

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
CENTRAL BOARD OF REVENUE**

Islamabad, the 18th June, 2001

**NOTIFICATION
(CUSTOMS)**

S.R.O. 450(I)/2001.-¹[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 make the following rules, namely:-]

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**CHAPTER XII
EXPORTS**

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**²[SUB CHAPTER 8
DETERMINATION OF MATERIALS AND FIXATION OF RATES**

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312. Revision of rates of repayment or drawback of customs duties.-(1) For the revision of rates, in case of all products specified in sub-clause (a) of clause (i) of rule 308 notified, by the Board prior to the date of commencement of these rules, the Director shall inform the respective Association of the method of calculation adopted for determining the custom duty repayment or drawback rates for their comments and active participation before finalization of the process:

Provided that in case any Association which in the opinion of the Director was required to have been consulted and which was not so consulted regarding the method of calculation, he shall after the date of commencement of these rules, as soon as may be possible, consult such Association in this regard;

Provided further that if the respective Association does not cooperate in providing timely and verifiable data or information, the Director may, in consultation with the Sector Specialists, decide the method of calculation and proceed to determine the input materials and recommend the revision of the rates of repayment or drawback of customs duties thereon and send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

³[(2) The Directorate General of Input Output Coefficient Organization (IOCO) shall preferably review all the rates notified under this sub-chapter after announcement of annual fiscal

1 Existing preamble substituted and shall be deemed always to have been so substituted vide SRO 831(I)/2018 dated 2nd July, 2018. At the time of substitution was as under:-

“In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Central Board of Revenue is pleased to make the following rules, namely:-”

2 Sub-Chapter-8 Substituted vide SRO 831(I)/2018 dated 2nd July, 2018

3 Sub-clause (2) was substituted vide SRO 714(I)/2020, dated 11th August, 2020. At the time of substitution sub-clause (x) was as under:

“(2) The Directorate General of IOCO shall generally review all the rates notified under this sub-chapter in the last month of each calendar year and complete the exercise by the thirtieth day of January in the following year. It shall be the responsibility of all Associations and individuals, as the case may be, for whom duty repayment or drawback notifications have been issued to supply, by the thirtieth day of November every year to the Director, details of any change to the input output worksheets on which the current rate are calculated, in particular, changes in material used, their quantities and values. In case no change has occurred in such data, the Association or individual, as the case may be, shall inform the Director that no change has occurred in the work sheet particulars.

budget to incorporate the impact of upward or downward revision of customs duties or imposition of new duties. This exercise shall preferably be completed by the 31st August and the Board shall ensure notification of revised rates by the 30th September, if there are no valid reasons for delay. It shall be the responsibility of all associations and individuals, as the case may be, for whom duty repayment or drawback notifications have been issued to supply, by the 31st day of July every year to the Director, details of any change in the input output worksheets on which the current rates are calculated, in particular, changes in material used, their quantities and values:]

(3) In consequence of the review, if the Sector Specialist is of the opinion that the rates require revision, he shall, after recording the reasons in writing, inform the Director.

(4) The Director, if satisfied with the findings of the sector specialist, shall inform the association or the individual manufacturer or producer, as the case may be, in writing regarding the reasons for the proposed revision and specify a date for the purposes of affording a hearing.

(5) The Director shall, within fifteen days from the date fixed for the meeting, decide the revised rates and record the reasons in writing which shall be duly communicated to the Association or the individual manufacturers or producer, as the case may be. The Director shall then send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette.

(6) Notwithstanding anything contained in this sub-chapter, the Association or the individual manufacturer or producer, as the case be for reasons to be specified, may apply to the Director for the revision of the existing notified rates. All such applications shall be dealt with in accordance with the procedure laid down in sub-rules (1) to (4).

The Director shall on the basis of the method of calculation decided under sub-rule (1) or as otherwise notified under this sub-chapter, from time to time, review the rates so notified:

Provided that if at any time the Director has reasons to believe that there has been a material change affecting the notified rates to the extent of fifteen percent or more whether upwards or downwards, he shall immediately communicate the reasons thereof to the concerned Association or the individual manufacturer or producer, as the case may be and, after affording a reasonable opportunity of hearing, send recommendation while providing supporting input output data for the rates so fixed to the Director General who shall forward it to the Board for issuance of a Notification in the official Gazette:

Provided further that if at any time it comes to the notice, in case of Standard Notification, of the Association or any of its member, and, in case of an Individual Notification, to an individual manufacturer or producer, that any change has taken place in any factor whatsoever which affects the notified rates to the extent of fifteen percent or more, whether upwards or downwards, the Association, member or the individual manufacturer or producer, as the case may be shall immediately inform the Director in this regard. The failure to inform in this regard shall be treated as a violation of these rules:

Provided also that, if at any time, the Director has reasons to believe that the notified method of calculation has become inapplicable or invalid on account of a material change in any factor having an effect thereon, he shall communicate the reasons to the Association. After affording the Association an opportunity of hearing, the Director shall review the existing rates based thereon.”