

**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:-]

.

.

²[**Chapter XXXIX
CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)
Sub-Chapter 1
Gwadar Tax Free Zone Rules**

.

.

837. Definitions.-In these rules, unless there is anything repugnant in the subject or context,-

- (a) "Act" means the Customs Act, 1969 (IV of 1969), the Federal Excise Act, 2005 and the Sales Tax Act, 1990;
- (b) "analysis certificate" means a certificate issued by the regulatory collectorate under rule 844;
- (c) "Appendix" means an appendix to these rules;
- (d) "Authority" means the Gwadar Port Authority established under the Gwadar Port Authority Ordinance, 2002 (LXXVII of 2002);
- (e) "Collector", means the Collector of Customs, in whose jurisdiction the Free Zone is located;
- (f) "customs computerized system" or "CCS" means the customs computerized system or CCS as defined in clause (ia) of section 2 of the Customs Act, 1969 (IV of 1969);
- (g) "concession holder" means China Overseas Ports Holding Company Limited or any other company having rights from the Gwadar Port Authority to develop, manage and operate Gwadar Free Zone in terms of concession agreement signed under Gwadar Port Authority Ordinance, 2002 (LXXVII of 2002);
- (h) "export" means acquisition of goods from tariff area to a zone as provided for in rule 840;
- (i) "export abroad" means export of goods from the zone to foreign countries in terms of rule 841, and includes export of goods:
 - (i) against international tenders;
 - (ii) to projects or sectors entitled to import or purchase such goods free of duties and taxes; and

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 264(I)/2021 dated 24th February, 2021

- (iii) to export processing zones, to private or public bonded warehouse including manufacturing bond or to export oriented unit, but excluding diplomatic bond;
- (j) "general trading unit" means investor, undertaking or establishment engaged in the acquisition, distribution or supply of goods in same state as specified by the licensing authority and duly registered as such in the CCS;
- (k) "import" means removal of goods from a zone in the tariff area for home consumption in terms of rule 842;
- (l) "import from abroad" means import of goods into zone from foreign countries in terms of rule 839 and also includes goods introduced into a zone from an export processing zone or public bonded warehouse, but excluding diplomatic bond;
- (m) "input goods" means goods coming from abroad or tariff area for consumption by an industrial unit in the manufacture of output goods as mentioned in the analysis certificate under these rules, and includes:
 - (a) raw materials, trims, accessories and assemblies, sub-assemblies, component, and sub component;
 - (b) unrecorded media for development of software and recorded software used as tools for development of software;
 - (c) electricity and gas; and
 - (d) coal, furnace or diesel oil for the generation of electricity used for manufacture of goods;
- (n) industrial unit" means any industry, undertaking or establishment engaged in the process of manufacture after declaring input output ratios and authorized in this behalf by the licensing authority and duly registered as such in the Customs Computerized System;
- (o) "investor" means a person or company having a valid license issued by the licensing authority to carry out business in the free zone area; and duly registered as such in the CCS;
- (p) "logistic, international transport or services unit" means investor, undertaking or establishment engaged in the distribution or supply of services as specified in this behalf by the licensing authority and duly registered as such in the CCS;
- (q) "licence" means a licence issued to the investor by the licensing authority under the Gwadar Port Authority Ordinance, 2002;
- (r) "licensee" means a person, investor or firm to whom a licence is granted by the licensing authority;
- (s) "licensing authority" means any agency, department, or company authorised by the concession holder or Authority to develop, manage and operate Gwadar free zone as per terms of agreement signed under Gwadar Port Authority Ordinance 2002;
- (t) "manufacture" with its grammatical variations and cognate expressions means any process, incidental or ancillary, to the manufacturing of output goods under this chapter, whether through the use of any machinery or manual labour;
- (u) "Ordinance" means the Gwadar Port Authority Ordinance, 2002 (LXXVII of 2002) and the Income Tax Ordinance, 2001 (XLLX of 200 1);
- (v) "output goods" means any goods manufactured by an industrial unit under these rules;
- (w) "registration authority" means an officer of customs who is authorized to issue a unique user ID to a licensee for conducting operations through CCS;

- (x) "regulatory collectorate" means the Model Customs Collectorate of Gwadar in whose jurisdiction Gwadar Free Zone is located;
 - (y) "tariff area" means any area in Pakistan outside the limits of a zone but excludes export processing zone, private or public bonded warehouse including manufacturing bond or export oriented unit;
 - (z) "vendor or sub-contractor" means a person who is registered under the Sales Tax Act, 1990, and has an agreement with an industrial unit in the zone for partial manufacture of goods or provision of services in respect of input goods provided by the industrial unit; and
 - (zz) "zone or Gwadar Free Zone" an area notified by the Authority under section 3 of the Gwadar Port Authority Ordinance, 2002 and appointed under section 12 of the Customs Act, 1969, duly governed under these rules, and includes customs-station notified by the Federal Board of Revenue (FBR) under sections 9, 10 and 78 of the Customs Act, 1969 for clearance of goods.
- (2) All other words and expressions used, but not defined herein, shall have the same meanings as are assigned thereto in the Act.