

GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE & REVENUE  
(REVENUE DIVISION)

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Islamabad, the 11<sup>th</sup> June, 2008.

**NOTIFICATION**  
(CUSTOMS)

**S.R.O.** 559 (I)/2008.- In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), the Federal Government is pleased to exempt raw materials specified in column (3) of the Table below, imported for the manufacture of goods specified in column (2) of the said Table, from so much of customs-duty leviable under the First Schedule to the Customs Act, 1969 (IV of 1969), as are in excess of the rates specified in column (5) of that Table, subject to certain exclusion specified below, the special conditions as specified in column (6) thereof Table and the following general conditions, namely: -

- (i) a sales tax registered importer-cum-manufacturer having suitable in-house facilities shall submit a complete list in the prescribed format appended as Form-I of his annual requirement of permissible items (inputs) he intends to import for the manufacture of goods mentioned in column (2) of the table to the Collector of Excise and Sales Tax of Azad Jammu and Kashmir (AJ & K) having jurisdiction or to any other organization or person as authorized by the Federal Board of Revenue;
- (ii) the importer-cum-manufacturer shall file a request containing a declaration of input/ output ratios to the Collector of Excise and Sales Tax AJ & K or the authorized person. The Collector or the authorized person may accept the declaration of input output ratio as declared by the applicant and determine the annual requirement of inputs. In case the Collector or authorized person is not satisfied with declared input

output ratios of the items to be manufactured because of their being *prima facie* not in accordance with the prevalent average of the relevant industry or for any other reason, he may, after allowing a reasonable provisional quantity, make a reference to the Engineering Development Board, Islamabad or Directorate of Input Output Co-efficient Organization (IOCO) or to any other recognized authority for final determination thereof. The Collector or authorized person shall then determine the final annual quantitative entitlement of inputs and the applicant shall proceed to consume imported inputs in accordance with the input output ratios and quantities so determined;

- (iii) the clearance of inputs shall be allowed through one port or dry port only, however, for the liquid bulk cargo imported at Karachi, the facility of clearance from either port i.e Port Qasim and Karachi Port shall be allowed subject to maintenance of centralized record of quota debiting at the port for which the Provisional or Final Certificate is issued;
- (iv) the authorized officer of Excise and Sales Tax Collectorate AJ & K shall furnish all relevant information online to Customs Computerized System (PACCS) as per Form-II appended to this notification against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorate/Customs stations where the PACCS is not yet operational, the Project Director or any other authorized person shall feed the requisite information in the PACCS on daily basis and on weekly basis of the data obtained from the stations which have not yet been computerized;
- (v) the importer-cum-manufacturer shall file Goods Declaration on the prescribed format and manner with complete details of authorization of imported inputs for clearance. The Collector of Customs on satisfaction of correct declaration shall allow clearance of imported inputs after obtaining post dated cheque for the differential amount of statutory tax and concessionary taxes.

- (vi) the importer-cum-manufacturer shall maintain records of the inputs and the goods manufactured from imported inputs in such form as may be prescribed by the Federal Board of Revenue or required under any other law for the time being in force, adopted by the Azad Jammu and Kashmir Council (AJ & K Council) ;
- (vii) the importer-cum-manufacturer shall communicate to the concerned Collector of Customs in writing about the consumption of imported item within sixty days of consumption of goods duly supported by a certificate as set out Form-III to this notification under intimation to the concerned Collector of Excise and Sales Tax AJ & K. The post dated cheque shall be released or cancelled on receipt of written confirmation regarding consumption of goods by the importer-cum-manufacturer. In case of non-consumption within one year from the date of import, the importer shall pay the customs-duty and other taxes involved or obtain extension from the Collector of Excise and Sales Tax AJ & K under intimation to the respective Collector of Customs giving plausible reasons for a reasonable period;
- (viii) the Collector of customs may, on his own or through the Collector of Excise and Sales Tax AJ & K or through any other department working under Revenue Division may, whenever deemes necessary, get the records of the importer-cum-manufacturer audited and may also get the stocks verified. In case it is found that the inputs have not been properly accounted for or consumed for the manufacture and supply of goods as prescribed, the Collector may initiate proceedings for the recovery of leviable customs-duty and other taxes besides penal action under the relevant provisions of the laws in force; and
- (ix) For the purpose of this notification the following conditions shall also be fulfilled, namely:-
  - (a) the importer-cum-manufacturer shall also be registered with the

Collector of Sales Tax and Federal Excise in Pakistan with Collector of Sales Tax and Federal Excise, Rawalpindi for the purpose of importation of goods and documentation besides registration with Collector Excise and Sales Tax AJ & K;

- (b) the Collector of Custom, in Pakistan, shall communicate the relevant documents relating to the importation, clearance and transportation of the goods for the destination at AJ & K to the respective Collector Excise and Sales Tax AJ & K. The Collector Excise and Sales Tax AJ & K shall confirm to the respective Collector of Customs about arrival or receipt of the goods to the destination in AJ & K;
- (iii) the AJ & K Council shall ensure proper implementation of this notification by the Excise and Taxation Department of AJ & K and shall have liaison with Collector of Customs in Pakistan.

**TABLE**

S.No.	Description of goods to be manufactured.	Description of raw materials.	Heading or sub-heading Nos.	Extent of exemption from customs duty in excess of rates given below.	Special conditions
(1)	(2)	(3)	(4)	(5)	(6)
<b>1.</b>	Toilet Soap	<b>Raw materials.</b>		10% ad val	Nil
		(1) Palm Stearin.	1511.9010		
		(2) Coconut Crude Oil.	1513.1100		
		(3) Crude Palm Kernel Oil.	1513.2100		
		(4) Surface Active Agents.	3402.0000		
<b>2.</b>	Laundry Soap	<b>Raw Materials</b>		10% ad val	Nil
		(1) PFAD	3823.1910		
		(2) Palm Kernel Acid Oil.	3823.1990		
		(3) Palm Kernel Fatty Acid Distillate.	3823.1990		

**FORM-I**

[See condition (i)]

(To be filled in by the importer or any person or persons duly authorized by him form his organization)

Name & address of the Importer	NTN/FTN	
Port of clearance		Clearing Agents Name/No.

S.No.	H.S. Code	Description	Specifications of imported inputs	Applicable rate of duty	Quantity	Unit value	Unit of measure	Total value in Pak Rupees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

**CERTIFICATE**

It is certified that the description and quantity mentioned above commensurates with the inputs requirement and that the above items shall not be used for any other purpose.

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
N.I.C. No. \_\_\_\_\_

**FORM-II**

[See condition (iv)]

(To be filled in by the Collector of Excise and Sales Tax AJ & K)

Header information		
NTN/FTN of importer	Name of importer	Approval No.
(1)	(2)	(3)
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)		Goods imported (Collectorate of import)

HS code	Description	Specs	Applicable Customs Duty rate	Quantity	UOM	Quantity imported	Collector rate	CRN/ Mach. No..	Date of CRN/ Mach. No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

It is certified that the description and quantity mentioned above commensurates with the input requirement.

Signature -----  
Name -----  
Stamp -----

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.

### FORM-III

[See condition (vii)]

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

Dated \_\_\_\_\_

It is certificated that the raw materials imported by \_\_\_\_\_ under Notification No. S.R.O. \_\_\_\_\_  
Name of the manufacturer

dated \_\_\_\_\_ and released vide GD No. \_\_\_\_\_ dated \_\_\_\_\_ have been used for manufacture of \_\_\_\_\_ in accordance with the scale laid down by the Collector Excise and Sales Tax, AJ&K vide Import Authorization/Certificate No \_\_\_\_\_ dated \_\_\_\_\_.

Assistant Collector  
Name and Office Stamp

2. This notification shall take effect from the 12<sup>th</sup> day of June, 2008.

[C. No.1(35)Sur-I/2005 ]

( **Mehmood Alam** )  
**Additional Secretary**