

**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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313B. Determination of quantitative entitlement of raw material.-(1) In cases, specified in sub-clause (iii) of clause (a) of rule 308, the concerned manufacturer or producer, who intends to avail benefit of relevant concessionary notification, shall apply to the concerned Director IOCO.

(2) The Director may call for any further information or make any addition to the particulars of an application as he may deem fit.

(3) The Director shall, immediately on receipt of an application, send the same to the concerned sector specialist. In case of an Applicant who has already availed quantitative entitlement of raw materials in the previous year, the sector specialist shall conduct a desk audit of the records of the applicant and ensure that the quota was properly consumed as per input to output ratios ascertained by the Directorate General of IOCO or EDB, as the case may be. If he finds that the performance of the unit has been satisfactory and all the raw materials have been consumed according to the conditions of the notification, he shall submit his report to the Director within thirty days from the date of receipt of the application.

³[However, 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, Director of IOCO shall communicate the audit findings to the concerned Collector of Customs of the Import Collectorate who shall initiate proceedings for the recovery of leviable customs-duty and other taxes under the relevant provisions of the law in force.]

(4) In case, the applicant is applying for quantitative entitlement for the first time, the sector specialist shall issue a survey date to the applicant for verification of in-house manufacturing facility and provision of information related to installed machinery, production capacity, financial accounts, other details, etc, as may be required to ascertain the eligibility of the applicant for the duty or tax concession. The sector specialist shall submit his report to the Director within thirty days from the date of receipt of the application.

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 Added vide SRO 714(I)/2020, dated 11th August, 2020.

(5) The Director, if satisfied with the findings of the sector specialist, shall issue quantitative entitlement certificate for the next financial years. The Director may also allow issuance of provisional quantitative entitlement certificate pending the completion of all formalities or pending any inquiry or verification related to the facts and circumstances of the case.

Schedule

[see rules 310(1) and 311(1)]

A. Application for a standard repayment or drawback rate by trade association:

1. Application shall be made on the respective Association's headed paper to the Directorate General of IOCO. The application shall contain the following information, namely:
 - (a) names and addresses of the four or more manufacturers selected by the Association;
 - (b) description of the export product for which application for a repayment or drawback rate is made and for which the four manufacturers have provided input material quantities per unit of calculation, e.g. one hundred square meters of cloth; and
 - (c) quantity of the product for which repayment or drawback is applied for-exported by each manufacturer over the last six months.
2. In respect of each of the four manufacturers named above, the association should provide the following particulars, namely:
 - (a) Information solely provided by each manufacturer:
 - (i) description of the raw materials used;
 - (ii) ⁴[Average] quantity of inputs used ⁵[during six months] in the manufacture of the finished product; and
 - (iii) ⁶[Average] FOB value of the product ⁷[or class of] exported ⁸[product] (average of the last six months).
 - (b) Information added by association.
 - ⁹(i) Average interbank currency exchange rates for the past six months;]
 - (ii) CIF value ¹⁰[calculated on average basis] in Rupees;
 - (iii) HS code of the product;
 - ¹¹(iv) Average rate of customs duty paid on each class or description of imported input goods;]
 - ¹²(v) Average and total customs duty amount on each class or description of imported goods;]

4 Added vide SRO 714(I)/2020, dated 11th August, 2020.

5 Inserted vide SRO 714(I)/2020, dated 11th August, 2020.

6 Added vide SRO 714(I)/2020, dated 11th August, 2020.

7 Inserted vide SRO 714(I)/2020, dated 11th August, 2020.

8 Inserted vide SRO 714(I)/2020, dated 11th August, 2020.

9 Sub-paragraph (i) was substituted vide SRO 714(I)/2020, dated 11th August, 2020. At the time of substitution sub-paragraph (i) was as under:

“(i) currency rate (interbank at the time of making calculation);”

10 Inserted vide SRO 714(I)/2020, dated 11th August, 2020.

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

“(iv) Custom-duty rate;”

12 Sub-paragraph (v) was substituted vide SRO 714(I)/2020, dated 11th August, 2020. At the time of substitution sub-paragraph (v) was as under:

- (vi) calculation of the repayment or drawback rate applied for alongwith worksheets based on the notified method of calculations. If notified method is inapplicable, provide details of calculations with worksheet and method applied.

B. Application for a specific repayment or drawback rate by an individual manufacturer:

Application by an individual manufacturer should provide the same details as for application for standard rates as set out above, but in respect only of the individual manufacturer. This should be accompanied by a brief description of the manufacturing process and the method of calculation applied. Worksheets showing how the rate of repayment or drawback of customs-duties has been calculated must also be supplied.]

“(v) Custom duty amount of each ingredient and total; and”