

**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 XXXIX
CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)**

**Sub-Chapter 2
IMPORTS BY CONCESSION HOLDER AND OPERATING COMPANIES**

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863. The concession holder, its operating companies and contractors/subcontractors may import materials and equipment (plant, machinery, appliances and accessories), exclusively for construction and operation of the terminals and the free zone area subject to filing a goods declaration to that effect:

Provided a designated officer of the Authority shall certify that imported materials equipment are the bonafide requirement of the terminals and the free zone area:

Provided further that the importer shall submit an account of import and consumption activities to regulatory collectorate on quarterly basis as per prescribed format set out at Appendix-VIII.

(2) Duty and tax free vehicles shall be allowed to be imported by the concession holder and its operating companies for construction, development and operations of Gwadar Port and free zone area under the regulatory mechanism. The regulatory mechanism for such vehicles, including the number and types importable, shall be devised by the Ministry of Ports and Shipping and FBR in consultation with the Provincial Government if so required, and shall be notified by the FBR.

(3) Plant, machinery, equipment and apparatus including capital goods imported shall be retained for a period of at least five years from the date of importation:

Provided further that the disposal of plant, machinery, equipment and apparatus before the expiration of five years shall be subject to following reduced rates of duty and taxes levied at the time of importation, namely:-

S. No.	Duration Period (for disposal in tariff area)	Duty and Taxes
(1)	(2)	(3)
1.	If sold or otherwise disposed of before the expiration of three years from the date of importation.	Full
2.	If sold or otherwise disposed of after three and before four years from the date of importation.	50%
3.	If sold or otherwise disposed of after four and before five years	25%

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

	from the date of importation.	
4.	If sold or otherwise disposed of after five years from the date of importation.	0%

(4) Notwithstanding the conditions at sub-rule (9) above, plant and machinery imported under these rules may be surrendered at any time to the regulatory collectorate without payment of any customs duties and taxes for further disposal by the regulatory collectorate.

(5) The duty/tax free vehicles shall be retained subject to following conditions, namely:-

- (a) life of vehicle shall be five years unless sooner it is damaged to the extent that it cannot be used;
- (b) for claiming replacement of any vehicle, the vehicle required to be replaced shall be surrendered to the regulatory collectorate free of cost; and
- (c) regulatory collectorate shall either use such surrendered vehicle for operational use or will place it for auction, provided that the decision for operational use or auction shall not be taken by an officer below the rank of Collector.

(6) The concession holder, its operating companies and contractors/subcontractors shall maintain the records of all incoming goods, consumption and outgoing goods, if any, with cross reference so that the same could be accounted for, which shall be produced to customs for examination whenever required.

(7) The regulatory collectorate shall conduct audit of the concession holder, its operating companies and contractors or subcontractors whenever necessary but at least once a year.

Provided that if the concession holder, its operating companies and contractors/subcontractors fail to give proper account of the goods to the satisfaction of the regulatory collector, they shall pay on demand an amount equal to the duties and taxes leviable thereon and shall also be liable to penal action and payment of fine and penalties as provided under the Act and rules.