

**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 XV
WAREHOUSING**

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351. Analysis Certificate for goods to be manufactured in a manufacturing bond.-²[(1) The licensee shall apply to the ³[Regulatory Authority] within fifteen days of issuance of manufacturing bond license, or sixty days before the first export of finished goods, for issuance of an Analysis Certificate as set out in Appendix-III showing the input and output ratio of input goods vis-a-vis finished goods along with wastages. The licensee shall also submit samples of product and its input material.

⁴[(2) The ⁵[Regulatory Authority] or the officer authorized by him, in his behalf, shall, after getting input from the Input Output Coefficient Organization (IOCO) or Engineering Development Board (EDB), ⁶[as the case may be] or any other agency, in this regard, issue an Analysis Certificate within thirty days on receipt of such application, showing the actual quantity of input goods used and wastage occurred in manufacture of one unit of output goods ⁷[:]

⁸[Provided that the Regulatory Authority may issue a provisional analysis certificate ⁹[as applied by the licensee] till the determination of Input to Output Ratio and wastage by IOCO or EDB, as the case may be:

Provided further that if there is no change in previously determined input and output ratio, then the Regulatory Authority may uphold the previously determined input-output ratios without sending it to IOCO or EDB.]

(3) One copy of the Analysis Certificate shall be given to the licensee and one copy shall

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 Substituted for sub-rules (1) and (2) vide SRO 601(I)/2010 dated 28th June, 2010

³ Substituted for the word “Collector” vide SRO 994(I)/2019 dated 4th September, 2019.

⁴ Sub-rule (2) Substituted vide SRO 831(I)/2018 dated 2nd July, 2018 At the time of Substitution sub-rule (2) as under:-

“(2) The Collector or the officer authorized by him in his behalf, might request verification of such inputs from an independent laboratory or authority as he deem fit and in any event carry out a detailed survey of manufacturing facility to check and verify the actual input/output ratios. On the basis of the afore-mentioned procedure, the Collector or the officer authorized by him in his behalf shall issue an Analysis Certificate within fifteen days of receipt of the verification results or of the detailed survey, as the case may be, showing the actual quantity of input goods used and wastage occurred in the manufacture of one unit of finished goods.; and”

⁵ Substituted for the word “Collector” vide SRO 994(I)/2019 dated 4th September, 2019.

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

⁷ Substituted vide SRO 994(I)/2019 dated 4th September, 2019.

⁸ Inserted vide SRO 994(I)/2019 dated 4th September, 2019.

⁹ Inserted vide SRO 935(I)/2021 dated 16th July, 2021.

be retained in the Custom House.]

(4) Analysis Certificate shall not be required for every consignment or input goods if the finished goods are the same for which Analysis Certificate has already been issued. However, a separate Analysis Certificate shall be applied for and issued for every new finished goods.

(5) In case of expensive samples such as leather jackets or garments, etc. instead of complete finished goods, 6" x 6" piece of leather or lining material, a button or a piece of thread or a three inches long zipper etc. may be retained by the ¹⁰[Regulatory Authority] for the purpose of issuance of Analysis Certificate.

¹¹[(6) Improved efficiency of the manufacturing operations may lead to improvement in consumption of input or output ratios, the licensee shall declare the excess material at the end of the relevant year to the Customs authorities. The concerned Deputy Collector can allow, in writing, the consumption for export of such excess input material during the subsequent period or allow for removal for home consumption, provided that the warehousing period is complied with. In case of removal for home consumption, the licensee shall file ex-bond Goods Declaration for payment of duties and taxes leviable thereon. However, the warehousing charges and penal surcharge as prescribed under section 98 of the Customs Act, 1969 for ex-bonding of such input material offered due to improved plant efficiency shall not apply.]

(7) ¹²[In case of improve efficiency, the] input or output ratio for the period thereafter shall be amended in accordance with the newly established input or output ratio provided that the improvement is beyond one per cent. If the change in input or output ratio is within one per cent, the input or output ratios shall remain unchanged but the excess materials shall be declared by the licensee to the Customs every year in accordance with sub-para (6). The input or output ratio shall in any event be revised every three years.

¹³[(8) In the case of lower efficiency, and the lower efficient ratio is beyond three per cent, the unit may apply for redetermination of IORs. If the change in input or output ratio is within three per cent, the input or output ratios shall remain unchanged. The input or output ratio shall in any event be revised every three years. The licensee will have no right of refund.]

¹⁰ Substituted for the word "Collector" vide SRO 994(I)/2019 dated 4th September, 2019.

¹¹ Sub-rule (6) was substituted vide SRO 994(I)/2019 dated 4th September, 2019. At the time of substitution sub-rule (6) was as under:-

"(6) Improved efficiency of the manufacturing operations may lead to improvement in consumption of input or output ratios, the licensee shall declare the excess material at the end of the relevant year to the Customs authorities. The concerned Collectorate can allow, in writing, the consumption of such excess input material during the subsequent period, provided that the warehousing period is complied with."

¹² Substituted for the word "The" vide SRO 994(I)/2019 dated 4th September, 2019.

¹³ Sub-rule (8) was substituted vide SRO 994(I)/2019 dated 4th September, 2019. At the time of substitution sub-rule (8) was as under:-

"(8) If due to lower efficiency, the input or output ratio is less than that approved by the Customs authorities, licensee will have no right of refund. The input or output ratio shall in any event be revised every three years."