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State Bank of Pakistan



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Home About SBP Laws & Regulations Circulars/Notifications Monetary Policy Financial Markets Publications Economic Data Financial Inclusion

Circulars/Notifications - Exchange Policy Department



EPD Circular Letter No. 21

November 21, 2018

The Presidents/Chief Executives of all
Authorized Dealers in Foreign Exchange

Dear Sirs/Madam,

Duty Drawback of Taxes Order, 2018-21 (Textile)

Ministry of Commerce & Textile, Textile Division vide Notification No. 1(42-B)TID/18-TR-II dated August 3, 2018 has issued an Order namely "Duty Drawback of Taxes Order 2018-21" to provide duty drawback of taxes collected from exporters of eligible products as specified in the Notification.

2. In this respect, the procedure for submission of claims for implementation of the Order is enclosed for necessary action and strict compliance.

3. Authorized Dealers are advised to bring the same to the notice of all their constituents.

Encls:

- 1) Duty Drawback of Taxes Order, 2018-21 (Textile)
- 2) Procedure for Lodgment of Claims

Yours truly,

Sd/-

(Arshad Mehmood Bhatti)
Director

Home
About SBP
Publications
Economic Data
Press Releases
Circulars/Notifications

Laws & Regulations
Monetary Policy
Help Desk
SBP Videos
Feedback
Contact us

What's New?
Speeches
Online Tenders
Web Links
Educational Resources
Regulatory Returns

Library
Rupee ko Pehchano
Events
Zahid Husain Memorial Lecture
Careers
Sitemap



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Procedure for Lodgment of Claims under Para 1-2(a) and 1-2(d) of Textile Division's Notification No. 1(42-B)TID/18-TR-II dated August 03, 2018 regarding Duty Drawback Taxes Order 2018-21

Role and Responsibility of Exporter:

1. Claims will be lodged by eligible exporters with the Authorized Dealer (AD) for eligible products against which export proceeds have been realized as per prescribed format (**Annexure I**) which also lists the documents required to be submitted with the claim. For preparing **Annexure I**, the exporter will input the data of exports on RDA Cell of Textile Division and obtain print out from there.
2. Claimant will obtain certificate from the relevant association (or from Chamber of Commerce in case respective association does not exist) as per prescribed format (**Annexure IV**) of whom it is a member as required under the Ministry of Commerce and Textile Order. This certificate will be valid for one year from the date of issue. Certification of individual claims from Association / Chamber is not required.
3. Application by the exporter will be signed and stamped by officer(s) of claimant who is/are authorized to operate the account of the claimant with the AD. The AD will verify the signatures.

Role of Authorized Dealer (AD):

1. The banks are required to properly examine and audit the claims and exercise extreme care in processing of claims prior to submission to SBP BSC.
2. The claim will be scrutinized by the AD on FIFO basis as per the procedure circulated herewith. Claims found discrepant will be got rectified from the claimant and will be considered in processing queue as per date of rectification.
3. Each bank will designate a Central Hub in each region corresponding to SBP BSC Offices listed at **Appendix A**.
4. AD will receive and entertain only those claims for which the proceeds have been realized in its bank.
5. Each Central Hub will provide the details of at least two contact persons who will communicate with SBP BSC Offices for the purpose of drawback. This information will be provided to relevant email address provided in **Appendix A**.
6. Claims found in order will be submitted to relevant SBP BSC Office by the Central Hub in a consolidated form under covering letter format at **Annexure II** within 15 days of submission to them. For rectified claims, two weeks period available to AD for processing will be counted from the date of rectification.
7. The **Annexure II** will also be signed by Regional Compliance / Internal Audit Head.
8. The details of Claim will be provided as per format given at **Annexure III**. This is to be prepared on MS Excel file available at http://www.sbp.org.pk/sbp_bsc/BSC/epd/index.htm. Only the file

downloaded from this address is to be used for the purpose. The printout of the **Annexure III** will also be signed by Regional Compliance / Internal Audit Head.

9. The Consolidated Claim will bear a unique number on the following format:

“Bank EFE Prefix-SBP BSC Office Code-T(FY)-Serial number of claim e.g. ABC-LHR-T(2018-19)-0001”

The “Serial number of claim” would be running serial of claims submitted by the bank to a particular SBP BSC Office.

10. Besides the hard copies, the bank will also submit soft copy of the **Annexure III** on emails listed against each SBP BSC Field Office in **Appendix A**. The name of the MS Excel file will also be the same as the unique number of the claim.

11. The consolidated claim will not include any individual discrepant claim and such claims of exporters whose RDA Cell registration is not valid or provisionally registered as on the date of submission of claim with the AD.

12. The RDA cell registration can be verified from <https://www.rdacell.com/home/Statistics.aspx>

13. While submitting **Annexure II and Annexure III** containing claims of shipments during 16th June 2021 to 30th June 2021, relevant Master Bills of Lading / Airway Bills showing Shipped on Board / Flight Dates will also be submitted.

14. AD will chronologically maintain the record of **Annexure II and Annexure III** along with complete claims at central hub for verification by SBP / Govt. Auditors

15. Each claimant may also be informed immediately through separate email along with the detail of their claims lodged with SBP BSC. It is recommended that discrepancies in claims as communicated by SBP BSC may also be shared with respective claimants within two working days.

Payment Mechanism:

1. As detailed above, the particulars of claims which are found in order for payment by the bank will be sent to SBP BSC Office by the Central Hub as a Consolidated Claim as per format and email.

2. If required, SBP BSC may defer the payment of a consolidated claim or any one or more individual claims in the consolidated claim and require submission of relevant documents.

3. Amount of claims found in order by SBP BSC will be credited to account of concerned bank for onward credit to claimants within 24 hours.

Broad Guidelines for Calculation of Drawback:

1. Each claim would be lodged against a single EFE/Manual E-Form/EPZ Gate Pass.
2. Date of shipment as per shipping documents must be from 01-07-2018 to 30-06-2021.
3. Shipped goods must include eligible HS Codes as listed in **Annexure II** to Ministry Notification.
4. Amount of Foreign Currency to be used: Lowest of the following three:
 - a. Amount of EFE / EPZ Gate Pass
 - b. Declared Value on GD form
 - c. Realized amount
5. Any commission paid will be deducted from the amount obtained from 4 above.
6. In claim of involvement of multiple categories in a shipment, amount obtained from 5 above will be divided into different categories in the ratio of assessed values on GD form.
7. Applicable amount of Foreign Currency will be converted to PKR using the SBP DMMD WAR of the date of realization.

<http://www.sbp.org.pk/ecodata/rates/war/WAR-Current.asp>

Besides, weighted average rate for multiple realization may be calculated by using following formula:

$$= \frac{(value\ 1\ x\ rate\ 1) + (value\ 2\ x\ rate\ 2) + \dots (Value\ n\ x\ rate\ n)}{(value\ 1 + value\ 2 + \dots value\ n)}$$

For currencies not available in the DMMD WAR, Mark to Market Revaluation Ready rates may be used.

<http://www.sbp.org.pk/ecodata/rates/m2m/M2M-Current.asp>

8. From the PKR arrived at 7 above, freight and insurance amounts will be deducted. Gross amounts of the invoices are required to be deducted. In claim of multiple categories in a shipment, Freight and Insurance amounts will be proportionately divided into each category as done in 6 above. This will give Net FOB Value.
9. Applicable percentage of drawback will be applied on the Net FOB Value to arrive at the admissible drawback amount.

Applicable percentage (%)= 50% of the rate of drawback given in **Annexure II** to Ministry Notification (%) + 2% (if export has been done to a country listed in **Annexure I** to Ministry Notification)

The units operating in EPZ will also submit their claims for drawback through the concerned bank branch of EPZ to its Central Hub Branch. The said claims will be processed in Central Hub Branch 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 Proceed Realization Certificate” will be substituted by the following:
 - i. SWIFT message
 - ii. Certificate of Receipt of Export Proceeds issued by the concerned bank branch of EPZ.

Procedure for Lodgment of Claims under Para 1-2(b) and 1-2(c) of Textile Division's Notification No. 1(42-B)TID/18-TR-II dated August 03, 2018 regarding Duty Drawback Taxes Order 2018-21

1. The claim under 1 (2) (b) and 1 (2) (c) will be lodged in consolidated form from a single Authorized Dealer (AD), even if the exporter has claimed drawback under 1 (2) (a) through multiple ADs.
2. Claim under 1 (2) (b) would be required to be lodged through the same AD through whom claim under 1 (2) (c) will be lodged.
3. Similarly, if an exporter has claimed drawback from multiple Offices of SBP BSC under 1 (2) (a), consolidated claims under 1 (2) (b) and 1 (2) (c) would be lodged to any one of the offices. Further, claims under 1 (2) (b) will be lodged to the same Office of SBP BSC where claim under 1 (2) (c) will be lodged.
4. Claims will be lodged through the AD's Regional Hubs formed under procedure given in Para 1-2(a) and 1-2(d).
5. RDA Cell registration certificate of claimant must be valid at the time of submission of claim at SBP (provisional registration is not valid for the claim)

CLAIM UNDER 1 (2) (c)

6. For the purpose of 1 (2) (c), the claimant will claim an amount equal to the sum of all its claims paid / ready for payment (submitted to SBP BSC) under 1 (2) (a) for shipments made during July – Dec of each year.
7. Claimant will obtain a certificate of payment from all concerned ADs on a format given at **Annexure V**. In case of loss of certificate, the word "Duplicate" will be prominently marked in indelible ink at the top of duplicate certificate.
8. These certificates in original along with consolidated claim will be provided to nominated AD as per format at **Annexure VI**.
9. The nominated AD will verify the consolidated claim in **Annexure VI** as per the certificates (Annexure V) provided by all concerned ADs and it's own and forward the same to SBP BSC on **Annexure VII**.
10. Only claims already paid / ready for payment (submitted to SBP BSC) till the date of claim will be included. Pending / discrepant claims, if any, will not be included.
11. The claim amount shall not include the incentive for non-traditional markets as the same has already been paid in full.
12. AD will process the claim within 15 days on FIFO basis from the date of receiving. Discrepant claims will be returned and will be considered as fresh in queue upon resubmission.
13. The exporter will also provide a Bank Guarantee in favour of the nominated authorized dealer (AD) to the effect that amount being paid to it under 1 (2) (c) will be refunded immediately upon demand by the AD in case it fails to achieve 10% or more increase in exports in any eligible category in performance year over base year. This bank guarantee would be required by AD from claimant, when the SBP / BSC informs AD that submitted claim is found in order and specified amount of fund will be released upon confirmation by the AD that bank guarantee is arranged from claimant.

14. The Bank Guarantee will be kept by the AD submitting the claim till finalization of claim submitted under 1(2)(b). In case, refund is required (point 21), SBP BSC will debit the account of the AD which in turn will recover the amount from exporter as per Bank Guarantee.
15. Upon verification of claim, SBP BSC will pay the total amount of claim to the nominated AD for onward credit to the claimant within 24 hours of credit.

CLAIM UNDER 1 (2) (b)

16. For the purpose of claim under 1 (2) (b), data of two Financial Years would be required.
17. The data of claims submitted under 1 (2) (a) will be used to determine export performance. For this purpose, the concerned ADs will provide summary of submitted claims for the performance year on **Annexure VIII**. The nominated AD will forward these Annexure Vllls along with it's own to SBP BSC. No other data will be required by SBP BSC for the purpose of base year. However, if claimant changes field office with respect to its previous performance year (currently base year), in that case AD and claimant both will mention the same in their request letter.
18. For the purpose of calculating export performance, the established practice of using net FOB values will be followed. Further, the increase will be calculated separately for each category i.e. claim under 1 (2) (b) will be evaluated separately for each category. The calculation method has been elaborated separately.
19. Format for the claim by exporter is provided at **Annexure IX**. Whereas, AD will forward the same as per format given at **Annexure X**.
20. The cut-off date for filing claims to SBP for exports in each financial year shall be 31st May of the subsequent year and after that no claims shall be accepted by SBP BSC.
21. Exporters not submitting claims under 1 (2) (b) latest by 31st May of the subsequent year, will be considered to have not achieved 10% increase in performance year over base year. Any payment made under 1 (2) (c) to such exporters will be got refunded by invoking provided guarantee. Similarly, refund will be effected for exporters who submit the claim under 1 (2) (b), but their increase is less than 10% in any one or more categories. Such refund will be considered Category wise. For example, if the exporter achieves 10% increase in Garments but not in Made-Ups, only the payment obtained under 1 (2) (c) for Made-Up claims will be got refunded. However, net receivable or payable claim amount against all categories will be calculated before finalization of claim.

Calculation of Export Performance:

1. For each export transaction, lowest of the following three foreign currency amounts will be used as basis of calculation:
 - a. Amount of EFE
 - b. Declared Value on GD form
 - c. Realized amount
2. Any commission paid will be deducted from the amount above.

3. In case of involvement of multiple categories in a shipment, amount obtained from above will be divided into different categories in the ratio of declared values on GD form.
4. Yearly average of SBP DMMD WAR of the base year would be used for conversion of foreign currencies of both years (base and performance) into PKR. The rates for FY 2017-18 are given in **Annexure XI**. Whereas, yearly WAR for the subsequent FY will be communicated to central hubs of banks at the end of that FY through email.
5. From the PKR arrived above, freight and insurance amounts will be deducted. Gross amounts of the invoices are required to be deducted. In case of multiple categories in a shipment, Freight and Insurance amounts will be proportionately divided into each category in the ratio of declared values on GD form. This will give Net FOB Value for each category of the export shipment.
6. Net FOB values for all export shipments of a Financial Year will be summed up for each category separately.
7. Yearly total Net FOB values for each category will be compared separately to determine percentage increase in each category.

ON LETTER HEAD OF CLAIMANT

No. _____

Date: _____

The Manager
Name of Branch
Name of Bank
City

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

I / We, M/s _____ having NTN No. _____ and MinTex Identification No. _____ hereby apply for payment of Drawback under Para 1 (2) (a) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. _____ against shipment made by us as per following details:

1. E-Form / EFE No. _____ (N.O.C. No. at EPZ Gate Pass in claim of claimant located in EPZ)
2. GD No. _____
3. Shipment Date: _____
4. HS Code(s) for Claim: _____
5. Country of Export: _____
6. Realization Date: _____
7. SBP DMMD WAR on Realization Date: _____
8. Realization FCY: _____
9. Commission Paid (FCY) : _____
10. Applicable FCY Amount: _____ (Lowest value of EFE/GD/Realized)
11. Equivalent PKR: _____
12. Freight Paid: _____
13. Insurance Paid: _____
14. Net FOB Value: _____
15. Category wise incentive of Drawback: ___ + ___ = ___ (50% of the incentive of drawback + 2% drawback for export to nontraditional market)
16. Total Amount of Drawback: _____
17. Validity of MinTex Registration _____ (provisional registration is not valid for the claim)

We undertake that the above claim is genuine as per the conditions of the Ministry of Commerce and Textile Notification "Duty Drawback of Taxes Order 2018-21". If any discrepancy is subsequently detected in a claim, SBP BSC may impose penalty up to 100% of the claim in addition to refund of amount of claim paid by instructing the AD to debit our account.

In support of our claim, we have already submitted the following documents at the time of shipment (if any document is missing, may be submitted along with claim):

1. Print of EFE/E-Form
2. Print of GD Form
3. Copy of Commercial Invoice
4. Shipping Documents (MBL/MAWB)
5. Copy of Freight Invoice
6. Copy Insurance Invoice
7. Copy of certificate from the Association (may be submitted once)
8. Copy of latest RDACell Registration Certificate. (may be submitted once)
9. Copy of Annexure "A"

Signatures with Stamp showing designation

ON LETTER HEAD OF BANK

No. (As per prescribed format)

Date: _____

The Director FEOD/ Chief Manager
State Bank of Pakistan
SBP BSC (Bank)
Karachi / Name of Field Office

Dear Sir / Madam

**SUBMISSION OF CONSOLIDATED CLAIM OF IN-ORDER
DRAWBACK CLAIMS ON EXPORT OF TEXTILE PRODUCTS**

With reference to EPD Circular Letter No. _____, we submit herewith consolidated claim against various claims received from our customers under Textile Division's Notification Duty Drawback of Taxes Order 2018-21. The summary of the claims is as under:

Number of in-order Claims: _____

Amount of in-order Claims: _____

We certify that we have scrutinized the individual claims as per guidelines given in the abovementioned EPD Circular Letter and Textile Division's Notification and that the claimants bear valid RDACell registration as at the time of submission of claim with the AD. Further, the full amounts of applicable freight and insurance have been deducted where required.

We understand that SBP / SBP BSC will verify the individual claims. SBP BSC may withhold the payment of any one or more of the individual claims included in this consolidated claim and require submission of claim documents.

We undertake that in claim any discrepancy is detected subsequently in any individual claim, the SBP may debit the amount involved to our account along with the penalty @ 4% p.a. plus inter-bank rate on date of payment. Penalty will be applicable from the date of submission of claim to SBP BSC till the date of rectification of discrepancy.

We also undertake that if an ineligible claim is subsequently detected, SBP may debit the amount involved to our account along with 100% penalty

We further undertake that we will keep proper record of the individual and consolidated claims for subsequent verification / audit / inspection.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

ANNEXURE – III

Sheet 1: EFE / Manual E-FORM / EPZ Gate Pass

BANK	
File Ref no:	

Sr.	NTN	Name of Exporter	EFE / Manual E-Form / N.O.C. No.	Shipment Date	Country Name	EFORM Currency	Applicable FCY Value	Commission (FCY)	Net FC	FX Rate (WAR)	Equivalent PKR	Freight (PKR)	Insurance (PKR)	Eligible PKR Amount	Percentage	Amount of Claim (PKR)	Remarks

Sheet 2: Realization sheet

Sr.	EFE / Manual E-Form / N.O.C. No	Realization Date	Realization Currency	Value Realized	SBP DMMD WAR	FX Rate (WAR)	SWIFT NO

ON LETTER HEAD OF ASSOCIATION / CHAMBER OF COMMERCE

No. _____

Date: _____

**CERTIFICATION OF BEING ELIGIBLE EXPORTER FOR PRODUCTS UNDER TEXTILE DIVISION'S
NOTIFICATION DUTY DRAWBACK OF TAXES ORDER 2018-21**

This is to certify that M/s. _____, bearing RDACell Registration No. _____ valid till _____, NTN _____ and our registration No. _____ valid till _____ is a bonafide exporter of products falling under Textile Division's Notification regarding Duty Drawback of Taxes Order, 2018-21 and SBP EPD circular letter No. _____.

Signature and Stamp of Authorized Officials

(Stamp / Seal of Association / Chamber of Commerce containing Date)

ON LETTER HEAD OF BANK

No. _____

Date: _____

To whom it may concern

With reference to EPD Circular Letter No. _____, we have received/submitted category wise total claim amounts on behalf of M/s. _____ having NTN No. _____ and RDACell Registration No. _____ for shipments from July__ to Dec __ as per the following summary:

SBP BSC Office	Category	Claim Amount received/submitted under Para 1(2)(a)	Claim amount received/submitted for export to Non-traditional Market (2%) {under Para 1(2)(d)}	Total Amount received/submitted {under Para 1(2)(a) plus Para 1(2)(d)}

We undertake that if any discrepancy is subsequently detected in provided information, SBP may debit the amount involved to our account along with 100% penalty.

We further undertake that we will keep proper record of claims for subsequent verification / audit / inspection.

Yours faithfully

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

ANNEXURE - VI

ON LETTER HEAD OF CLAIMANT

No. _____

Date: _____

The Manager
Name of Branch
Name of Bank
City

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

I / We, M/s _____ having NTN No. _____ and MinTex Identification No. _____ hereby apply for payment of Drawback under Para 1 (2) (c) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. _____ against claims paid to us under Para 1 (2) (a) for exports done by us during July ___ to Dec ___ as per following summary:

SBP Office	BSC	Authorized Dealer	Amount of Claims Received / Submitted less Incentive for Non-Traditional Markets (Rs.)		
			Processed Fabrics	Made Ups	Garments
Totals					
Total of All Categories					

In view of the above, it is requested that an amount of Rs. _____ (Rupees _____) may be paid to us under Para 1 (2) (c) of the Textile Division Notification mentioned above.

We undertake that the above information is correct. In case any discrepancy is detected subsequently, SBP BSC may impose penalty up to 100% of the claim in addition to refund of wrongly claimed amount by instructing the AD to debit our account.

We will arrange the Bank Guarantee before disbursement of claim as per relevant instructions to the effect that amount paid to us under this claim in any category will be refunded immediately upon demand by the AD in case we fail to achieve 10% or more increase in exports in performance year over base year in that category.

Signatures with Stamp showing designation

ON LETTER HEAD OF BANK

No. _____

Date: _____

The Director FEOD/ Chief Manager
State Bank of Pakistan
SBP BSC (Bank)
Karachi / Name of Field Office

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

With reference to EPD Circular Letter No. _____, we submit herewith claim of M/s _____ having NTN No. _____ and MinTex Identification No. _____ under Para 1 (2) (c) of Textile Division Notification No. 1(42-B)/TID/18-TR-II for amount of Rs. _____ (Rupees _____). Category wise breakup of the claim is given in the attached claim of exporter. Copies of Annexure V by all concerned ADs are also attached.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

Encl.:

ON LETTER HEAD OF BANK

No. _____

Date: _____

To whom it may concern

With reference to EPD Circular Letter No. _____, we have received/submitted category wise total claim amounts on behalf of M/s. _____ having NTN No. _____ and RDACell Registration No. _____ for shipments from July ___ to June ___ as per the following summary:

SBP BSC Office	Category	Claim Amount received/submitted under Para 1(2)(a)	Claim amount received/submitted for export to Non-traditional Market (2%) {under Para 1(2)(d)}	Total Amount received/submitted {under Para 1(2)(a) plus Para 1(2)(d)}

We undertake that if any discrepancy is subsequently detected in provided information, SBP may debit the amount involved to our account along with 100% penalty.

We further undertake that we will keep proper record of claims for subsequent verification / audit / inspection.

Yours faithfully

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

ON LETTER HEAD OF CLAIMANT

No. _____

Date: _____

The Manager
 Name of Branch
 Name of Bank
 City

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

I / We, M/s _____ having NTN No. _____ and MinTex Identification No. _____ hereby apply for payment of Drawback under Para 1 (2) (b) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. _____ against 10% or more increase in export in performance year as compared to that in base year as per following summary:

Increase in Export Performance:

Financial Year / Category	Net FOB Export Value (Rs.)		
	Processed Fabrics	Made Ups	Garments
(Performance Year)			
(Base Year)*			
Increase Amount			
Increase %			

*The data of shipments of base year is already submitted at SBP BSC ____.

Receivable / Refundable Drawback:

	Amount (Rs.)		
	Processed Fabrics	Made Ups	Garments
Received / submitted under Para 1(2)(a) less under Para 1(2)(d)			
Received under Para 1(2)(c)			
Receivable/Refundable(-)			
Total Receivable/Refundable(-)			

In view of the above, it is requested that an amount of Rs. _____ (Rupees _____) may be paid / refunded to / from us under Para 1 (2) (c) of the Textile Division Notification mentioned above.

We undertake that the above information is correct. In case any discrepancy is detected subsequently, SBP BSC may impose penalty of up to 100% of the claim in addition to refund of wrongly claimed amount by instructing the AD to debit our account.

Signatures with Stamp showing designation

ON LETTER HEAD OF BANK

No. _____

Date: _____

The Director FEOD/ Chief Manager
State Bank of Pakistan
SBP BSC (Bank)
Karachi / Name of Field Office

Dear Sir / Madam

APPLICATION FOR PAYMENT OF DUTY DRAWBACK OF TAXES ON EXPORT OF TEXTILE PRODUCTS

With reference to EPD Circular Letter No. _____, we submit herewith claim of M/s _____ having NTN No. _____ and MinTex Identification No. _____ under Para 1 (2) (b) of Textile Division Notification No. 1(42-B)/TID/18-TR-II for amount of Rs. _____ (Rupees _____) to be paid to / refunded from the exporter. Category wise details of yearly performance and claim is given in the attached claim of exporter. Annexure VIIIs issued by all concerned ADs are attached in respect of claim payments for shipments of performance year, whereas the data of shipments of base year is already submitted at SBP BSC_____.

Yours faithfully,

Signature and Stamp of Contact Person of the Regional Hub

Signature and Stamp of Regional Compliance / Internal Audit Head

Encl:

Yearly Average DMMD WAR Applicable on Incremental Portion of DDT 2018-21

Currency	Base year conversion (2017-18)
AED	29.91426
AUD	85.16527
CAD	86.53478
CHF	113.22587
EURO	131.20962
GBP	148.15079
JPY	0.99670
SAR	29.29905
USD	109.88039

APPENDIX - A

Sr. No.	SBP BSC Offices Office	Code	Email Address
1.	FEOD SBP-BSC, Karachi	KHI	govtschemes.khi@sbp.org.pk
2.	Hyderabad	HYD	govtschemes.hyd@sbp.org.pk
3.	Quetta	QTA	govtschemes.qta@sbp.org.pk
4.	Lahore	LHR	govtschemes.lhr@sbp.org.pk
5.	Faisalabad	FSD	govtschemes.fsd@sbp.org.pk
6.	Sialkot	SKT	govtschemes.skt@sbp.org.pk
7.	Multan	MUL	govtschemes.mul@sbp.org.pk
8.	Rawalpindi	RWP	govtschemes.rwp@sbp.org.pk
9.	Peshawar	PEW	govtschemes.pew@sbp.org.pk
10.	Gujranwala	GUJ	govtschemes.guj@sbp.org.pk

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

Islamabad the 3rd August, 2018

NOTIFICATION

No. 1(42-B)TID/18-TR-II. In pursuance of Entry 7 of Item 39 of Schedule II of the Rules of Business, 1973, the extension in Prime Minister's Package of Incentives for Exporters approved by the Federal Government in order to provide duty drawback of taxes collected from garments, home textiles and processed fabric to manufacturing cum exporting units and commercial exporters, the Textile Division is pleased to make the following Order, namely;

- 1(1) This may be called the "Duty Drawback of Taxes Order 2018-21".
- (2) The duty drawbacks under this Order shall be allowed for the shipments made from the July 1st, 2018 to 30th June, 2021 to the whole of Pakistan including exports from Export Processing Zones as under;
- a) Fifty percent of the rate of drawback shall be provided without condition of increment.
 - b) Remaining fifty percent of the rate of drawback shall be provided, if the exporter achieves an increase of ten percent or more in exports during the financial year 2018-19 as compared to the financial year 2017-18 or exports in financial year 2019-20 as compared to financial year 2018-19 or in financial year 2020-21 as compared to financial year 2019-20;
 - c) The actual rate of drawback against clause (b) shall be determined on the basis of annual performance of the exporter, but in order to improve his cash flow, the disbursement against clause (b) shall be allowed on the performance during July-December of each year, subject to submission of a bank guarantee that the exporter shall return the excess amount, in case his annual exports are less than the eligibility criteria stipulated in clause (b); and
 - 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, at the time of submission of claims mentioned in clause (a). List of eligible countries is attached at **Annex-I**.


03/08/2018

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

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

(3) Exports shall be calculated on the basis of shipment date.

(4) Drawback claims of only those exports shall be admissible, proceeds of which have been fully realized as per foreign exchange rules notified by SBP from time to time. However, the date of realization shall have no bearing in determining the year in which the transaction shall be accounted for.

(5) The exporters 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 1 (4) of this Notification.

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

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

3. Procedure for Claims:- (1) State Bank of Pakistan in consultation with Textile Division, shall devise mechanism to ensure prompt clearance of drawback claims in compliance of this order.

(2) For implementation of para 1(4) (a) and 1(4) (d)

a) The exporters shall file claims for the incentive in the Form as devised by the State Bank of Pakistan and submit to the Authorized Dealer. The Authorized Dealer shall scrutinize the claim as per the procedure circulated by the SBP. Claims found in order would be submitted to the field offices of State Bank of Pakistan – Banking Services Corporations (SBP-BSC) along with an undertaking in the prescribed manner.

b) The SBP shall scrutinize the claims and release the amount of claim to the Authorized Dealers, within 30 days, subject to availability of budget, by debiting the relevant Government head of account.

c) The Authorized Dealers shall credit the amount of claim received from SBP within twenty four (24) hours to the exporter.

d) The FBR shall provide electronic data to SBP for expeditious verification/scrutiny of claims

e) This procedure is applicable for para 1(4)(a) i.e. 50 percent of the rate of drawback shall be provided without condition of increment and para 1(4)(d) i.e. an additional 2% drawback shall be allowed for exports to non-traditional markets.

(3) SBP shall issue a separate circular for implementation of Para 1(4)(b) and 1(4)(c) in consultation with the Textile Division.

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

(2) The Textile Division, Finance Division or SBP, as the case may be, reserves the right to conduct periodical, random, on the spot checks and audits to verify the claims filed and drawbacks received by the exporters under this order

5. Penalty for Contravention.- (1) Any exporter/Authorized Dealer which, in contravention of the provisions of this Notification 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.

6. Cut-off date.- (1) The cut-off date for filing claims to SBP for exports in each financial year shall be the 31th May of the subsequent year and after that no claims shall be accepted by the SBP.

(Wajeaha Bashir)
Section Officer (TR)

The Manager,
Printing Corporation of Pakistan Press,
KARACHI

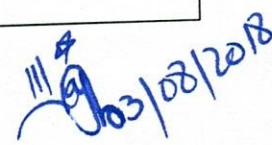
Copy to:-

1. Federal Minister for Commerce & Textile, Islamabad
2. Secretary, Textile Division, Islamabad
3. Secretary, Finance Division, Islamabad
4. Governor, State Bank of Pakistan, Karachi

(Wajeaha Bashir)
Section Officer (TR)
03/08/2018

[see para 1(4)(d)]
LIST OF NON-TRADITIONAL MARKETS

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

 03/08/2018

17	Dominican Republic	34	Saint Lucia		
Annex-I (Continued)					
Commonwealth of Independent States (CIS)					
1	Azerbaijan	5	Moldova, Republic of	9	Ukraine
2	Belarus	6	Russian Republic	10	Uzbekistan
3	Kazakhstan	7	Tajikistan		
4	Kyrgyzstan	8	Turkmenistan		
Oceania					
1	American Samoa	10	Marshall Islands	19	Papua New Guinea
2	Australia	11	Micronesia, Federated States of	20	Pitcairn
3	Christmas Island	12	Nauru	21	Samoa
4	Cocos (Keeling) Islands	13	New Caledonia	22	Solomon Islands
5	Cook Islands	14	New Zealand	23	Tokelau
6	Fiji	15	Niue	24	Tonga
7	French Polynesia	16	Norfolk Island	25	Tuvalu
8	Guam	17	Northern Mariana Islands	26	Vanuatu
9	Kiribati	18	Palau	27	Wallis and Futuna Islands
Non-EU European Countries					
1	Albania	5	Kosovo		
2	Georgia	6	Lichtenstein		
3	Gibraltar	7	Macedonia		
4	Iceland	8	Norway		

 03/03/2018

Eligible Product Lines of Processed Fabrics Category @ 2%

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 @ 3% HS Codes 9404.3000, 9404.9000, 5608 and Chapters 57 and 63 excluding 6309 and 6310

Eligible Products of Garments Category @ 4%: Chapter 62 and 61


03/08/2018

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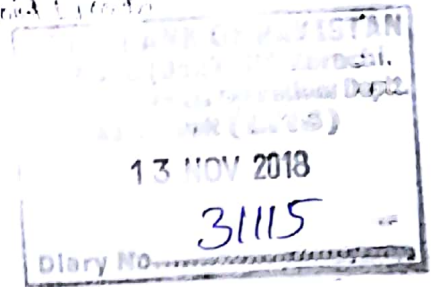
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To be published in the next issue
of the Gazette of Pakistan Part-I

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

1st Floor, Evacuee Trust Complex, F-5/1



Islamabad the 12th November, 2018

NOTIFICATION

No. 1(42-B)TID/18-TR-II. In partial modification of this Division's notification of even number dated 3rd August, 2018, the Competent Authority has been pleased to make the following amendments in the said Notification;

"The word and figures "Para 1(4)" wherever used may be read as the word and figures "Para 1(2)" abinitio"

Wajeaha Bashir
Section Officer (TR)

The Manager,
Printing Corporation of Pakistan Press,
Karachi.

Copy to:-

1. The Governor State Bank of Pakistan, Karachi
2. The Secretary, Finance Division, Islamabad
3. The Secretary Commerce Division, Islamabad
4. Manager IT, Textile Division
5. PS to Secretary, Textile Division, Islamabad

Wajeaha Bashir
Section Officer (TR)