

**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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886. Domestic sales.-(1) A user shall be allowed to sell up to 20% of the output goods manufactured from input goods in the domestic market on payment of leviable duty and taxes on filing of a Goods Declaration which shall be assessed as if goods are imported into Pakistan in that condition, subject to satisfaction of the Regulatory Collector regarding reasons for domestic sale.

(2) In case the user is unable to export the output goods and desires to sale output goods exceeding the percentage given in sub-rule (1) in the domestic market, he may sale them in the domestic market subject to payment of duty and taxes on filing of goods declaration which shall be assessed if goods are imported in Pakistan in that condition and subject to the satisfaction of the Regulatory Collector. In addition, surcharge at the rate of KIBOR plus 3% per annum shall also be charged on the value of input goods used in the output goods being sold in the domestic market under this sub rule.

(3) The user shall be allowed to sell factory rejects or B grade goods ³[not more than 5% of the total production] in the domestic market on payment of leviable duty and taxes if any on filing of a Goods Declaration which shall be assessed as if the goods are imported into Pakistan in that condition ⁴[and the information shall be uploaded in the WeBOC or PSW System by the Regulatory Collector]:

⁵[Provided that in case of factory rejects or B grade are more than 5% of the total production, the Goods Declaration shall be assessed as if the goods are imported into Pakistan in standard condition.]

(4) No wastage of input goods in terms of quantity, volume weight or number, as the case may be, shall be allowed except as determined in the Analysis Certificate and no duty and taxes shall be charged on such wastages of the input goods, provided that such wastages is either destroyed in the presence of an officer of Customs, not below the rank of an Assistant Collector. Or on payment of leviable Federal excise duty and sales tax ⁶[, or any other leviable duty and taxes] is paid on such

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 Inserted vide SRO 301(I)/2025, dated 7th March, 2025.

⁴ Added vide SRO SRO 685(I)/2024 dated 14th May, 2024.

⁵ Added vide SRO 301(I)/2025, dated 7th March, 2025.

⁶ Inserted vide SRO 301(I)/2025, dated 7th March, 2025.

wastage before removal and the information is uploaded in the WeBOC or PSW System by the Regulatory Collector ⁷[:]

⁸[provided that a user may transfer the permissible wastages to another user.]

(5) In case a user claims that the wastage has exceeded the limits prescribed in the Analysis Certificate he may be allowed by the Regulatory Collector to sell it in the domestic market on payment of duties and taxes on the input goods along with surcharge of KIBOR Plus 3% per annum.

(6) In case the goods or input goods are banned under the import policy order, domestic sale of these goods shall be subject to the approval of the Ministry of Commerce.

⁷ Substituted vide SRO 30(I)/2024, dated 10th January, 2024.

⁸ Inserted vide SRO 30(I)/2024, dated 10th January, 2024.