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**GOVERNMENT OF PAKISTAN  
MINISTRY OF TEXTILE INDUSTRY**

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Islamabad the 23<sup>rd</sup> January, 2017

**NOTIFICATION**

**No.1(42)TID/17-RDA.** In pursuance of entry 7 of item 39 of Schedule II of the Rules of Business, 1973 under the Prime Minister Package of Incentives for Exporters approved by Economic Coordination Committee (ECC) of the Cabinet in order to provide for duty drawback of taxes collected from garments, home textiles, processed fabric, greige fabric and yarn manufacturing cum-exporters units, is pleased to make the following Order, namely:

**1. Short title, content and commencement.-** (1) This may be called the “Duty Drawback of Taxes Order 2016-17”.

(2) It extends to the whole of Pakistan including Export Processing Zones.

(3) It shall come into force at once. The duty drawbacks under this Order shall be allowed for exports GDs filed on or after 16<sup>th</sup> January, 2017 to 30<sup>th</sup> June, 2017.

(4) Further, duty drawback of taxes under this Order shall be allowed for exports GSs filed on or after 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2018 if the exporter would achieve an increase of 10% or more in exports over 2016-17 exports. The procedures for applying for claims of shipments made during 2017-18 will be notified in the month of July, 2017.

**2. Eligibility.-** (1) The duty drawback shall be provided to manufacturing-cum exporting units on exports of products under specific Tariff Codes of the Pakistan Customs Tariff at rates specified in **Annexure- I** to this Order.

(2) The drawback shall be available only to manufacturing-cum exporting units.

(3) The units availing the drawback shall be registered with the Ministry of Textile Industry.

(4) The unit availing the drawback shall be a registered sole proprietor, partnership or a company, and shall be a member of a textiles association registered with the Directorate of Trade Organizations, Ministry of Commerce.

(5) The units shall furnish data and any information related to its operations, domestic sales, accounts and exports as and when required by the Ministry of Textile Industry.

**3. Role of associations.-** (1) Each textiles association shall be responsible for certifying the authenticity of information provided by the exporting units pertaining to application documents for claims under this Order. The Association concerned shall exercise due diligence to ensure authenticity of the documents.

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(2) Only notified executive members of the association shall be eligible for verifying the claim documents.

**4. Procedure for Claims:-** (1) The units shall file claims for the incentive in the Form as specified in **Annexure II** of this Order and get online verification on the Form from the respective association of which the unit holds valid membership.

(2) Submit the printouts of the Form duly certified by the Association and supporting documents as mentioned in Annex II, within ninety days of the date of realization of export proceeds to the field offices of the State Bank of Pakistan – Banking Services Corporations (SBP-BSC) – through nominated authorized bank.

(3) The units shall declare the association for processing claims pertaining to the product being exported. The association once designated for a product by the unit shall not be changed subsequently.

(4) The authorized banks shall scrutinize the claim forms and submit the same duly certified with an undertaking, in the form specified at Annexure-III to this Order, to the field offices of the SBP-BSC during banking hours.

(5) The admissible duty drawback payment as approved by the field offices of the SBP BSC shall be made by crediting the account of the authorized bank after allocation of funds by the Ministry of Finance, which shall pay the amount to the unit within twenty four hours thereafter.

(6) In order to avoid delay or rejection of the duty drawback claim, the authorized banks while certifying the e-form, shall ensure that the description of the commodity is recorded in the e-form and the invoices is correct and corresponds with the nomenclature given in Pakistan Customs Tariff 2016-17.

(7) Authorized banks, while forwarding applications for payment of drawback shall affix rubber stamp at the top of the copy of the relevant e-form with the following narration namely:-

“Applications for Duty Drawback of Rs. \_\_\_\_\_ submitted to field office, SBP-BSC  
vide forwarding scheduled No. dated \_\_\_\_\_ at  
serial No. \_\_\_\_\_”

(8) For manual bill of exports the unit shall affix a stamp at the top of the copy of the Goods Declaration Form (containing examiner’s report and MR dated) prescribed under the Customs Act, 1969 (IC of 1969), the following narration, namely:-

“Duty Drawback as notified shall be claimed for this consignment.”

(9) Applications containing discrepancies shall be returned by the State Bank of Pakistan to the authorized banks within a week from the date of submission of claims for re-submitting the applications, authorized banks shall quote the reference of the “forwarding schedule” under which the application was originally submitted.

(10) No remittance on account of foreign importer's subsequent claims for refund of money on account of quality or short quantity, etc shall be allowed, unless proportional amount of drawback is refunded.

(11) In case of exports against advance payments, claim for duty drawback may be lodged once the shipment of the goods has been made. Ninety days period shall be accounted from the date of shipment.

**5. Penalties for contravention:-** (1) Any unit which in contravention of the provisions of this Order, through acts of omission or commission, files fraudulent or false claims shall be liable to penalty of 100% of the claim along with reversal of the claim amount. The association concerned may also become ineligible for future verification of documents.

**6. Periodical audit.-** (1) The receipt of drawback payments shall be properly reflected in the book of accounts or balance sheets of the claimant.

**7. Appellate authority:-** (1) The appellate authority for penalties on units shall be the SBP.

**8. Reports:-** (1) Textiles associations verifying the duty drawback claims shall submit quarterly reports of verifications to the Ministry of Textile Industry with Chairman's signature after taking printout from their online panel.

**9. Modifications:-** (1) The Federal Government reserves the right to make any changes, additions, deletions and modifications in the Scheme under this Order which it may consider necessary.

**10. Interpretation:-** (1) Any interpretation or clarification required regarding the application of this Order shall be made by the Ministry of Textile Industry.

**11. Applicability of the Order.-** (1) The drawback under this Order shall be allowed for the shipments made till the 30<sup>th</sup> June, 2017.

**(Wajeaha Bashir)**  
Section Officer (TR-I)

**The Manager,**  
Printing Corporation of Pakistan Press,  
KARACHI

Copy to:-

1. Secretary, Ministry of Textile Industry, Islamabad
2. Secretary, Finance Division, Islamabad
3. Governor, State Bank of Pakistan, Karachi
4. Network Administrator, Ministry of Textile Industry, and Islamabad for uploading the Notification on official website of the Ministry

**(Wajeaha Bashir)**  
Section Officer (TR-I)

**Annexure-I**

**Greige Fabric + Yarn @ 4%**

50040000	51130000	52061100	52081900	53061000	54026100	54081000	55102000	55141910	58012500	60011010	60029000	
50050000	52051100	52061200	52082100	53062000	54026200		55103000		58012600	58090000		
50060000	52051200	52061300	52082200	53071000	54026900		55109000		58013100	60012110		
50071000	52051300	52061400	52082300	53072000	54031000	54082100	55111000	55141920	58013200	60012210	60041000	
50072000	52051400	52061500	52082900	53081000			55112000	55151120	58013300	60012910		
50079000	52051500	52062100	52091100	53082000	54033100	55091100	55113000	55151210	58013400	60019110		
51061000	52052100	52062200	52091200	53089000	54033200	55091200	55121110	55151310	58013500	59011000	60049000	
51062000	52052200	52062300	52091900	53091100	54033300	55092100	55121120	55151910	58013600	59019010		
51071000	52052300	52062400	52092100	53092100	54033910	55092200	55122110	55152110	58019000	59019090		
51072000	52052400	52062500	52092200	53101000	54033990	55093100	55122120	55152210	58021100	59021000	60052110	
51081000	52052600	52063100	52092900	53110000	54034100	55093200	55129110	55152910	58013700	59022000	60053110	
51082000	52052700	52063200	52101100	54021100	54034200	55094100	55129120	55159110	58022000	59029000	60054110	
51091000	52052800	52063300		54022000	54034900	55094200	55129920	55159910	58023000	59111000	60059010	
51099000	52053100	52063400	52101900	54023100		55095100	55131110	55161100	58031000	59112000	60061000	
51100000	52053200	52063500	52102100	54023200	54049000	55095200	55131120	55162100	58039000	59113100	60062110	
51111100	52053300	52064100		54023300	54050000	55095300	55131210	55163100	58041000	59113200	60063110	
51111900	52053400	52064200	52102900	54023900	54060000	55095900	55131220	55164100	58042100	59114000	60064110	
51112000	52053500	52064300	52111100		54071000	55096100	55131310	55169100	58042900		60069010	
51113000	52054100	52064400	52111200		54072000	55096200	55131320	56050000	58043000		54024410	
51119000	52054200	52064500	52111900	54024900	54073000	55096900	55131910	56060000	58050000	54024490		
51121100	52054300	52071000	52112000		54074100	55099100	55131920	58011000	58061000	54024500		
51121900	52054400	52079000	52121100	54024800	54075100	55099200	55141110	58012100	58062000	60024000	54024600	
51122000	52054600	52081100	52121200	54025100	54076100	55099900	55141120	58012200	58063100		54024700	
51123000	52054700	52081200	52122100	54025200	54076900	55101100	55141210	58012300	58063200		54021900	
51129000	52054800	52081300	52122200	54025900	54077100	55101200	55141220	58012400	58063900	54083110	54083120	5607
		54041100	54041200	54041900	54078110	54078120	54079110	54079120	54083110			
5609	58012700	5803	60019210	60019910	60031010	60032010	60033010	60034010	60039010	60052120	60053120	
60054120	60062120	60063120	60064120									

**Eligible Product Lines of Processed Fabrics Category @ 5%**

52083100	52083200	52083300	52083900	52084100	52084200	52084300	52084900	52085100	52085200		52085900
52093100	52093200	52093900	52094100	52094200	52094300	52094900	52095100	52095200	52095900	52103100	52103200
52103900	52104100	52104900	52105100	52105900	52113100	52113200	52113900	52114100	52114200	52114300	52114900
52115100	52115200	52115900	52121300	52121400	52121500	52122300	52122400	52122500	53091900	53092900	53109010
53109090	54074200	54074300	54074400	54075200	54075300	54075400	54077200	54077300	54077400	54078200	54078300

54078400	54079200	54079300	54079400	54082200	54082300	54082400	54083200	54083300	54083400	55121900	55122900
55129900	55132100	55132300	55132900	55133100	55133900	55134100	55134900	55142100	55142200	55142300	55151190
55142900	55143010	55143090	55144100	55144200	55144300	55144900	55161200	55161300	55161400	55162200	55162300
55162400	55163200	55163300	55163400	55164200	55164300	55164400	55169200	55169300	55169400	60052200	60052300
60052400	60053200	60053300	60053400	60054200	60054300	60054400	60062200	60062300	60062400	60063200	60063300
60063400	60064200	60064300	60064400	5602	5603	5903	5906	5907	55151290	55151390	55151990
55152190	55152290		55152990	55159190	55159990	60011090	60012190	60012290	60012990	60019190	60019290
60019990	60031090	60032090	60033090	60034090	60039090	5806.40	58021900	60059090	60069090		

Eligible Products of Made-Ups Category @ 6% HS Codes 9404.3000

9404.9000, 5608 and Chapters 57 and 63 excluding 6309 and 6310

Eligible Products of Garments Category @ 7%: Chapter 62 and 61

**Annexure-II**

[see paragraph 4(1)]

**SUBJECT: - Application for Payment of Duty Drawback of Taxes on Export of Textile Products**

Dear Sir, (Chief Manager field office SBP)

I/We, M/s. \_\_\_\_\_ having NTN No \_\_\_\_\_ and MINTEX special identification No \_\_\_\_\_ Name & address of the manufacturing unit) hereby apply for payment of Drawback of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) against shipments made by us to M/s. \_\_\_\_\_ as per following details:

(Name and address of the importer abroad)

- i. E Form No. & date: \_\_\_\_\_
- ii. Date of shipment: \_\_\_\_\_ (GD)
- iii. Description of goods exported \_\_\_\_\_
- iv. HS Codes under: \_\_\_\_\_ the Pakistan Customs Tariff. v. Value realized : FCY: \_\_\_\_\_
- vi. Equiv PKR: \_\_\_\_\_ (based on SBP WAR)
- vii. Freight paid : \_\_\_\_\_
- viii. Insurance premium paid : \_\_\_\_\_
- ix. Commission paid : \_\_\_\_\_
- x. Net FOB value realized (vi)-(vii) - (viii) – (ix): \_\_\_\_\_ (category wise)
- xi. Amount of Duty Drawback of taxes claimed \_\_\_\_\_ (based on category-wise rates)

We further enclose the following documents in support of our claim: (a) Electronic

Form E

(b) Copy of Goods Declaration Form (containing examiner's report and MR date) Prescribed under the Customs Act, 1969 (IV of 1969).

(c) Copy of certified invoice.

(d) Copy of Bill of Lading/Master Airway Bill along with House bill of Lading/(FCR along with Master Bill of Lading/House Airways Bill (where applicable)/Original Truck Receipt

(e) Bank's Export Proceeds Realization Certificate. (Appendix-I) (f)

Commission Paid Certificate.

(g) Insurance Premium Paid Certificate

(h) Drawback Verification Certificate from relevant Association (Appendix II) (i)

Undertaking by the Claimant (Appendix III)

(j) Freight Invoice

The units operating in EPZ will also submit their claims for drawback to SBP-BSC Offices through their designated bank's branches in Pakistan. The said claims will be processed in SBP-BSC Offices under the same instructions issued for Pakistani exporters, except for the differences enlisted as under:

a). E-Form will be replaced by "Export Gate Pass" issued by the Manager Facilitation, Export Processing Zone.

b). "Export Proceeds Realization Certificate" will be substituted by the "Certificate of Receipt of Export Proceeds" issued by the concerned bank branch of EPZ.

**Export Proceeds Realization Certificate**

This to certify that the following export bill (s) drawn by M/s. \_\_\_\_\_ has been collected by us and the proceeds have been repatriated to Pakistan.

(i) Bill No. \_\_\_\_\_

(ii) E-Form No. \_\_\_\_\_

(iii) Date of Realization: \_\_\_\_\_

(iv) Amount Realized: \_\_\_\_\_

2. The Electronic E-Form has been, sent to the State Bank of Pakistan with our monthly returns for the period ended on \_\_\_\_\_.

\_\_\_\_\_  
(Stamp & signature of authorized bank)

**Certificate of Verification for Duty Drawback on export of Textile Products**

This is to certify that the claim of Messers \_\_\_\_\_ bearing  
Mintex Registration No. \_\_\_\_\_ for Rs. \_\_\_\_\_ against Form 'E' #  
\_\_\_\_\_ is verified as eligible under the terms of Notification # \_\_\_\_\_ dated  
\_\_\_\_\_.

\_\_\_\_\_  
(Stamp & Signature of the Authorized Officials)

\_\_\_\_\_  
(Stamp/Seal of Association Containing Date)



Subject: **Undertaking by the Claimant**

Dear Sir,

I/We, M/s. \_\_\_\_\_ having NTN No \_\_\_\_\_ and MINTEX special identification No \_\_\_\_\_ (Name & address of the manufacturing unit) hereby undertake that Drawback of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) claimed against shipment(s) made by us to M/s. \_\_\_\_\_ as per following details:

(Name and address of the importer abroad)

- i. E Form No. & date: \_\_\_\_\_
- ii. Date of shipment: \_\_\_\_\_
- iii. Description of goods exported \_\_\_\_\_
- iv. HS Codes under: \_\_\_\_\_ the Pakistan Customs Tariff. v.  
Value realized : FCY: \_\_\_\_\_

is genuine as per conditions of the Government Order on Duty Drawback of Taxes Order, 2016-17. In case any discrepancy is detected subsequently, the State Bank of Pakistan may impose penalties including monetary penalty of upto 300% of the claim in addition to the refund of the amount of claim drawn.

Yours faithfully,

\_\_\_\_\_  
(Stamp and Signature of the Claimant)

**Annexure-III**

[See paragraph 4(4)]

Subject: **Bank certificate for Drawback on export of Textile Products**

We \_\_\_\_\_ the banker of M/s. \_\_\_\_\_  
(Name of the Bank) (Name of the manufacturing unit)

holding MINTEX ID Number \_\_\_\_\_, certify that we have verified the above particulars and found them in order. Duty Drawback on export of Textile Products is Rs. \_\_\_\_\_ only on the above shipments which may please be credited to our account for payment to M/s. \_\_\_\_\_).

(Name of the manufacturing unit)

We undertake that in case any discrepancy is detected subsequently, the SBP may debit the amount involved to our account along with penal interest @ 4% p.a. plus inter-bank rate on date of payment.

Yours faithfully,

\_\_\_\_\_  
(Stamp and Signature of the authorized bank)