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**GOVERNMENT OF PAKISTAN  
MINISTRY OF TEXTILE & COMMERCE  
(TEXTILE DIVISION)**

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Islamabad the 20<sup>th</sup> October, 2017

**NOTIFICATION**

**No.1(42-A)TID/17-TR-II.** In pursuance of entry 7 of item 39 of Schedule II of the Rules of Business, 1973, the Prime Minister Package of Incentives for Exporters approved by Economic Coordination Committee (ECC) of the Cabinet in order to provide duty drawback of taxes collected from garments, home textiles, processed fabric, greige fabric and yarn manufacturing cum-exporter units and Duty Drawback of Taxes Order 2016-17, Textile Division 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 2017-18”.

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

(3) It shall come into force at once.

(4) The duty drawbacks under this Order shall be allowed for exports GDs filed on or after July 1<sup>st</sup>, 2017 to 30<sup>th</sup> June, 2018 as under;

- a) 50 percent of the rate of drawback shall be provided without condition of increment.
- b) Remaining 50 percent of the rate of drawback shall be provided, if the exporter achieves an increase of 10% or more in exports during performance year (FY 2017-18), as compared to the base year (FY2016-17).
- c) The actual rate of drawback against (b) above shall be determined on the basis of annual performance of the exporter, but in order to improve her/his cash flow, the disbursement against (b) above shall be allowed on the performance during July-December, 2017, subject to submission of a bank guarantee that the exporter will return the excess amount, in case his/her annual exports are less than the amount of drawback paid to him/her.
- d) An additional 2% drawback shall be allowed for exports to non-traditional markets i.e. Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania. List of eligible countries is attached at **Annexure-I**.

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

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

(3) The export performance in case of drawback at 1(4)(b) above shall be analysed separately for each category of eligible products.

(4) The units availing the drawback shall be registered with the Textile Division and use Textile Division's online portal to follow subsequent Circular (s) issued by State Bank of Pakistan stipulated under para 4 (1) of this Notification.

(5) 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 & Textile.

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

**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.

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

**4. Procedure for Claims:-** (1) State Bank of Pakistan in consultation with Textile Division and stakeholders shall devise mechanism to ensure prompt clearance of drawback claims in compliance of this order. Procedure as devise by State Bank of Pakistan shall be communicated to Ministry of Commerce & Textile, Textile Division for onward communication to all stakeholders.

(2) For implementation of Para 1(4)(a) and (d);

- a) The Authorized Dealers will scrutinize the claim as per the procedure circulated by SBP, if found in order, and claim the amount from SBP for onward credit to the unit. The whole procedure will be completed within fortnight from the receipt of the claim.
- b) SBP will release the amount of claim to the Authorized Dealers within forty eight (48) hours after receipt by debiting the relevant Government head of account.
- c) The Authorized Dealer will credit the amount of claim received from SBP within twenty four (24) hours to the unit.

(3) SBP will issue a separate circular for implementation of Para 1(4)(b) and (c) in consultation with the Ministry of Commerce & Textile.

**5. Periodical audit.-** (1) The receipt of drawback payments shall be properly reflected in the books of accounts or balance sheets of the unit.

(2) SBP shall conduct verification of claims on sample basis. The procedure of sampling shall be issued by the SBP.

(3) The Federal Government reserves the right to conduct periodical, random, on the spot checks and audits to verify the claims filed and drawbacks received by the units under this order

**6. Penalty for Contravention.-** (1) Any unit/Authorized Dealer which, in contravention of the provisions of this SRO and SBP's Circular, through acts of omission or commission files/verify fraudulent claims shall be liable to penalty as determined by SBP in their circular.

- 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 Textile Division 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 Textile Division.
- 11. Applicability of the Order.-** (1) The drawback under this Order shall be allowed for the GDs from July 1<sup>st</sup> 2017 till 30<sup>th</sup> June, 2018.

**Annexure-I**

[see para 1(4)(d)]

**LIST OF NON-TRADITIONAL MARKETS**

<b>Africa</b>					
1	South Africa	21	Uganda	41	Equatorial Guinea
2	Egypt	22	Mauritius	42	Sierra Leone
3	Algeria	23	Congo	43	Seychelles
4	Morocco	24	Djibouti	44	Burundi
5	Nigeria	25	D.R. Congo	45	Chad
6	Tunisia	26	Zambia	46	Cabo Verde
7	Ethiopia	27	Burkina Faso	47	Comoros
8	Kenya	28	Guinea	48	Central African Republic
9	Ghana	29	Mali	49	Gambia
10	Angola	30	Madagascar	50	Guinea-Bissau
11	Liberia	31	Benin	51	Eritrea
12	Libya, State of	32	Mauritania	52	Sao Tome and Principe
13	Cote d'Ivoire	33	Somalia	53	Sudan
14	Tanzania	34	Gabon	54	South Sudan
15	Namibia	35	Niger	55	Western Sahara
16	Botswana	36	Rwanda	56	Saint Helena
17	Senegal	37	Togo	57	Reunion
18	Mozambique	38	Swaziland	58	Mayotte
19	Zimbabwe	39	Lesotho		
20	Cameron	40	Malawi		
<b>Latin America</b>					
1	Mexico	18	Bahamas	35	Saint Kitts and Nevis
2	Brazil	19	Cuba	36	Grenada
3	Chile	20	Nicaragua	37	Dominica
4	Argentina	21	Trinidad and Tobago	38	Falkland Islands (Malvinas)
5	Colombia	22	Jamaica	39	Anguilla
6	Peru	23	Cayman Island	40	Montserrat
7	Panama	24	Haiti		
8	Guatemala	25	Guyana		
9	Ecuador	26	Barbados		
10	Dominican Republic	27	British Virgin Islands		
11	Costa Rica	28	Aruba		
12	Venezuela, Bolivarian Republic of	29	Belize		
13	El Salvador	30	Suriname		
14	Paraguay	31	Saint Lucia		
15	Bolivia, Plurinational State of	32	Antigua and Barbuda		
16	Uruguay	33	Saint Vincent and the Grenadines		
17	Honduras	34	Turks and Caicos Islands		

**Annexure-I (Continued)****Commonwealth of Independent States (CIS)**

1	Ukraine	5	Georgia	9	Kyrgyzstan
2	Belarus	6	Azerbaijan	10	Tajikistan
3	Kazakhstan	7	Turkmenistan		
4	Uzbekistan	8	Moldova, Republic of		

**Oceanic**

1	Australia	10	Samoa	19	American Samoa
2	New Zealand	11	Tonga	20	Norfolk Island
3	Marshal Islands	12	Micronesia, Federated States of	21	Christmas Island
4	Papua New Guinea	13	Palau	22	Wallis and Futuna Islands
5	Fiji	14	Cook Islands	23	Niue
6	New Caledonia	15	Northern Mariana Islands	24	Cocos (Keeling) Islands
7	French Polynesia	16	Kiribati	25	Tokelau
8	Solomon Islands	17	Tuvalu	26	Pitcairn
9	Vanuatu	18	Nauru	27	Guam

**Non-EU European Countries**

1	Albania				
2	Belarus				
3	Gibraltar				
4	Iceland				
5	Kosovo				
6	Lichtenstein				
7	Macedonia				
8	Norway				

**Greige Fabric + Yarn @ 4%**

50040000	51130000	52061100	52081900	53071000	54025200	54076100	55096900	55131910	5609	58050000	60024000
50050000	52051100	52061200	52082100	53072000	54025900	54076900	55099100	55131920	58011000	58061000	60029000
50060000	52051200	52061300	52082200	53081000	54026100	54077100	55099200	55141110	58012100	58062000	60031010
50071000	52051300	52061400	52082300	53082000	54026200	54078110	55099900	55141120	58012200	58063100	60032010
50072000	52051400	52061500	52082900	53089000	54026900	54078120	55101100	55141210	58012300	58063200	60033010
50079000	52051500	52062100	52091100	53091100	54031000	54079110	55101200	55141220	58012400	58063900	60034010
51061000	52052100	52062200	52091200	53092100	54033100	54079120	55102000	55141910	58012500	58090000	60039010
51062000	52052200	52062300	52091900	53101000	54033200	54081000	55103000	55141920	58012600	59011000	60041000
51071000	52052300	52062400	52092100	53110000	54033300	54082100	55109000	55151120	58012700	59019010	60049000
51072000	52052400	52062500	52092200	54021100	54033900	54083110	55111000	55151210	58013100	59019090	60052110
51081000	52052600	52063100	52092900	54021900	54033990	54083120	55112000	55151310	58013200	59021000	60052120
51082000	52052700	52063200	52101100	54022000	54034100	55091100	55113000	55151910	58013300	59022000	60053110
51091000	52052800	52063300	52101900	54023100	54034200	55091200	55121110	55152110	58013400	59029000	60053120
51099000	52053100	52063400	52102100	54023200	54034900	55092100	55121120	55152210	58013500	59111000	60054110
51100000	52053200	52063500	52102900	54023300	54041100	55092200	55122110	55152910	58013600	59112000	60054120
51111100	52053300	52064100	52111100	54023400	54041200	55093100	55122120	55159110	58019000	59113100	60059010
51111900	52053400	52064200	52111200	54023900	54041900	55093200	55129110	55159910	58021100	59113200	60061000
51112000	52053500	52064300	52111900	54024410	54049000	55094100	55129120	55161100	58013700	59114000	60062110
51113000	52054100	52064400	52112000	54024490	54050000	55094200	55129920	55162100	58022000	60011010	60062120
51119000	52054200	52064500	52121100	54024500	54060000	55095100	55131110	55163100	58023000	60012110	60063110
51121100	52054300	52071000	52121200	54024600	54071000	55095200	55131120	55164100	5803	60012210	60063120
51121900	52054400	52079000	52122100	54024700	54072000	55095300	55131210	55169100	58041000	60012910	60064110
51122000	52054600	52081100	52122200	54024800	54073000	55095900	55131220	56050000	58042100	60019110	60064120
51123000	52054700	52081200	53061000	54024900	54074100	55096100	55131310	56060000	58042900	60019210	60069010
51129000	52054800	52081300	53062000	54025100	54075100	55096200	55131320	5607	58043000	60019910	

**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
55129990	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