

**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 XXIX
TRANSPORTS INTERNATIONAUX ROUTIERS (TIR) RULES**

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716. Offenses and penalties.-(1) Contravention of any provisions of these rules shall be deemed as a violation of sections 2(s) and 129 of the Customs Act, 1969, liable to penal action, after due process of law, under the provisions of section 156(1) of the Act *ibid*.

(2) The TIR operation shall be suspended in case the load is seized for any breach or violation of these rules.

(3) The respective Directorate of Transit Trade or Collectorate of Customs shall notify the Association about the seizure made by Customs as soon as possible.]

³[**Appendix-I**

[see rule 696(d)]

INSURANCE GUARANTEE FOR ADMISSION TO THE TIR PROCEDURE

Guarantee No: _____

Date of Issue: _____

Date of Expiry: _____

Amount PICR: 15,000,000/-

The Director
Directorate General of Transit Trade,
Custom House,
Karachi.

SUBJECT: SUBMISSION OF INSURANCE GUARANTEE OF PICR:15,000,000 (RUPEES: FIFTEEN MILLION) TO BE PRODUCED BY APPROVED TIR TRANSPORT OPERATOR IN ACCORDANCE WITH CLAUSE (XXVI) OF THE TIR RULE 689 & CLAUSE (D) OF TIR RULE 696 (1)

Dear Sir,

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 1066(I)/2017 dated 20th October, 2017

³ Added vide SRO 1012(I)/2021 dated 5th August, 2021

WHEREAS, according to the provisions of rule 696(1)(d) of Transports *Internationaux Routiers* (TIR) Rules issued vide SRO 1066 (I)/2017 dated 20.10.2017 and the amending SRO 1433 (I)/2020 dated 30.12.2020 or any other amendment made from time to time by the Federal Board to Revenue (FBR) one of the prerequisite condition for TIR admission is that the applicant has to furnish a Supplementary Financial Guarantee (from an "A" rated Insurance Company) of Fifteen Million in terms of clause (xxvi) of sub -rule (1) of TIR Rule 689 in favor of the Director, Directorate General of Transit Trade, Pakistan Customs, Karachi.

2. AND WHEREAS Messer's _____ (Name of TIR Operator) having their registered office at _____ (hereinafter referred to as a TIR Operator) will have goods in transit under TIR Carnets, after TIR Admission Approval granted by National Authorization Committee (NAC), which requires submission of this "Financial Insurance Guarantee" in accordance with the International Transport of Goods under cover of TIR Carnets (TIR) Rules issued vide S.R.O. 1066(I)/2017 dated 20.10. 2017, amended vide S.R.O. 1433(I)/2020 dated 30.12.2020.

3. AND WHEREAS, for the coverage of adjudged fine and penalty in case of any irregularity in respect of TIR Operations in Pakistan, an amount of PKR 15,000,000/- (Rupees: Fifteen Million only) has been determined in terms of Sub-rule (d) of Rule 696 (1) of S.R.O. 1066(I)/2017 dated 20.10.2017 as the amount of the supplementary financial guarantee required to be submitted in favor of the Director Transit Trade Karachi for the admission as approved TIR Transport Operator.

4. Now, the condition of this guarantee is such that if in case, the goods . allowed transit under the TIR Carnet(s), issued to TIR Transport Operator, are either lost or stolen in Pakistan or before reaching at destination are declared as TIR Operation Termination in Pakistan or cannot otherwise be accounted for by the TIR Carnet holder, and such goods become liable to "fine and penalty" after due process of law and adjudication in term of Rule 708 and as provide in Rule 709 the Director, Directorate General of Transit Trade, Pakistan Customs, Custom House, Karachi can enforce this guarantee to recover the adjudged amount of fine and penalty.

5. NOW, THEREFORE, on behalf of M/s. _____ (TIR Transport Operator), we, _____ (Insurance Company) do hereby bind ourselves with the President of Pakistan to pay to the Director, Directorate General of Transit Trade Karachi, the aforesaid guaranteed amount or any part thereof on being demanded by the Director, Directorate General of Transit Trade, Customs House, Karachi.

6. We M/s. _____ or their successor shall pay to the Director, Directorate General of Transit Trade, Pakistan Customs, Custom House, Karachi (A), PKR:15,000,000/- (Rupees: Fifteen Million Only) or part thereof, as demand, immediately on lodging of such demand by the Director, Directorate General of Transit Trade, Customs House, Karachi (B), failing which an additional amount of the demand at the rate of 20% per annum shall be also be paid by us from the date of demand made to us till the payment is actually made to the Director Transit Trade.

7. The company issuing this guarantee also undertakes:

- (a) That the TIR operator shall pay to you the guaranteed amount in lump sum after demand.
- (b) That the TIR operator shall also pay to you the surcharge due on the involved amount at the rate 20% per annum.
- (c) That in the event of any default on the part of the TIR operator to pay the guaranteed amount on demand along with the surcharge due as aforesaid. We M/s. _____ shall pay to you the same immediately upon demand by the Director, Directorate General of Transit Trade. On receipt of demand from the Director, Directorate General of Transit Trade, it shall be considered by us as conclusive evidence of non-payment of the government dues plus surcharge, if payable by the TIR operator.

- (d) That we do hereby agree and declare that in the event of any default in the payment of any sum stated above, 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.
- (e) That notwithstanding anything contained in the foregoing, the guaranteed amount or any part thereof and surcharge, as aforesaid, shall immediately become payable to you.

8. Additional conditions of this guarantee are as follows:

- (i) This Insurance Guarantee shall be enforceable notwithstanding any change in the name of the Insurer or merger with any other insurance company.
- (ii) This Insurance Guarantee shall be enforceable for import, export and transit goods under TIR regime to cross border either by Sea, Land or Air.
- (iii) This Insurance Guarantee shall cover TIR operations within the territorial limits of Pakistan and shall be en-cashable in Pakistan for ensuring the fulfillment of any obligation arising out of Customs transit operation within the territorial limits of Pakistan.
- (iv) This Insurance Guarantee shall remain in force till the time all above mentioned outstanding liabilities of the TIR Transport Operator are completely discharged to the entire satisfaction of the Director Transit, Directorate of Transit Trade, Pakistan Customs, Custom House, Karachi.
- (v) It is agreed that the above guarantee amount or demanded part thereof may be recovered under Section 202 of the Custom Act, 1969, and rules made thereunder in the case the Insurance Insurer fails to pay the said amount.

9. Insurance Guarantee is in accordance with the TIR Carnets (TIR) Rules of Pakistan as mentioned above and shall remain in force for one year from its date of issuance till the date of expiry mentioned above. This guarantee is extendable for subsequent consecutive term or terms on the request and desire of customer according to the law and procedures.

IN WITNESS WHEREOF we have M/s. _____ this _____ day of _____ caused this insurance guarantee to be signed under the official stamp in by the authorized of:-

1. _____
Officer

2. _____
Manager

Witness:

1. _____
CNIC No:

2. _____
CNIC No]