

**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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²[CHAPTER XXI

³[Customs Computerized System] ⁴[Customs Computerized System]

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Sub-Chapter V

Duty Drawbacks under ⁵[Customs Computerized System]

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⁶[**457. Payment of duty drawback.**-(1) While filing an export GD when a PCT code is entered in Customs Computerized System, the system displays the relevant SROs and DDB rates according to goods description and nature of exports. The exporter may select and claim the most relevant description and rate of duty drawback admissible thereof.

(2) On repatriation of sales proceeds into the country and settlement of Form-E, the commercial bank shall update information to this effect in Customs Computerized System.

(3) Customs Computerized System shall calculate the amount of DDB according to the selection of SRO and DDB rate by the exporter on sale proceeds amount repatriated into the country reported by the bank.

(4) Customs Computerized System shall generate duty drawback order (DDO) in the system subject to risk management system (RMS) and shall electronically send it to SBP initially in batches and subsequently in real time gross settlement system (RTGS). The information shall be in MT103 format. If certain goods declarations, where duty drawback have been claimed, are identified by RMS for compliance check, the Collector or an officer so designated by him, may determine the eligibility of duty drawback or otherwise and update the Customs Computerized System accordingly⁷[:]

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 Added vide SRO 704(I)/2007 dated 14th July, 2007

³ Substituted for “Pakistan Customs Computerized System” vide SRO 564(I)/2017 dated 1st July, 2017

⁴ Substituted for the letters “PACCS” vide SRO 601(I)/2012 dated 1st June, 2012 effective from 2nd June, 2012

⁵ Substituted for the letters “PACCS” vide SRO 601(I)/2012 dated 1st June, 2012 effective from 2nd June, 2012

⁶ Rule 457 was substituted vide SRO 714(I)/2020, dated 11th August, 2020. At the time of substitution Rule 457 was as under:

“**457. Payment of duty drawback.**-The sanctioned amount of duty drawback shall be paid through a cross cheque in the name and account number of the exporter which shall be signed by an officer of customs, authorized by the Collector, and the Chief Account Officer of the Collectorate and shall be dispatched at the address as provided by the exporter in his user profile to [Customs Computerized System].”

⁷ Substituted vide SRO 935(I)/2021 dated 16th July, 2021.

⁸[Provided that the duty drawback claims marked by the Risk Management System (RMS) for compliance check to the Collector or designated officer shall be decided by the Collector or designated officer within seven working days on F.I.F.O basis.]

(5) SBP shall credit the payment in the account of exporters through commercial banks on FIFO basis.

(6) Once payment is actually transferred to the account of exporter, SBP shall update this information in Customs Computerized System.

(7) After payment of DDB, system shall randomly select 10% of cases and mark to post release verification (PRV) section of the respective Collectorate.

(8) A consolidated discrepancy report shall be sent by the collectorate to SBP electronically on monthly basis.

(9) Comprehensive audit of duty drawback payments made to the exporters shall be carried out by post clearance audit (PCA).

(10) Any recovery detected by PRV or PCA shall be reflected against NTN of exporter and shall be taken into account by Customs Computerized System while generating next DDO and update profile in the RMS.

(11) Any under payment detected by PRV or PCA shall also be taken into account by Customs Computerized System and paid to the exporter while generating next DDO.]