

GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE

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Islamabad, the 30<sup>th</sup> July, 2021.

**NOTIFICATION**

957  
**S.R.O. (I)/2021.** - In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Customs Rules, 2001, which, as required under sub-section (3A) of the said section 219, were previously published *vide* Notification No.S.R.O. 902(I)/2021, dated the 9<sup>th</sup> July 2021, namely:-

In the aforesaid Rules, after Chapter XXXIX, the following new Chapter shall be added from the 14<sup>th</sup> August 2021, namely:-

**"Chapter XL**

**Export Facilitation Scheme 2021**

**871. Definitions.** - In this chapter, unless there is anything repugnant in the subject or context,-

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- (a) **"acquisition"** means import or purchase of foreign origin goods from authorized user, Common Export House and users of export schemes under SRO 450(I) 2001 dated 18.06.2001 Chapter XV, DTRE, SRO 327(I)2008 dated 29.03.2008, including banned or restricted items or procurement of locally manufactured goods and taxable or excisable services covered under this Chapter, including energy sources such as coal, coke of coal, carbon blocks, diesel, furnace oil or gas etc. for in house energy production or use in the manufacturing process and also includes Engineering Goods as classified under chapter 72 to 96 or as approved by Engineering Development Board (EDB):

Provided that acquisition of banned or restricted items shall be subject to prior permission from the Ministry of Commerce;


- (b) **"Act"** means the Customs Acts, 1969 (IV of 1969), the Federal Excise Act, 2005, the Sales Tax Act, 1990, and the Income Tax Ordinance, 2001 (XLIX of 2001);
- (c) **"analysis certificate"** means a certificate issued by the Regulatory Collector or the Director Input Output Co-efficient Organization (IOCO), as the case may be,

(3) Category A and B shall include all corporate, non-corporate large and small, and medium manufacturer-cum-exporters as the case may be.

(4) A manufacturer cum exporter with no export history, applying for authorization under these rules with a firm contract of export shall be classified as per the claimed percentage of production to be exported i.e., Category A or B, which shall be subject to review by the Regulatory Collector after one year.

(5) An applicant showing a poor compliance profile, i.e., having one or more contravention cases adjudged against him or having pending recovery cases or pending criminal proceedings during the last three years, at the time of application, shall be downgraded for a period of one year, as under

Table



Sr. No.	Category as per % of export or export history	Category Allocation due to poor profile for a period of one year.
(1)	(2)	(3)
1	Category A	Category B1
2	Category B1	Category C1
3	Category B2	Category C2
4	Category C1	Category C2
5	Category C2	No Authorization

(6) All exporters whose category has been downgraded under sub-rule (5), their performance shall be reviewed by the Regulatory Collector after one year and in case good compliance record during the year, the original category shall be restored. In case the compliance record of the user at the time of review is again ascertained to be poor, the authorization granted shall be suspended immediately and the Regulatory Collector may initiate proceedings for cancellation of the authorization:


Provided that contravention cases involving procedural issues or individually or collectively involving revenue less than rupees five million, shall not affect the categorization of the exporter.

**875. Application for authorization.-** Any applicant covered under rule 872 of this chapter and desirous of utilizing this facility may apply online to the Regulatory Collector, in the WeBOC or PSW system, as per the prescribed format given in Appendix I to this chapter.

(2) The application shall be supported by the following documents:

- (i) ISO certification if available;
- (ii) ownership documents in case of self-owned manufacturing facility;

- (iii) in case of rented premises lease agreement of the manufacturing facility covering the entire utilization period;
- (iv) ownership or lease agreement covering the entire utilization period of the office OR business premises in case of Commercial exporters;
- (v) copy of contract/contracts or supply order, in case of contract-based application and Toll Manufacturing, if applicable;
- (vi) bank statement for last two years or from the date of incorporation of the entity;
- (vii) export performance supported by a summary of foreign exchange realized through e-forms if applicable;
- (viii) list of the installed plant and machinery in case of manufacturer-cum exporter, indirect exporter and toll manufacturer etc;
- (ix) approximate value of the input goods;
- (x) input-output ratio for the manufacture of one unit of output good; and
- (xi) recommendation of respective Chamber of Commerce and Industry, respective trade association or Small and Medium Enterprise Development Authority (SMEDA) in case of small and medium exporters.

 **876. Security instrument for authorization.-** (1) The applicant shall submit a security instrument equal to the duty and taxes being deferred or remitted, **on the approximate value of input goods, during the authorization period** along with the application as detailed below:

- (a) **Category A:** Indemnity bond as set out in Appendix-III and PDC;
- (b) **Category B1:** Indemnity bond as set out in Appendix-III and PDC for manufacturer cum exporters with a self-owned manufacturing facility and Revolving Insurance Guarantee covering their annual requirement, for Manufacturer-cum- exporters with a rented production facility;
- (c) **Category B2:** Revolving Insurance Guarantee for manufacturers with self-owned manufacturing facility covering their annual requirement, Revolving Bank Guarantee for manufacturers with rented production facility covering their annual requirement till three years benchmark is crossed and graduating to B1 category;
- (d) **Category C1:** Indemnity Bond as set out in Appendix-III and PDC for manufacturers with self-owned manufacturing facility and Revolving Insurance Guarantee for manufacturers with rented production facility and commercial exporters, covering their annual requirement; and
- (e) **Category C2:** Revolving Insurance Guarantee for manufacturers with a self-owned manufacturing facility and Revolving Bank Guarantee for manufacturers with rented production facility and commercial exporters, covering their annual requirement till three years benchmark is crossed and graduating to C1 category.