

GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

NOTIFICATION

Islamabad, the 19th June, 2023.

S.R.O. 744 (I)/2023.- 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 direct that the following further amendments shall be made in the Customs Rules, 2001, which, as required under sub-section (3A) of the said section 219, were previously published *vide* Notification No.S.R.O 536(I)/2023, dated the 9th day of May, 2023, namely:-

In the aforesaid Rules, in Chapter XXXIX, after Sub-Chapter 4, the following new Sub-Chapter 5 shall be added, namely,-

**“Sub-Chapter 5
SPECIAL TECHNOLOGY ZONES RULES**

870A. Definitions.- In these rules, unless there is anything repugnant in the subject or context,-

- (a) “**Act**” means the Customs Act, 1969 (IV of 1969), the Federal Excise Act, 2005, Sales Tax Act, 1990 and Special Technology Zones Act, 2021;
- (b) “**Ordinance**” means the Income Tax Ordinance, 2001 (XLIX of 2001);
- (c) “**Appendix**” means an appendix to this sub-chapter;
- (d) “**Authority**” means the Special Technology Zones Authority established under section 3 of the Special Technology Zone Authority Act, 2021 (XVII of 2021);
- (e) “**Collector of Customs**”, in relation to a Special Technology Zone, means the Collector of Customs, in whose jurisdiction such zone is established;
- (f) “**Customs Computerized System**” means the Customs Computerized System as defined in clause (ia) of section 2 of the Customs Act, 1969 (IV of 1969);
- (g) “**development agreement**” means a duly approved agreement between Authority and a zone developer, agreed to and endorsed by the Approvals Committee that authorizes zone developer to develop and establish a zone or a part thereof, as provided under section 2(h) of the Special Technology Zone Authority Act, 2021 (XVII of 2021);
- (h) “**person**” includes any person as specified in clause (pa) of section 2 of the Customs Act, 1969 and provided in section 2(l) of the Special Technology Zone Authority Act, 2021 (XVII of 2021);
- (i) “**rules**” means rules under PCT 9917 (4) (i) and (ii) of the 1st Schedule of the Customs Act, 1969 (Pakistan Customs Tariff) framed by the Federal Board of Revenue;
- (j) “**zone developer**” having same meaning as assigned to it in section 2(s) of the Special Technology Zones Authority Act, 2021 (XVII of 2021);

- (k) "zone enterprise" having same meaning as assigned to it in section 2(t) of the Special Technology Zones Authority Act, 2021 (XVII of 2021); and
- (l) "zone" having same meaning as assigned to it in section 2(u) of the Special Technology Zones Authority Act, 2021 (XVII of 2021).

870B. Registration to operate under Customs Computerized System. – (1) The licensee of the Authority shall apply for a user ID to the registration authority after acquisition of a valid license from the Authority.

(2) The business facility of a licensee including manufacturing areas and stores shall be verified by the Customs and upon such verification licensee shall be issued a user ID by the registration authority to start operations through Customs Computerized System on the basis of items allowed under respective tariff headings:

Provided that regulatory Collectorate may devise the procedure for registration with necessary modifications in Sub-Chapter II of Chapter XXI of Customs Rules, 2001, if required.

(3) Upon any violation under the Act or these rules, the registration authority may block the user ID of a licensee of the Authority.

(4) The registration authority upon establishment of any offence under the Act or relevant rules may cancel the user ID, after issuance of show cause notice, besides any other action which may be taken under the Act.

870C. Import of goods for Special Technology Zones.– (1) The benefits under these rules shall be provided only if import thereof is made for a period of ten years commencing from the date of signing of the development agreement, or issuance of license, as the case may be, for consumption within zones by the eligible importers under these rules.

(2) The goods on which duty or tax exemption has been availed shall be solely used within the limits of a Special Technology Zone, unless otherwise approved by the Authority and concurred by the Federal Board of Revenue on a case to case basis and shall not be disposed of except with the prior approval of the Federal Board of Revenue.

(3) No exemption shall be allowed to an enterprise which does not hold a valid license issued by the Authority and which is not registered under the Customs Computerized System through a unique user ID.

(4) Upon the import of every consignment, the authorized officer of STZA shall certify in the prescribed manner and format, as per **Appendix-A**, that the imported goods are bona fide project requirements:

Provided that an eligible importer under these rules shall be allowed to import capital goods through partial shipments provided the total period of import of these partial shipments shall not exceed twenty-four months from the date of first import.

(5) Whether or not capital goods are imported in one complete shipment or through partial shipments, the importer shall furnish complete details and requirements of the machinery

to be imported in assembled or disassembled form, duly supported by the technical specifications and documents justifying such imports as a business requirement of the licensee.

(6) For clearance of the imported goods through Customs Computerized System, the authorized officer of the STZA shall furnish all relevant information online as per said format through a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). Only those goods shall be considered for the benefits under these Rules and PCT heading 9917 (4) of the First Schedule to the Customs Act, 1969 which are uploaded in the system by the Authority so that automated quantity debiting is made by the computerized system against each import by authorized importers.

(7) A Goods Declaration in respect of goods imported for a Zone alongwith 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.

870D. Retention period.- (1) The goods falling under Chapters 84 and 85 of the Pakistan Customs Tariff, imported under the scope of these Rules shall be retained for a period of at least five years from the date of importation and shall not be sold or otherwise disposed of without prior approval of the Federal Board of Revenue. Whereas, other goods imported under these Rules shall be retained for a period of at least ten years from the date of importation.

Provided that the disposal of goods falling under Chapters 84 and 85 of Pakistan Customs Tariff, before the expiration of five years shall be subject to following reduced rates of duty and taxes levied at the time of importation, namely:-

S. No.	Disposal Period	Duty and taxes
1.	If sold or otherwise disposed of before the expiration of three years from the date of importation.	Full
2.	If sold or otherwise disposed of after three and before four years from the date of importation.	50%
3.	If sold or otherwise disposed of after four and before five years from the date of importation.	25%
4.	If sold or otherwise disposed of after five years from the date of importation.	0%

Provided further that the disposal of other goods before the expiration of ten years shall be subject to following rates of duty and taxes as applicable at the time of importation of these goods, namely:-

S. No.	Disposal Period	Duty and taxes
1.	If sold or otherwise disposed of before the expiration of five years from the date of importation.	Full
2.	If sold or otherwise disposed of after five years but before seven and a half years from the date of importation.	50%
3.	If sold or otherwise disposed of after seven and half years but before ten years from the date of importation.	25%
4.	If sold or otherwise disposed of after ten years from the date of importation.	0%

(2) The Assistant or Deputy Collector of Customs or any other person authorized by Collector of Customs or FBR shall conduct annual audit of the enterprises established in a Special Technology Zone to verify the availability of imported goods on which benefits under these rules have been availed.

(3) If any enterprise fails to give proper account of the imported goods to the satisfaction of FBR or any other organization or person authorized by the FBR, as the case may be, the enterprise shall pay on demand an amount equal to the duty and taxes leviable on such goods at the time of original import, and shall also be liable to pay penalties imposed under the Customs Act 1969 and the rules made there under.

Appendix-A
[See rule 870C(4)]

Header Information									
NTN or FTN of importer					Approval No.				
(1)					(2)				
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)									
HS Code	Description	Specifica	Custom-duty rate (appli-cable)	Sales Tax rate (applic-able)	WHT	Quantity	UOM		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		

Certificate.- It is certified that the goods to be imported are genuine and bona fide requirement of the project, and admissibility of the same, for benefit of concessions of duties and taxes shall be determined by the concerned officer of Pakistan Customs in accordance with PCT heading 9917 (4) of the 1st Schedule to the Customs Act, 1969.

Signature: _____
Designation: _____”.

[C.No.2(3)L&P/2020]


(Riaz Hussain)
Secretary
(Law & Procedure)