, it is requested that an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) may be paid to us under Para 1 (4) (c) of the Commerce Division's S.R.O. mentioned above.

We undertake that the above information is correct. In case any discrepancy is detected subsequently, SBP BSC may impose penalty of up to 100% of the claim in addition to refund of wrongly claimed amount by instructing the bank to debit our account.

We will arrange the Bank Guarantee before disbursement of claim as per relevant instructions to the effect that amount paid to us under this claim in any category will be refunded immediately upon demand by the AD in case we fail to achieve 10% or more increase in exports in performance year over base year in that category.

Signatures with Stamp showing designation

ON LETTER HEAD OF BANK

No. \_\_\_\_\_

Date: \_\_\_\_\_

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

Dear Sir / Madam

**APPLICATION FOR PAYMENT OF LOCAL TAXES AND LEVIES DRAWBACK ON EXPORT OF NON-TEXTILE PRODUCTS**

With reference to EPD Circular Letter No. \_\_\_\_\_, we submit herewith claim of M/s \_\_\_\_\_ having NTN No. \_\_\_\_\_ under Para 1 (4) (c) of Commerce Division vide S.R.O. No. 1248(I)/2017 for amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_). Category wise breakup of the claim is given in the attached claim of exporter. Copies of Annexure V by all involved ADs are also attached.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

Encl:

ON LETTER HEAD OF BANK

No. \_\_\_\_\_

Date: \_\_\_\_\_

**To whom it may concern**

With reference to EPD Circular Letter No. \_\_\_\_\_, we have received / submitted category wise total claim amounts on behalf of M/s. \_\_\_\_\_ having NTN No. \_\_\_\_\_ for shipments from July 17 – June 18 as per the following summary:

SBP BSC Office	Category	Claim Amount received / submitted under Para 1(4)(a)	Claim amount received / submitted for export to Non-traditional Market (2%) {under Para 1(4)(d)}	Total Amount received / submitted {under Para 1(4)(a) plus Para 1(4)(d)}

We undertake that if any discrepancy is subsequently detected in provided information, SBP may debit the amount involved to our account along with 100% penalty.

We further undertake that we will keep proper record of 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 CLAIMANT**

No. \_\_\_\_\_

Date: \_\_\_\_\_

The Manager  
 Name of Branch  
 Name of Bank  
 City

Dear Sir / Madam

**APPLICATION FOR PAYMENT OF LOCAL TAXES AND LEVIES DRAWBACK ON EXPORT OF NON-TEXTILE PRODUCTS**

I / We, M/s \_\_\_\_\_ having NTN No. \_\_\_\_\_ hereby apply for payment of Drawback under Para 1 (4) (b) of Commerce Division vide S.R.O. No. 1248(I)/2017 and EPD Circular Letter No. \_\_\_\_\_ against 10% or more increase in export performance in FY 2017-18 as compared to that in FY 2016-17 as per following summary:

**Increase in Export Performance:**

Financial Year / Category	Net FOB Export Value (Rs.)	
	Category 1 (5%)	Category 2 (7%)
2016-17		
2017-18		
Increase Amount		
Increase %		

**Receivable / Refundable Drawback:**

	Amount (Rs.)	
	Category 1 (5%)	Category 2 (7%)
Received / submitted under Para 1(4)(a) less under Para 1(4)(d)		
Received under Para 1(4)(c)		
Receivable/Refundable(-)		
Total Receivable/Refundable(-)		

In view of the above, it is requested that an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) may be paid / refunded to / from us under Para 1 (4) (c) of the Commerce Division S.R.O. mentioned above.

We undertake that the above information is correct. In case any discrepancy is detected subsequently, SBP BSC may impose penalty of up to 100% of the claim in addition to refund of wrongly claimed amount by instructing the bank to debit our account.

Signatures with Stamp showing designation



**ANNEXURE - X**

ON LETTER HEAD OF BANK

No. \_\_\_\_\_

Date: \_\_\_\_\_

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

Dear Sir / Madam

**APPLICATION FOR PAYMENT OF LOCAL TAXES AND LEVIES DRAWBACK ON EXPORT OF NON-TEXTILE PRODUCTS**

With reference to EPD Circular Letter No. \_\_\_\_\_, we submit herewith claim of M/s \_\_\_\_\_ having NTN No. \_\_\_\_\_ and under Para 1 (4) (b) of Commerce Division vide S.R.O. No. 1248(I)/2017 for amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) to be paid to / refunded from the exporter. Category wise details of yearly performance and claim is given in the attached claim of exporter. Annexure VIIIs issued by all concerned ADs are attached in respect of claim payments for shipments of FY 2017-18 and verification of data of shipments of FY 2016-17 in Annexure XII.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

Encl:

Yearly Average DMMD WAR Applicable on Incremental Portion of LTLD 17-18

<b>Currency</b>	<b>Base year conversion (2016-17)</b>
AED	28.50946
AUD	78.97978
CAD	78.90515
CHF	105.57950
EURO	114.06944
GBP	132.71211
JPY	0.96035
SAR	27.92035
USD	104.71926

