

**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 XL
Export Facilitation Scheme 2021

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881. Acquisition of plant, machinery and spares.-(1) The user shall be allowed to acquire plant, machinery, equipment and spares required for the manufacture of output goods by the authorized user under these rules subject to authorization by the Regulatory Collector in WeBOC or ³[PSW. The plant, machinery and equipment shall be installed in the premises declared under rule 875 and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector. The Regulatory Collector or an officer authorized by him in this behalf, may conduct snap check, audit or reconciliation of the installation plant, machinery and equipment. The value of acquisition of machinery and spares shall not exceed 50% of the value of exports during the preceding year.]

(2) The plant, machinery and equipment imported under sub rule (1) shall be retained for a period of five years from the date of importation, whereas the retention period of spares shall be two years from the date of importation:

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

Table

Sr. No.	Disposal period	Duty and taxes
(1)	(2)	(3)
(i)	If sold or otherwise disposed of before the expiration of three years from the date of importation.	Full
(ii)	If sold or otherwise disposed of after three and before four years from the date of importation.	75%
(iii)	If sold or otherwise disposed of after four and before five years from the date of importation.	50%
(iv)	If sold or otherwise disposed of after five years from the date of importation.	0%

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 957(I)/2021 dated 30th July, 2021

³ Substituted the word “PSW:” vide SRO 685(I)/2024 dated 14th May, 2024.

Provided further that the disposal of spares imported under sub rule (1) before the expiration of two years shall be subjected to following reduced rates of duty and taxes leviable at the time of importation, namely:-

Table

Sr. No.	Disposal period	Duty and taxes
(1)	(2)	(3)
(i)	If sold or otherwise disposed of before the expiration of one year from the date of importation.	Full
(ii)	If sold or otherwise disposed of after one year and before two years from the date of importation.	50%
(iii)	If sold or otherwise disposed of after two years	0%

⁴[(3) The Regulatory Authority, on submission of an application by the EFS user, may allow sale or transfer of plant, machinery, equipment and apparatus from one EFS user to another EFS user. In case, both the units fall under jurisdictions of different Collectorates, sale or transfer may be allowed subject to obtaining no objection certificate from the destination Collectorate. Any stated sale or transfer shall be subject to security and indemnity bond for the remaining period as prescribed in Appendix-VI deposited at the time of import. After sale or transfer of plant, machinery, equipment and apparatus, EFS user shall provide certificate to the respective Collectorate to the effect that such sale or transfer has been completed as per prescribed procedure and this procedure shall apply mutatis mutandis in case of merger or acquisition of EFS users.]