

**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 XIII
DEFERMENT**

**SUB-CHAPTER (1)
MACHINERY**

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321. Settlement of disputes.-All disputes pertaining to the rules under the sub-chapter shall be decided by the Collector of Customs.

FORM A

(On appropriately stamped non-judicial paper)

BANK GUARANTEE

The Collector of Customs,

Custom House -----

Dear Sir,

WHEREAS M/shaving their registered office at (hereinafter called the importers) have imported from M/s.....per s.s.....IGM No..... dated.....Index No.....datedvide home consumption Bill of Entry No.....dated.....machinery/spare parts of machinery detailed in the Schedule hereinto annexed (hereinafter called the machinery)for new installation/the balancing/the modernization/the replacement/the extending of its factory/project, on which, in accordance with the procedure for the deferred payment of customs duty, laid down by the Board the importers have been allowed the concession of deferred payment of the amount of duties levied on the machinery;

2. AND WHEREAS an amount of Rs(Rupees.....) has been levied as duties in respect of the said machinery of which an amount of Rs..... (Rupees.....) is payable by the importers in cash and the balance of duties amounting to Rs (Rupees.....) (hereinafter called the deferred duties) has been allowed to be paid in lump sum after three years from the date of initial payment in

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:--”

Installments the first of which will be paid or Surcharge on the deferred duties at the rate of fourteen per cent per annum has been allowed to be paid in half yearly installments, the first of such installments being payable on the day of 20.....;

3. AND WHEREAS the Customs have agreed to release the machinery on the payment of the duties amounting to Rs (Rupees.....) in cash along with furnishing by the importers of a bank guarantee covering the deferred amount and surcharge thereon as aforesaid;

4. NOW, THEREFORE, in consideration of the release of the machinery to the importers, we, M/s Bank Limited..... do hereby bind ourselves to the President of Pakistan to pay to the Collector of Customs the deferred amount and the surcharge thereon at the rate of fourteen per cent per annum for the whole period the deferred amount or any part thereof remains un-paid from the date on which the machinery is released to the importers.

5. NOW THE CONDITIONS OF THIS BANK GUARANTEE ARE AS UNDER:-

(1) That the importers shall pay to you the deferred amount in lump sum after three years from the date of initial payment of duties.

(2) That the importers shall also pay to you the surcharge due on the deferred amount at the rate of fourteen per cent per annum in six half-yearly installments, the first of such installments being payable on the.....day.....20.....

(3) That in the event of any default on the part of the importers to pay the deferred amount or of the surcharge due from them, we, M/s Bank Limited, shall pay to you any part of the deferred amount or of the surcharge due within ten days from the date of receipt of demand therefore from you which demand shall be considered by us as conclusive evidence of non-payment of the installment by the importers.

(4) That we do hereby agree to the payment of surcharge on the amount of surcharge if the installment of surcharge is delayed for more than one month from the due date till the date the payment is made, provided that you agree, on the request of the importers, not to take action under condition (6)(a) of this bank guarantee.

(5) That we do hereby agree and declare that in the event of any default in the payment of any sum stated hereunder it may, without prejudice to any other remedy which may be available to you, be recovered by you under section 202 of the Customs Act, 1969.

(6) That, notwithstanding anything contained in the foregoing, the deferred amount or any part thereof and surcharge, as aforesaid, shall immediately become payable to you in any of the following events:-

- (a) if the importers make default for one month in the payment of any installment of the surcharge or of the deferred amount;
- (b) if the importers cease or threaten to cease to carry on their business;
- (c) if a distress or execution be levied upon or issued against any of the properties of the importers and not paid out by the importers within seven days; or
- (d) if any order be made or resolution be passed for winding up the importing company otherwise than in connection with a scheme of amalgamation or reconstruction.

6. FURTHER CONDITIONS OF THIS BANK GUARANTEE ARE AS FOLLOWS:-

(1) Any notice may be given to the importers/bank by sending the same by registered post, which shall be deemed to have been served at the time when it would have been received by the addressee in the ordinary course of the post.

(2) The amount payable hereunder as principal or surcharge at the specified date may be declared and the same shall there upon become due and payable immediately.

7. That this bank guarantee is valid up to.....

8. IN WITNESS WHEREOF we havethis day of20caused this guarantee to be signed under the official stamp in the presence of-

1
OfficerBank Ltd

2
ManagerBank Ltd

Witnesses: --

1.

2.

FORM B

(On appropriately stamped non judicial paper)

The Collector of Customs,
Custom House.....

UNDERTAKING

WHEREASM/s a company incorporated under the Companies Ordinance, 1984 (XLVII of 1984), having its registered office at(hereinafter referred to as the Company) has imported, vide Bill of Entry machinery detailed in the Schedule hereto annexed (hereinafter called the machinery) for new installation/the balancing/the modernizing/the replacing/the extending of its aton which an amount of Rs (Rupees) has been levied as customs duty payable by the Company;

AND WHEREAS in accordance with the procedure for deferred payment of duties laid down by the Board an amount of Rs..... (Rupees) has been paid by the Company in cash vide receipt Nodate and the Company has furnished bank guarantee of Rs..... as security for the deferred amount of duties;

AND WHEREAS it is necessary further to furnish to you assurances connected with the performance of the obligations of the Company;

NOW, THEREFORE, we, M/sDirectors of the Company, do hereby assure you on behalf of the Company that we shall conduct our business with due diligence, efficiency and in accordance with sound business practices and shall keep all its property and assets in proper order and AGREE AND UNDERTAKE as follows:-

(1) That your authorized representatives will have authority to inspect during working hours all books of account and other registers maintained by the Company.

(2) That the Company shall submit to you a certified copy of its audited balance sheet and profit and loss account within three months of the closing of the financial year together with the Auditor's report.

(3) That the Company shall pay the deferred amount of Rs(Rupees) in a lump sum after three years from the date of initial payment and shall also pay the surcharge due on the said deferred amount at the rate of fourteen per cent per annum in half-yearly installments, the first of such installments being payable on the day of 20

(4) That the Company shall pay to you all money due from it promptly and fully, it being understood and agreed by us that any money having become payable by the Company and not paid shall be recoverable from the Company under the provisions of section 202 of the Customs Act, 1969, at the cost and risk of the Company, without prejudice to any other right of the Government to recover

it and that no delay on your part in recovering any money due from the Company shall deprive you of your right in respect thereof or constitute any right on your part for the recovery thereof,

IN WITNESS WHEREOF we, Mr. and Mr. in our capacity as Directors of the company have caused this undertaking to be signed and sealed by and in the presence of our authorized representatives on this day of 20

1 2
Director of the Company Director of the Company

Witnesses:

1

2

(Name, full address and stamp of the gazetted officer/Seal of the Court)

FORM C
(On appropriately stamped non judicial paper)
PERSONAL COLLATERAL GUARANTEE

The Collector of Customs,

Custom House.....

Subject:-

Dear Sir,

In consideration of your granting the concession of deferred payment of half of the import duties in accordance with the procedure laid down by the Board levied on the machinery/spare parts of machinery imported vide Noby our firm namedwith their head office at and allowing our said firm to pay a sum of Rs(Rupees) to you or your successor in office in the manner specified in the bank guarantee executed by Bank Limited vide No dated.....as security for the said sum of Rs..... (Rupees.....) and surcharge thereon and the rate of fourteen per cent per annum I, Mr. a managing partner in the said firm/sole proprietor of the said firm, do hereby collaterally guarantee the payment of the said sum of Rs. (Rupees.....) together with surcharge thereon at the said rate and undertake to pay to you or to your successor in office the installments thereof regularly in accordance with the provisions of the said bank guarantee.

I do hereby specially agree that, in the event of any default in the payment of deferred amount and surcharge thereon, installments stated in the said bank guarantee, you or your successor in office may, without prejudice to any other remedy which may be available to you or to your successor in office in this behalf, recover from the guaranteeing bank, and in the event of any default on the part of that bank in making such payment, from me in accordance with the provisions of section 202 of the Customs Act, 1969,

IN WITNESS WHEREOF, I have this..... day of 20..... caused this collateral guarantee and undertaking to be signed under the official stamp in the presence of

Managing Partner/Sole Proprietor
Name of the Firm

Witnesses:

1

2
