

GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE  
(REVENUE DIVISION)

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Islamabad, the 12<sup>th</sup> April, 2007

**NOTIFICATION  
(CUSTOMS)**

**S.R.O. 316(I)/2007.-** In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), and clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that plant, machinery, equipment and accessories including capital goods, if not manufactured locally, shall be exempt from the whole of customs-duty and sales tax if imported for the development of Special Industrial and Economic Zones including China-Pakistan Industrial and Economic Zones (CPEZ) and for establishing projects in the Zones, subject to the following conditions, namely:-

- (i) locations and perimeters shall be notified by the Board of Investment of Ministry of Privatization and Investment;
- (ii) the benefit of this S.R.O. shall be available only for capital equipment (plant, machinery, equipment and accessories) and not for raw materials;
- (iii) only such projects or joint ventures would be entitled to this exemption as are certified by the Board of Investment to have at least forty per cent foreign equity from well known Companies;
- (iv) the goods imported under condition (ii) shall not be sold or otherwise disposed off without prior approval of the <sup>1</sup>[FBR] and payment of customs duties and taxes leviable at the time of import;
- (v) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, lay out plan and drawings; and
- (vi) Board of Investment shall certify in the prescribed manner and format as per Annex-A that the imported goods are bona fide project requirement. In case the clearance of the imported goods is through Pakistan Customs Computerized System (PACCS) the authorized officer of the BOI shall furnish all relevant information online to PACCS against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In already computerized Collectorates or Customs stations

where the PACCS is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;

**Explanation.- For the purpose of this notification,-**

- (1) **“Machinery”** means,-
  - (a) machinery and equipment operated by power of any description, such as is used in industrial process;
  - (b) apparatus and appliances, including metering and testing apparatus and appliances specifically adopted for use in conjunction with machinery and equipment specified in clause (a);
  - (c) mechanical and electrical controls and transmission gear adapted for use of goods specified in sub-clause (a); and
  - (d) component parts of machinery and equipment, as specified in clause (a), (b) and (c) above, identifiable for use in or with machinery .
  
- (2) the expression “not manufactured locally” means the goods which are not listed in the locally manufactured list, notified through a Customs General Order issued by the <sup>1</sup>[Federal Board of Revenue] from time to time or, as the case may be, certified as such by the Engineering Development Board.

**Annex-A**

Header Information											
NTN or FTN of Importer						Approval No.					
(1)						(2)					
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)								Goods imported (Collectorate of import)			
HS Code	Description	Specifications	Customs Duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN or Mach No.	Date of CRN or Mach No.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

CERTIFICATE: Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and bona fide requirement of the project and that the same are not manufactured locally.

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

**NOTE:-** *In case of clearance through Pakistan Customs Computerized System (PACCS), the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

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[C.No. 1/9/Mach./92]

**(MUSARRAT JABEEN)**  
**ADDITIONAL SECRETARY**

**As amended:**

1. S.R.O.556(I)/2008 dated 11.06.2008(w.e.f12.06.2008)