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GOVERNMENT OF PAKISTAN
MINISTRY OF TEXTILE INDUSTRY

Islamabad the 1st September, 2009

Notification

No.3(1)TID/09-P-I In pursuance of entry 7 of item 29A of Schedule II to the Rules of the Business, 1973, the Federal Government, in order to provide for drawback of local taxes and levies collected from garments, home textiles and processed fabric manufacturing units, is pleased to make the following Order, namely:

- 1. Short title, content and commencement.-** (1) This may be called the "Drawback of Local Taxes and Levies Order, 2009".
(2) It extends to whole of Pakistan including Export Processing Zones.
(3) It shall come into force at once. The drawbacks under this Order shall be allowed for the shipments made from the 1st September, 2009.
- 2. Eligibility.-** (1) The drawback shall be provided on exports of products under specific Tariff Codes of Chapters 52, 53, 54, 55, 59, 60, 61, 62, 63 and 94 of the Pakistan Customs Tariff 2008-09 at rates specified in Annexure I to this Order.
(2) The drawback shall be available only to manufacturing-cum-exporting units.
(3) 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.
- 3. Procedure for registration.-** (1) The units eligible for the drawback shall furnish on line information to the Ministry of Textile Industry in the manner specified in Annexure II to this Order. Hard copy of the same shall be submitted to the Ministry of Textile Industry after verification from the associations concerned.
(2) The units so registered shall be provided with special identification numbers to be used in all future communications.

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

4. Role of associations.- (1) Each textiles association shall be responsible for certifying the authenticity of information provided by the exporting units pertaining to the registration, consignments and the drawback claims. The Association concerned shall exercise due diligence to ensure authenticity of the claim.

(2) Each association, in order to carry out its certification functions, shall constitute an evaluation committee, comprising at least three of its active members. The Committee shall be duly notified by the association to the Ministry of Textile Industry and the State Bank of Pakistan. The evaluation committee may arrange physical examination of consignments to determine correctness of the declared product description, HS code, quantity and unit value of the export consignment.

(3) In case of misrepresentation of any fact pertaining to the exporting unit or the consignment, the association, on advice of the Evaluation Committee, may refuse certification of the consignment and report the case to the Textile Commissioner.

(4) In case of any dispute, arising out of any matter pertaining to export consignment, between the association including the evaluation committee and any member thereof, the matter shall be referred to the Textile Commissioner for resolution.

5. Procedure for Claims.- (1) The units shall file claims for drawback to the field offices of the State Bank of Pakistan – Banking Services Corporations (SBP-BSC) through authorized banks in the Form as specified in Annexure III to this Order, duly certified by the respective association of which the unit holds valid membership, supported by the documents as listed in the said Annexure III, within ninety days of the date of realization of export proceeds.

(2) 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.

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

(4) The admissible drawback payment as approved by the field office of the SBP-BSC shall be made by crediting the account of the authorized bank, which shall pay the amount to the unit within twenty-four hours thereafter.

(5) In order to avoid delay or rejection of the 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 2008-09.

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

“Applications for Drawback of Rs.____ submitted to field office,
SBP-BSC vide forwarding schedule No. dated:_____at
serial No._____.”

(7) 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 date) prescribed under the Customs Act,1969 (IV of 1969), the following narration, namely:-

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

(8) 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-submission after rectification of the discrepancies within thirty working days. While re-submitting the applications, authorized banks shall quote the reference of the “forwarding schedule” under which the application was originally submitted.

(9) 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.

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

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

(2) The Federal Government reserves the right to conduct periodical, random, on-the-spot checks and audits to verify the claim filed and drawback received under this Order.

7. 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 penalties, under Foreign Exchange Regulations Act of 1947, as may be prescribed by the SBP. The association concerned shall also be penalized if it verified such a claim under the said Act.

8. Appellate authority.- (1) The appellate authority where penalties have been imposed shall be the SBP.

9. Reports.- (1) Textiles associations verifying the drawback claims shall submit to the Ministry of Textile Industry and the Textile Commissioner's Organization, a monthly statement giving details of export consignments certified by them for the purpose of drawback, giving description of goods with H.S. Codes, amounts, quantities and destinations in the form specified in Annexure V to this order.

(2) All units availing the drawback facility shall provide on line data and information on shipment to shipment basis to the Ministry of Textiles Industry in the manner specified in Annexure VI to this Order.

(3) Failing to submit the required information shall lead to suspension of disbursements of claims.

10. 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 or to discontinue the scheme under this Order at any time.

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

12. Applicability of the Order.- (1) The drawbacks under this Order shall be allowed for the shipments made till the 30th June, 2011.

(Dr. Amir Husain)
Section Officer
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Annexure-I

[see paragraph 2(1)]

Processed Fabrics @ 1%

52083100	52083200	52083300	52083900	52084100	52084200	52084300	52084900	52085100	52085200	52085300	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	54074200	54074300	54074400
54075200	54075300	54075400	54077200	54077300	54077400	54078200	54078300	54078400	54079200	54079300	54079400
54082200	54082300	54082400	54083200	54083300	54083400	55132100	55132300	55132900	55133100	55133900	55134100
55134900	55142100	55142200	55142300	55142900	55143010	55143090	55144100	55144200	55144300	55144900	55161200
55161300	55161400	55162200	55162300	55162400	55163200	55163300	55163400	55164200	55164300	55164400	55169200
55169300	55169400	59031000	59032000	59039000	60052200	60052300	60052400	60053200	60053300	60053400	60054200
60054300	60054400	60062200	60062300	60062400	60063200	60063300	60063400	60064200	60064300	60064400	

Home Textiles @ 2%

63012000	63013000	63014000	63019000	63021010	63021020	63021090	63022100	63022200	63022900	63023110	63023130
63023150	63023190	63023200	63023910	63023920	63023930	63023990	63024000	63025190	63025900	63026010	63026090
63029900	63031200	63031900	63039110	63039190	63039210	63039290	63039900	63041100	63041900	63049100	63049200
63049300	63049900	63071010	63071020	63071040	63071050	63071090	94049000				

Garments @ 3%

Chapter 61 and 62

In addition, those who will achieve an increase of 15% in exports in dollar terms over preceding financial year will be eligible for 1% additional draw-back.

Member Registration

Company type: (*) Public Ltd. Private Ltd. Small Company AOP

Other. Please specify:

Company Name: (*)

(Max 50 Char)

GST number

*

NTN # : (*)

Social security number (s)

Eobi number(s)

Factories Address (please list all)

S#	Address(s)
1	
2	
3	
4	
5	

*

Association Membership (please list all that apply)

S#	Association Name	Product Group
A		
B		
C		

D	
E	

Sub Sector: (*)

Spinning

Processing (Woven)

Processing (Knit)

Ginning

Weaving

Knitting

fibre/filament

Woven garment

Knit garment

Made-up

You can select multiple Sub Sectors.

Personal Information

Name of (Director): (*)

*(Max 50 Char)

CNIC of (Director) : (*)

Name of other director (s)

*

CNIC of other Director (s)

Bank Account Information

Account 1:

Bank Name: (*)

*

Branch Address: (*)

*

Bank A/C No: (*)

*

Account 2:

Bank Name:

Branch Address:

Bank A/C No:

Account 3:

Bank Name:

Branch Address:

Bank A/C No:

Tab for more

Company representative information

Phone #: (*)

* (92-51-2228015)

Fax #: (*)

* (92-51-2228015)

Mobile #: (*)

* (300-4444444)

E-Mail: (*)

* (Valid E-mail Address)

Address

Region: (*)

*

City: (*)

* (City Name)

Address:

(Complete Address)

Section Two-Infrastructure
Information

A. Infrastructure Information

S#	Total Area (Sq Ft)	Covered Area (Sq Ft)	Factory Area located in {residential, textile cluster or hybrid cluster}
A			
B			
C			
D			
E			

B. Access to Effluent Treatment Plant (click the appropriate box)

Combined (ETP) In-house ETP No ETP facility

If no ETP, please indicate the requirement

C. Laboratory Details (please click the appropriate box)

In house Laboratory Combined Laboratory from other sources

Please give the details of the lab equipments

S#	please provide the details of lab equipment	S#	Necessary Quality assurance test requested by importers (USA, E.U, etc.)
A			
B			
C			

Section Three-Machinery Details

A. Machine Details (process-wise)

S#	Type of Machine	Model	Make	Number of Machine (s)
A				
B				
C				
D				
E				
F				

Section Four-Human Resource information

A Total Number of Employees

i. Total number of male employees

ii. Total number of female employees

B. Full time Permanent Employees

C. Contract Employees

D. Average Contract Employees per Year

E. Annual wage bill (In Rupees 2008-09)

i. percentage of trained workers

F. Number of textile engineers

G. Number of technicians (diploma holder)

H. Number of handicapped employees

I. Number of foreign consultants hired in last three years (if applicable)

S#	Consultant/Technician Name	Area of Expertise	From	To	Consultant /technician NATIONALITY
A					
B					
C					
D					

j. Please describe briefly the present training facilities in factory for workers/technicians/engineers,

k. total training cost (in rupees 2008-09)

L. Future Need of Skilled Engineers/Technicians

S#	Describe briefly the expertise required in future	Number of such skilled person(s) required
A		
B		

C		
D		
E		

Section Five-Operations

A. Details of Products Manufactured

Rs. Million

S#	HS Code (8-digit)	2006-2007		2007-2008		2008-2009	
		Quantity	Value	Quantity	Value	Quantity	Value
A							
B							
C							
D							
E							

B. Details of Product Exported

S#	HS Code (8-digit)	2006-2007		2007-2008		2008-2009	
		Quantity	Value	Quantity	Value	Quantity	Value
A							
B							
C							
D							

C. Raw Materials

Rs. Million

S#	Product Description or HS-Code	Source Local or Import from (country)	2006-2007		2007-2008		2008-09	
			Q	V	Q	V	Q	V
A								
B								
C								
D								

D. Electricity Details (please click the appropriate box)

In house power generation

Uses combined captive power plant

From Government Sources (WAPDA/KESC)

Total electricity Consumption (Avg. Units/month)

Average Unit Price (In Rupees)

E. Source of Water (please click the appropriate box)

In house water source

from municipal sources

Average Water consumption (In Gallons/day)

Average gas consumption (MMBTU/month)

Section Six-Social, Quality & Environmental Compliance

A.

S. No	Name of Certificate	Certifying body	From	To	Cost of Certification
A					
B					
C					
D					

B. Certifications required in future to meet international standards.

S. No	Name of Certificate	Certifying body	From	To	Cost of Certification
A					
B					
C					
D					

Section Seven-Liabilities

Total outstanding amount of long term loan(s) under LTFF/LTFEOP

Total outstanding amount of long term loan(s) other than LTFF/LTFEOP

Amount of EFS part 1 availed (2008-09)

Amount of EFS part 2 availed (2008-09)

I _____ Owner of M/S _____ hereby declare that the information provided above is correct to the best of my knowledge and authorize MINTEX to use above given information for developing database and to formulate textile policy.

Comments/Suggestions if any (200 characters only)

Signature

Date

Verification from association(s) concerned

1. _____

2. _____

3. _____

4. _____

**SUBJECT: - Application for Payment of Drawback of local taxes and levies
on Export of Textile Fabrics/Home Textiles/Garments (Knits & Woven)**

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: _____
- iii. Description of goods exported _____
- iv. HS Codes under: _____ the Pakistan Customs Tariff.
- v. Value realized : FCY: _____
- vi. Equiv PKR: _____
- vii. Freight paid : _____
- viii. Insurance premium paid : _____
- ix. Commission paid : _____
- x. Net FOB value realized (vi)-(vii) - (viii) – (ix): _____
- xi. Amount of Drawback of local taxes & levies claimed _____

We further enclose the following documents in support of our claim:

- (a) Triplicate copy of E-Form duly endorsed.
- (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 B/L / House Airway Bill along with Airway Bill (FCR along with Master Bill of Lading)
- (e) Bank's Export Proceeds Realization Certificate. (Appendix-I)
- (f) Commission Paid Certificate.
- (g) Insurance Premium Paid Certificate (in case of CIF Exports).
- (h) Drawback Verification Certificate from relevant Association (Appendix II)
- (i) Undertaking by the Claimant (Appendix III)

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 negotiated and collected by us and the proceeds will be repatriated/have been repatriated to Pakistan.

(i) Bill No. _____

(ii) E-Form No. _____

(iii) Date of Negotiation/Realization: _____

(iv) Amount Negotiated/Realized: _____

2. The triplicate copy of E-Form has been, will be, 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 Drawback on export of
value added Dyed/ Printed Fabrics, Garments & Home Textiles

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 Drawback of Local Taxes and Levies Order, 2009. 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-IV

[see paragraph 5(3)]

Subject: **Bank certificate for Drawback on export of value added Dyed
and/ Printed Fabrics / Home Textiles & Garments (Knits & Woven)**

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. Drawback on export of value added Dyed and Printed Fabrics, Home Textiles,
garments works out to Rs. _____ (Rupees _____ 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)

Annexure-V

[see paragraph 9 (1)]

Report on Claims Verified

Name of Association

MONTHLY REPORT FOR -----

S.NO	MINTEX Identification Number	Description of Goods	H.S Codes	Amount	Quantity	Destination

(Stamp & Signature of Authorized Official)

(Stamp/Seal of Association containing date)

Annexure-VI

[see paragraph 9 (2)]

Shipment Information

Name of Unit _____

MINTEX ID: _____

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: _____

vi. Equiv PKR: _____

vii. Freight paid : _____

viii. Insurance premium paid : _____

ix. Commission paid : _____

x. Vendor(s) (in case of out sourcing)

S. No.	NTN	Sales Tax Number	Name of Vendor	Share in Quantity %