

**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 4
SPECIAL ECONOMIC ZONE RULES**

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867. Exemption and import of goods for Special Economic Zone.-(1) Plant and machinery or capital equipment, except the items listed under Chapter 87 of the Pakistan Customs Tariff, shall be exempt from duty and taxes for setting up of a Special Economic Zone by zone developer or for the establishment of enterprise within a Special Economic Zone:

Provided that such exemption shall be allowed on one time basis:

Provided further that the goods on which tax exemption has been availed shall be solely used within the limits of a Special Economic Zone:

Provided also that no exemption shall be allowed to an enterprise which does not hold a valid license issued by the developer of a Special Economic Zone or which is not registered under the Customs Computerized System through a unique user ID.

(2) The location and geographical limits of a Special Economic Zone shall be notified by the Board of Approval.

(3) In case of partial shipments, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the plant and machinery or capital equipment by furnishing complete requirement and the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive shall communicate in the prescribed manner and format as per Appendix-IX that the goods are company's bona-fide requirement and BOI shall certify the same.

(4) An enterprises shall be allowed to import plant and machinery or capital equipment through partial shipments provided that total period of import shall not exceed twenty months from the date of first import.

(5) A goods declaration in respect of plant and machinery or capital equipment imported for a Special Economic Zone along with other documents showing details of the goods as required under the Act and the rules made there under shall be presented to the Customs authorities for clearance.

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

(6) Capital goods imported into a Special Economic Zone shall be examined and assessed in accordance with the provisions and procedures of the Act and rules made there under.