

CUSTOMS ACT, 1969

SECTION	PRESENT POSITION UPTO 30 TH JUNE, 2009	AMENDMENT THROUGH FINANCE ORDINANCE'2009
2(c)	<i>Non Existent</i>	“ KIBOR ” means Karachi Inter Bank Offered Rate applicable on the first day of each quarter of the financial year.
15	Prohibitions---No goods specified in the following clauses shall be brought into or taken out of Pakistan, namely.....	A proviso has been proposed to be added in the section as under: “ Provided that offences relating to goods imported or exported in violation of intellectual property rights shall, notwithstanding any thing in any other law, be adjudicated by appropriate officer of customs ”
21A	Power to defer collection of customs-duty. (2) Where deferment of customs-duties is allowed by the Board under sub-section (1), a surcharge not exceeding 14% per annum shall also be payable on the deferred amount from such date and in the manner as the Board may by rules prescribe.	It has been proposed sur-charge not exceeding at rate “KIBOR plus three”
25A	Power to determine the custom value. (1) Notwithstanding the provisions contained in section 25, the Collector of Customs on his own motion, or the Director of Customs Valuation on a reference made to him by any person, may determine the customs value of any goods or category of goods imported into or exported out of Pakistan, after following the methods laid down in section 25, which is applicable.	A proviso has been proposed to be added in the section as under: Power to determine the custom value. (1) Notwithstanding the provisions contained in section 25, the Collector of Customs on his own motion, or the Director of Customs Valuation on his own motion or including an officer of Customs may determine the customs value of any goods or category of goods imported into or exported out of Pakistan, after following the methods laid down in section 25, which is applicable.

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<p>31A</p>	<p>Effective rate of duty.— (1) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of sections 30A and 31, the rate of duty applicable to any goods shall include any amount of duty imposed under section 18.</p>	<p>The section 18A, 18C, and 18D have also been inserted in the proposed amendment, the amended provision reads as under:</p> <p>Effective rate of duty.— (1) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of sections 30 and 31, the rate of duty applicable to any goods shall include any amount of duty imposed under section 18, 18A, 18C, and 18D.....</p>
<p>32(c)</p>	<p>[Untrue] statement, error, etc.--</p>	<p>New sub-clause proposed to be added namely:</p> <p>(c) submits any declaration electronically through automated clearan system regarding any matter of customs.</p>
<p>33</p>	<p>Refund to be claimed within [one year].—</p>	<p>A proviso has been proposed to be added as under:</p> <p>“Provided that no refund shall be allowed under this section if the sanctioning authority is satisfied that incidence of customs duty and other levies has been passed on to the buyer or consumer”.</p> <p>The amendment is in the line of section 3B and section 11 of the Sales Tax Act, 1990, and Federal Excise Act, 2005, respectively.</p>
<p>44</p>	<p>Delivery of import manifest in respect of a conveyance other than vessel.—The person-in-charge of a conveyance other than a vessel shall, within twenty-four hours after arrival thereof at a land customs-station or customs-airport, as the case may be, deliver an import manifest to the appropriate officer.</p>	<p>Proposed amended provision is as under:</p> <p>Delivery of import manifest in respect of a conveyance other than vessel.—The person-in-charge of a conveyance other than a vessel shall, before arrival or within twenty-four hours after arrival thereof at a land customs-station or customs-airport, as the case may be, deliver or file electronically an import manifest to the appropriate officer.</p>

<p>83</p>	<p>Clearance for homeconsumption.---</p> <p>(2) Where the owner fails to pay import duty and other charges within [ten] days from the date on which the same have been assessed under sections 80, 80A or 81, he shall be liable to pay surcharge at the rate of fourteen per cent per annum on import duty and other charges payable on such goods.</p>	<p>Proposed amended provision is as under:</p> <p>Clearance for homeconsumption.---</p> <p>(2) Where the owner fails to pay import duty and other charges within [ten] days from the date on which the same have been assessed under sections 80, 81, he shall be liable to pay surcharge at the rate of KI-BOR plus three per annum on import duty and other charges payable on such goods.</p>
<p>155F</p>	<p>Cancellation of registration of registered users.—</p> <p>[Provided that the Collector of Customs may, in exceptional circumstances, after recording reasons in writing and after hearing the aggrieved person, suspend the use of unique user identifier of any person forthwith on receipt of any complaint or information about violation of the Customs Act, 1969]</p>	<p>In the proviso,</p> <p>“and after hearing the aggrieved person” proposed to be omitted and thereafter new proviso has been added, the amended position is as under:</p> <p>[Provided that the Collector of Customs may, in exceptional circumstances, after recording reasons in writing, suspend the use of unique user identifier of any person forthwith on receipt of any complaint or information about violation of the Customs Act, 1969]</p> <p>“Provided further that the Collector of Customs shall, after giving opportunity of hearing, pass an order confirming suspension or otherwise the use of Unique User Identifier.”</p>
<p>179(3)</p>	<p>The cases shall be decided within [one hundred and twenty] days of receipt of the contravention report or within such period extended by the Collector for which reasons shall be recorded in writing, but such extended period shall in no case exceed ninety days.</p>	<p>The word issuance of show cause notice shall be substituted and the time period for extension has been reduced to sixty days and new proviso has been inserted. The amended position stands as under:</p> <p>The cases shall be decided within [one hundred and twenty] days of issuance of show cause notice or within such period extended by the Collector for which reasons shall be recorded in writing, but such extended period shall in no case exceed sixty days.</p>

		<p>“Provided that any period during which the proceedings are adjourned on the request of taxpayer or postponed due to any appeal or proceedings or stay order, remand or alternative dispute resolution proceedings or for any other reason, shall be excluded from the computation of these periods”.</p> <p>The proposed amendment meets end of justice whereby in special circumstances the adjudicating officer can afford proper opportunity have been heard to the aggrieved person without fear of approaching time bard limit for passing an Order.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">193-A</p>	<p>Procedure in appeal.--- (Collector Appeals)</p> <p>(3) The Collector (Appeals) may, after making such further inquiry as may be necessary pass an order, within ninety days from the date of filing of appeal or within such extended period as the Collector (Appeals) may for reasons to be recorded in writing, extend, confirm, modify or annual the decision or order appealed against:</p>	<p>The time period for extension has been reduced to sixty days and new proviso has been inserted. The amended position stands as under:</p> <p>The cases shall be decided within [one hundred and twenty] days of issuance of show cause notice or within such period extended by the Collector for which reasons shall be recorded in writing, but such extended period shall in no case exceed sixty days.</p> <p>“Provided that any period during which the proceedings are adjourned on the request of taxpayer or postponed due to any appeal or proceedings or stay order, remand or alternative dispute resolution proceedings or for any other reason, shall be excluded from the computation of these periods”.</p> <p>The proposed amendment meets end of justice whereby in special circumstances the adjudicating officer can afford proper opportunity have been heard to the aggrieved person without fear of approaching time bard limit for passing an Order.</p> <p>(3) The Collector (Appeals) may, after making such further inquiry as may be necessary pass an order, within one hundred and twenty such further inquiry as may be necessary pass an order, within sixty days from the date of filing of appeal or within such extended period as the Collector (Appeals) may for reasons to be recorded in writing, extend, modify or annual the decision or order appealed against:</p>

		<p>Provided that such extended period shall not exceed ninety days unless the Board further extends at any time during the pendency of appeal.</p> <p>Provided also that any period during which the hearing of any appeal is adjourned at the request of the appellant or is postponed due to any appeal or proceedings or for any other reason, shall be excluded in the computation of the aforementioned period.</p>
<p style="text-align: center;">194-B</p>	<p>Appellate Tribunal.--- Orders of Appellate Tribunal.--- The Appellate Tribunal may after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit confirming modifying or annulling the decision or order appealed against. The Appellate Tribunal may record additional evidence and decide the case but shall not remand the case for recording the additional evidence:</p> <p>Provided that the appeal shall be decided within sixty days of filing the appeal or within such extended period as the Tribunal may, for reasons to be recorded in writing, fix:</p> <p>Provided further that such extended period shall in no case exceed ninety days.</p>	<p>The amended proviso is as under:</p> <p>The Appellate Tribunal may after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit confirming modifying or annulling the decision or order appealed against. The Appellate Tribunal may record additional evidence and decided the case but shall not remand the case for recording the additional evidence:</p> <p>Provided that the appeal shall be decided within sixty days of filing the appeal or within such extended period of not more than a period of ninety days as the Tribunal may, for reasons to be recorded in writing, fix:</p> <p>Provided further that Appellate Tribunal shall not pass any order to suspend recovery of any amount of duty and taxes without providing opportunity of being heard to the respondents and the period of the stay shall not exceed one hundred and eighty days in aggregate”.</p>
<p style="text-align: center;">194-C</p>	<p>Procedure of Appellate Tribunal.---</p>	<p>Through this amendment the power of Bench sitting singly to decide case involving duty, tax, penalty or fine not exceeding Rs Rupees ten million, meaning thereby, limit of amount for hearing the case by single Bench enhance to Rupees Ten millionn. This is in line with power conferred by section 46(b) of the Sales Tax Act, 1990. The proposed amended provision is reproduced below:</p>

	<p>(3) Every appeal against a decision or order [deciding a case involving duty, tax, penalty or fine exceeding five million rupees] shall be heard by a Special Bench constituted by the Chairman such appeals and such Bench shall consist of not less than two members and shall include at least one judicial member and one technical member:</p> <p>Provided that the Chairman may, for reasons to be recorded in writing, constitute Benches including special Benches consisting of—</p> <p>(a) two or more technical members; or</p> <p>(b) two or more judicial members:</p> <p>Provided further that any Bench referred to in clause (a) shall not hear the matters involving question of law.</p>	<p>(3) Every appeal against a decision or order [deciding a case involving duty, tax, penalty or fine exceeding ten million rupees] shall be heard by a Special Bench shall consist of not less than two members and shall include at least one judicial member and one technical member:</p> <p>Omitted</p> <p>The omission of first and second provisos is to undo decision of the Honourable High Court, Sindh, Karachi, in reported judgment as 2009 PTD 266 (HC, Karachi) whereby it was held at member technical is not competent to adjudicate upon question of law.</p> <p>After the omission of the provisos, no more ambiguity exists.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">195-C</p>	<p>[Alternative] Dispute Resolution.—</p> <p>(1) Notwithstanding anything in this Act, or the rules made there under, any aggrieved person, in connection with any dispute pertaining to liability of customs-duty, admissibility of refund or rebate, waiver or fixation of penalty or fine, confiscation of goods, relaxation of any time period or procedural and technical condition which is under litigation in any Court of law or an Appellate Authority, except in the cases where first information reports (FIRs) have been lodged or criminal proceedings have been initiated or where interpretation of question of law having larger revenue impact in the opinion of the Board is involved, may apply to the Board for the appointment of a Committee for the resolution of dispute in appeal.</p>	<p>The amended proviso is as under:</p> <p>(1) Notwithstanding anything in this Act, or the rules made there under, any aggrieved person, in connection with any dispute pertaining to liability of customs-duty, admissibility of refund or rebate, waiver or fixation of penalty or fine, confiscation of goods, relaxation of any time period or procedural and technical condition which is under litigation in any Court of law or an Appellate Authority, except in the cases where first information reports (FIRs) have been lodged or criminal proceedings have been initiated or where interpretation of question of law having larger revenue impact in the opinion of the Board is involved, may apply to the Board for the appointment of a Committee for the resolution of dispute in appeal.</p>

<p>(2) Subject to the provision of sub-section (1), the Board, after examination of the application of an aggrieved person, may appoint a committee, within thirty days of receipt of such application, consisting of an officer of customs and two persons from a notified panel of retired District and Session Judge and retired Judges of High Court or Chartered or Cost Accountants, Advocates, Tax consultants or reputable taxpayers for the resolution of dispute in appeal.</p> <p>(3) The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of customs or any other person to conduct an audit and make recommendations resolution of dispute as it may deem fit:</p> <p>Provided that the period of sixty days stipulated for making the recommendations may be extended by the Board for another sixty days on specific request of the committee.</p> <p>(4) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate.</p> <p>(4A) Notwithstanding anything contained in sub-section (4), the Chairman and a member nominated by him may, on the writing and on being satisfied that there is an error in the order or decision, pass such order as may be deemed just and equitable.</p> <p>(5) The aggrieved person may make the payment of customs duty and other taxes as determined [if any] by the Board in its order under sub-section (4) and all decisions, orders and Judgment made or passed shall stand modified to that extent and all proceedings under this Act or the rules made thereunder by any authority shall abate:</p>	<p>(2) Subject to the provision of sub-section (1), the Board, after examination of the application of an aggrieved person, may appoint a committee, within sixty days of receipt of such application, consisting of an officer of customs and two persons from a notified panel of retired District and Session Judge and retired Judges of High Court or Chartered or Cost Accountants, Advocates, Tax consultants or reputable taxpayers for the resolution of dispute in appeal.</p> <p>(3) The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of customs or any other person to conduct an audit and make recommendations resolution of dispute as it may deem fit.</p> <p>Provided that the period of ninety days stipulated for making the recommendations may be extended by the Board for another sixty days on specific request of the committee.</p> <p>(3A) If the Committee constituted under sub-section (2) fails to make recommendations within the stipulated period under (3), the Board may dissolve the committee and constitute a new committee.</p> <p>(4) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate, “within forty-five days of the receipt of recommendations of the committee”.</p> <p>(4A) Notwithstanding anything contained in sub-section (4), the Chairman and a member nominated by him may, on the writing and on being satisfied that there is an error in the order or decision, pass such order as may be deemed just and equitable.</p> <p>(5) The aggrieved person may make the payment of customs duty and other taxes as determined [if any] by the Board in its order under sub-section (4) and all decisions, orders and Judgment made or passed shall stand modified to that extent and all proceedings under this Act or the rules made thereunder by any authority shall abate:</p>
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	<p>Provided that, in case the matter is already sub-judice before any authority or tribunal or the court, an agreement made between the aggrieved person and the Board in the light of recommendations of the committee shall be submitted before that authority, tribunal or the court for consideration and order as deemed appropriate.</p> <p><u>Punishment for offensive</u></p> <p>If the owner or any other person fraudulently concealed in or attempted to remove the goods from bonded area of port shall be liable to pay penalty.</p>	<p>Provided that, in case the matter is already sub-judice before any authority or tribunal or the court, an agreement made between the aggrieved person and the Board in the light of recommendations of the committee shall be submitted before that authority, tribunal or the court for consideration and order as deemed appropriate.</p> <p><u>Punishment for offensive</u></p> <p>If the owner or any other person fraudulently concealed in or attempted to remove the goods from bonded area of port shall be liable to pay penalty.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">202A</p>	<p>Levy of surcharge.-</p> <p>Notwithstanding anything contained in this Act and without prejudice to any other action that may be taken thereunder, if any person fails to pay the arrears within the prescribed time, he shall, in addition to the arrears, be liable to pay surcharge at the rate of one and a half per cent per month, of the total amount of arrears.</p>	<p>A proviso has been proposed to be added in the section as under:</p> <p>Notwithstanding anything contained in this Act and without prejudice to any other action that may be taken thereunder, if any person fails to pay the arrears within the prescribed time, he shall, in addition to the arrears, be liable to pay surcharge at the rate of KIBOR plus three per cent per annum, of the total amount of arrears.</p>

LIST OF SROs (CUSTOMS)

SRO NO.	DATE	BRIEF																
553(I)/2009	11-06-08	SRO. 947(I)/2007, dated the 12 th September, 2007, SRO. 1172(I)/2007, dated the 5 th December 2007 have been rescinded, affected from 12-06-2009.																
554(I)/2009	11-06-08	Amendment in notification SRO. 575(I)/2006, dated 05.06.2006.																
555(I)/2009	11-06-08	Procedure to release the financial securities in respect of imports of goods by WAPDA, KESC under various concessionary notify.																
559(I)/2009	11-06-08	Concessionary custom duty on import of raw material for manufacturer having facility act (AJ&K)																
560(I)/2009	11-06-08	Table has been substituted namely, <table border="1" data-bbox="521 604 1382 1024"> <thead> <tr> <th>Automotive vehicles meant for transport of persons.</th> <th>Duty and taxes in US\$ or equivalent amount in Pak rupees</th> </tr> </thead> <tbody> <tr> <td>1. Upto 800CC (Asian makes only)</td> <td>US\$4400</td> </tr> <tr> <td>2. Upto 800CC (Other than Asian make)</td> <td>US\$6600</td> </tr> <tr> <td>3. from 801CC to 1000CC</td> <td>US\$5500</td> </tr> <tr> <td>4. from 1001CC to 1300CC</td> <td>US\$11000</td> </tr> <tr> <td>5. from 1301CC to 1500CC</td> <td>US\$15400</td> </tr> <tr> <td>6. from 1501CC to 1600CC</td> <td>US\$18700</td> </tr> <tr> <td>7. from 1601CC to 1800CC (Asian makes only, but excluding jeeps)</td> <td>US\$23100</td> </tr> </tbody> </table> <p>Effective from 12th June, 2009.</p>	Automotive vehicles meant for transport of persons.	Duty and taxes in US\$ or equivalent amount in Pak rupees	1. Upto 800CC (Asian makes only)	US\$4400	2. Upto 800CC (Other than Asian make)	US\$6600	3. from 801CC to 1000CC	US\$5500	4. from 1001CC to 1300CC	US\$11000	5. from 1301CC to 1500CC	US\$15400	6. from 1501CC to 1600CC	US\$18700	7. from 1601CC to 1800CC (Asian makes only, but excluding jeeps)	US\$23100
Automotive vehicles meant for transport of persons.	Duty and taxes in US\$ or equivalent amount in Pak rupees																	
1. Upto 800CC (Asian makes only)	US\$4400																	
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561(I)/2009	11-06-08	Tariff Based System (TBS) Notification SRO 693(I)/2006, dated 1 st July, 2006, regarding levy of additional Custom Duty, has been further modified.																
562(I)/2009	11-06-08	Amendment in SRO655(I)/2006, dated 22.06.2006.																
563(I)/2009	11-06-08	Amendment in SRO656(I)/2009, dated 22.06.2009.																
564(I)/2009	11-06-08	The concessionary notification No. SRO565(I)/2006, dated 05.06.2006 has been further modified under which certain new products have been intruded and the condition of local content i.e. “as are not manufactured locally” has been abolished.																
565(I)/2009	11-06-08	The general exemption SRO567(I)/2006, dated 05.06.2006 has been further modified vide SRO565(I)/2009 with the view duly on a member of new items have been either reduced or exempted. Similarly Customs Duty on materials used in the manufacturing of drugs has been further reduced to 5% and on live saving has been abolished.																
568(I)/2009	11-06-08	Relief for vehicles imported in violation of import policy for which IGM had been filed on or before 31.05.2009 and smuggle vehicle other than having tempered engine or chases Numbers had been ceased before 31.05.2009.																