



# THE CUSTOMS ACT, 1969

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**THE FIRST SCHEDULE**

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# THE CUSTOM ACT, 1969

<sup>1</sup>[Act No. IV of 1969]

[3rd March, 1969]

## An Act to consolidate and amend the law relating to Customs

Whereas it is expedient to consolidate and amend the law relating to the levy and collection of customs-duties <sup>1</sup>[,fee and service charges] and to provide for other allied matters:

It is hereby enacted as follows:-

### CHAPTER 1 PRELIMINARY

#### 1. Short title, extent and commencement.-

- (1) This Act may be called the Customs Act, 1969.
- (2) It extends to the whole of Pakistan.
- (3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.

**2. Definitions.-** In this Act, unless there is anything repugnant in the subject or context:-

- (a) **“adjudicating authority”** means any authority competent to pass any order or decision under this Act, but does not include the Board, the Collector (Appeals) or the Appellate Tribunal;
- (ai) **“advance ruling”** means classification determined by the Board or any officer, or committee authorized by the Board for the assessment of the goods intended to be imported or exported;
- (aa) **“agent”** means a person licensed under section 207 or permitted to transact any business under section 208;
- (aaa) **“Appellate Tribunal”** means the Customs <sup>2</sup>[\* \* \*] Appellate Tribunal constituted under section 194;
- <sup>1</sup>**(b) appropriate officer,** means the officer of customs to whom such functions have been assigned by or under this Act or the rules made there under;]
- (bb) **“assessment”** includes provisional assessment, reassessment and any order or assessment in which the duty assessed is nil;
- <sup>3</sup>**(bba) “audit”** means examination of books, records, documents, correspondence, stocks and inventory of goods relating to import, export and other business activities of the persons referred to in section 211, in order to ascertain their liability of duties and taxes and compliance with relevant laws and rules;]
- (bbb) **“baggage”** includes unaccompanied baggage but does not include motor vehicles;

<sup>1</sup>[\* \* \*]

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<sup>1</sup>Ins and Subs. by Act IV of 2007, s.8 (w.e.f.1-07-2007).

<sup>2</sup>Omitted by Act XVI of 2010, s.3 (w.e.f 1-07-2010).

<sup>3</sup>Omitted and Ins. by Act III of 2006, s. 8.

<sup>1</sup>[\* \* \*]

<sup>2</sup>[(e) [**“Board”** means the Central Board of Revenue established under the Central Board of Revenue Act, 1924 (IV of 1924), and on the commencement of Federal Board of Revenue Act, 2007, the Federal Board of Revenue established under section 3 thereof;]

(ea) **“carrier”** means the person actually transporting goods or in charge of, or responsible for, the operations of the means of transport or the owner thereof;

(f) **“coastal goods”** means the goods transported in a vessel from one port in Pakistan to another, but does not include imported goods on which customs duty has not been paid;

(fa) **“Collector”** means Collector of Customs appointed under section 3 and includes any other officers equivalent in rank with any other designation appointed under this Act to perform specified functions in own jurisdiction;

(ff) **“Collector (Appeals)”** means a person appointed to be a Collector of Customs (Appeals) under section 3;

(g) **“conveyance”** means any means of transport used for carrying goods or passengers such as a vessel, aircraft, vehicle or animal;

(h) **“customs-airport”** means any airport declared under section 9 to be a customs- airport;

(i) **“customs-area”** means the limits of the customs-station specified under section 10 and includes any area in which imported goods or goods for export are ordinarily kept before clearance by the customs authorities;

(ia) **“Customs Computerized System”** means a comprehensive Customs information technology system specified in Chapter XVI-A;

<sup>1</sup>[\* \* \*]

(j) **“customs-port”** means any place declared under section 9 to be a customs-port;

<sup>1</sup>[\* \* \*]

<sup>3</sup>[(k) **“customs-station”** means any customs-station, customs-airport, an inland river port, land customs-station or any place declared as such under section 9;]

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<sup>1</sup>Omitted and Ins. by Act III of 2006, s.8.

<sup>2</sup> Subs. by Act IV of 2007, s. 8 (w.e.f 1-07-2007).

<sup>3</sup> Subs. by Finance Act 2014, s. 2 (w.e.f 1-07-2014).

[(kk) “**detain**, in relation to goods”, means to prohibit the disposal or use of the goods, pending the finalization of any proceedings under this Act in relation to the goods or the owner thereof;]

<sup>1</sup>[(kka) “**documents**” means a goods declaration, application for claim of refund, duty drawback or repayment of duty, import or export general manifest, passenger manifest, bill of lading, airway bill, commercial invoice and packing list or similar other forms or documents used for customs clearance or making a declaration to Customs, whether or not signed or initialed or otherwise authenticated, and also includes,-

(i) any form of writing on material, data or information recorded, transmitted, or stored by means of a tape recorder, computer or any other device, and material subsequently derived from information so recorded, transmitted or stored;

(ii) a label, marking or other form of writing that identifies anything of which it forms part or to which it is attached by any means;

(iii) a book, map, plan, graph, or drawing; and

(iv) a photograph, film, negative, tape, or other device in which one or more visual images are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced; and

(kkb) “**electronic duty drawback filing and payment system**” means Electronic Duty Drawback Filing and Payment System as specified by the rules;]

(kkk) “**export manifest**” means export manifest delivered under sub- section (2) of section 53 and includes electronically filed export manifest;

(l) “**goods**” means all movable goods and includes-

(i) conveyance,

(ii) stores and materials,

(iii) baggage, and

(iv) currency and negotiable instruments;

<sup>2</sup>[(la) “**goods declaration**” means a goods declaration filed under sections 79, 104, [121]<sup>3</sup> 131, 139 or 144 and includes a goods declaration electronically filed;]

(lb) “**import manifest**” means import manifest delivered under section 43 or 44 as the case may be and includes electronically filed import manifest;]

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<sup>1</sup>Omitted and Ins. by Act III of 2006, s.8.

<sup>2</sup>Subs. by Act III of 2006, s. 8.

<sup>3</sup>Subs. by the Finance Act xxii of 2013, s.2 (w.e.f.1-07-2013).

<sup>1</sup>[(**Ic**) “**KIBOR**” means Karachi Inter Bank Offered Rate prevalent on the first day of each quarter of the financial year;]

(**m**) <sup>2</sup>(\*\*\*)

(**n**) “**master**” when used in relation to any vessel, means any person, except a pilot or harbour master, having command or charge of such vessel;

(**o**) “**officer of customs**” means an officer appointed under section 3;

(**p**) “**Pakistan customs-waters**” means the waters extending into the sea to a distance of twelve nautical miles measured from the appropriate base line on the coast of Pakistan;

(**pa**) “**person** ” includes a company, an association, a body of individuals whether incorporated or not;

(**q**) “**person-in-charge**” means—

(**i**) in relation to a vessel, the master of the vessel;

(**ii**) in relation to an aircraft, the commander or pilot in charge of the aircraft;

(**iii**) in relation to a railway train, the conductor, guard or other person having the chief direction of the train;

(**iv**) in relation to any other conveyance, the driver or any other person having control of the conveyance;

(**qa**) “**principal**” means the owner of the goods or the person primarily responsible for making a declaration to Customs under this Act and includes the person in-charge of the conveyance, carrier, custodian of cargo, and the terminal operator;

(**r**) “**rules**” means the rules made under this Act;

(**rr**) “**seize**” means to take into custody, physically or otherwise, goods in respect of which some offence has been committed or is believed to have been committed under this Act or the rules, and all cognate words and expressions shall be construed accordingly;

(**s**) “**smuggle**” means to bring into or take out of Pakistan, in breach of any prohibition or restriction for the time being in force, <sup>3</sup>[or enroute pilferage of transit goods] or evading payment of customs-duties or taxes leviable thereon,-

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<sup>1</sup>Ins. by Act I of 2009, s.2. (w.e.f 1-07-2009).

<sup>2</sup>Omitted by Finance Act 2014, s.2 (w.e.f 1.07.14)

<sup>3</sup>Ins. by the Finance Act 2013 s.2 (w.e.f 01.07.13)

- (i) gold bullion, silver bullion, platinum, palladium, radium, precious stones, antiques, currency, narcotics and narcotic and psychotropic substances; or
- (ii) manufactures of gold or silver or platinum or palladium or radium or precious stones, and any other goods notified by the Federal Government in the official Gazette, which, in each case, exceed 1[one hundred and] fifty thousand rupees in value; or
- (iii) any goods by any route other than a route declared under section 9 or 10 or from any place other than a customs-station.

and includes an attempt, abetment or connivance of so bringing in or taking out of such goods; and all cognate words and expressions shall be construed accordingly;

(ss) **“Special Judge”** means a Special Judge appointed under Section 185;

(sss) **“Special Appellate Court”** means a Special Appellate Court constituted under section 46 of the Prevention of Smuggling Act,1977;

<sup>2</sup>[(ssss) **“surcharge”** means an amount or charge required to be paid under sections 21A, 83,86,98 and 202A or any surcharge payable as such under this Act;]

(t) **“warehouse”** means any place appointed or licensed under section 12 or section 13;

(u) **“warehousing station”** means a place declared as a warehousing station under section 11;

(v) **“wharf”** means any place in customs-port approved under clause (b) of section 10 for the loading and unloading of goods or any class of goods;

(w) <sup>2</sup>“**[\*\*\*] arrears**” means the amount of any duty, surcharge, fine or penalty <sup>2</sup>[or any other amount] which is adjudged or demanded through an adjudication order passed by the competent authority or the amount referred to in the notice under sub-section (2) of section 202 which is recoverable in full or in part and is not paid within the time prescribed;

(x) **“default”** means the failure to pay the outstanding arrears as defined in clause (w); and

(y) **“defaulter”** means the person and in the case of a company or firm every director or partner of the company or, as the case may be of the firm and of which he is a director or a partner of proprietor, and includes the guarantor who fails to pay outstanding arrears.]

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<sup>1</sup> Ins. by Act XVI of 2010, s.3, (w.e.f 01-07-2010).

<sup>2</sup>Ins. and Omitted by Act III of 2006, s. 8.

## CHAPTER II

### APPOINTMENT OF OFFICERS OF CUSTOMS AND THEIR POWERS

**3. Appointment of officers of customs.-** For the purposes of this Act, the Board may, by notification in the official Gazette, appoint, in relation to any area specified in the notification, any person to be

- (a) a Chief Collector of Customs;
- (b) a Collector of Customs;
- (c) a Collector of Customs (Appeals);
- (d) an Additional Collector of Customs;
- (e) a Deputy Collector of Customs;
- (f) an Assistant Collector of Customs;
- (g) an officer of Customs with any other designation.

<sup>1</sup>**[3A. Directorate General of Intelligence and Investigation, Federal Board of Revenue.-** The Directorate General of Intelligence and Investigation shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>2</sup>**[3AA. Directorate General of Transit Trade.** The Directorate General of Transit trade shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>1</sup>**[3B. Directorate General of Internal Audit.-** The Directorate General of Internal Audit shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>2</sup>**[3BB. Directorate General of Reform and Automation.** The Directorate General of Reform and Automation shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.

**3BBB. Directorate General of Risk Management.** The Directorate General of Risk Management shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

**3C. Directorate General of Training and Research.—** The Directorate General of Training and Research shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.

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<sup>1</sup> Subs. by Act IV of 2007, s.8 (w.e.f 1-07-2007).

<sup>2</sup> Ins. by Act XVII of 2012, s.4, (w.e.f 1-07-2012)



<sup>1</sup>[ **3CC. Directorate General of Intellectual Property Rights Enforcement.** The Directorate General of Intellectual Property Rights Enforcement shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>2</sup>[**3D. Directorate General of Valuation.-** The Directorate General of Valuation shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>3</sup>[**3DD. Directorate General of Post Clearance audit (PCA).** The Directorate-General of Post Clearance Audit(PCA) shall consist of a Directors-General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

<sup>4</sup>[**3DDD. Directorate General of Input Output Co-efficient Organization.** The Director General of Input Output Co-efficient Organization (1000) shall consist of a Director General and as many Director, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

**3E. Powers and functioning of the Directorates, etc.** The Board may specify the functions, jurisdiction and powers of the Directorates specified in the preceding sections and their officers by notification in the official Gazette.]

**4. Powers and duties of officers of custom.**— An officer of customs appointed under section 3 shall exercise such powers and discharge such duties as are conferred or imposed on him by or under this Act <sup>3</sup>[or the rules made thereunder]; and he shall also be competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties as it thinks fit.

**5. "Delegation of powers.-** (1) The Board may, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, empower by name or designation-

- (a) any Additional Collector of Customs or Deputy Collector of Customs to exercise any of the powers of a Collector of Customs under this Act;
- (b) any Deputy Collector of Customs or Assistant Collector of Customs to exercise any of the powers of an Additional Collector of Customs under this Act;
- (c) any Assistant Collector of Customs to exercise any of the powers of a Deputy Collector of Customs under this Act; and
- (d) any other officer of customs with any other designation.

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<sup>1</sup> Ins by Act XVII of 2012, s.4, (w.e.f 1-07-2012).

<sup>2</sup> Subs. by Act IV of 2007, s.8 (w.e.f 1-07-2007).

<sup>3</sup> Ins. by Act I of 2008, s.5 (w.e.f 1-07-2008).

<sup>4</sup> Ins. by Finance Act XXII of 2013, s. 2 (w.e.f. 1-07-2013).

<sup>5</sup> Ins. by Act III of 2006, s.8.

(2) Unless the Board in any case otherwise directs, the Director General, Director, and Collector may authorize any officer to exercise within any specified area any of the powers of the Director General, Director, Collector or any other officer of Customs under this Act.

**6. Entrustment of functions of customs officers to certain other officers.-** (1) The Board may, by notification in the official Gazette, entrust, either conditionally or unconditionally, any functions of any officer of customs under this Act to any officer of the Federal Government, Provincial Government, State Bank of Pakistan and Scheduled Banks:

Provided that where any officer in performance of his functions under this section commits any offence under this Act, such officer shall, in addition to any other penalty which may be imposed under any other law for the time being in force, be liable to such punishment as is specified in sub-section (1) of section 156 for the offence committed by him.

(2) No officer entrusted with any functions of any officer of customs under sub-section (1) shall interfere in any manner in the performance or discharge of any duty by an officer of customs in places notified under section 9.

**7. Assistance to the officers of customs.-** All officers of <sup>1</sup>[Federal] Excise, Police, and the Civil Armed Forces, and all officers engaged in the collection of land-revenue are hereby empowered and required to assist officers of customs in the discharge of their functions under this Act.

**8. Exemption from service on jury or inquest or as assessors.-** Notwithstanding anything contained in any other law, no officer of the Board or Collector of Customs and no other officer of customs whom the Board or Collector of Customs deems it necessary to exempt on grounds of public duty, shall be compelled to serve on any jury or inquest or as an assessor.

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<sup>1</sup>Subs. by Finance Act 2014, s.2 (w.e.f 1-07-2014).

## CHAPTER III

### DECLARATION OF PORTS, AIRPORTS, LAND CUSTOMS STATIONS, ETC.

**9. Declaration of customs-ports, customs airports, etc.-** The Board may, by notification in the official Gazette, declare:

- (a) the places which alone shall be customs-ports or customs-airports for the clearance of goods or any class of goods imported or to be exported;
- (b) the places which alone shall be land customs-stations for the clearance of goods or any class of goods imported or to be exported by land or inland waterways;
- (c) the routes by which alone goods or any class of goods specified in the notification may pass by land or inland waterways into or out of Pakistan, or to or from any land customs-station or to or from any land frontier;
- (d) the places which alone shall be ports for the carrying on of coastal trade with any specified customs-ports in Pakistan; and
- (e) what shall for the purposes of this Act be deemed to be a custom house and the limits thereof.

**10. Power to approve landing places and specify limits of customs-stations.-**The Board may, by notification in the official Gazette:-

- (a) specify the limits of any customs-station; and
- (b) approve proper places in any customs-station for the loading and unloading of goods or any class of goods.

**11. Power to declare warehousing stations.-** The Board may, by notification in the official Gazette, declare places to be warehousing stations at which alone public warehouses may be appointed and private warehouses may be licensed.

**12. Power to appoint or licence public warehouses.-**(1) At any warehousing station, the Collector of Customs may, from time to time, appoint or licence public warehouses wherein dutiable goods may be deposited without payment of customs- duty.

(2) Every application for a licence for a public warehouse shall be made in such form as may be prescribed by the Collector of Customs.

(3) A licence granted under this section may be cancelled by the Collector of Customs for infringement of any condition laid down in the licence or for any violation of any of the

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provisions of this Act or any rules made there-under, after the licensee has been given proper opportunity of showing cause against the proposed cancellation.

(4) Pending consideration whether a licence be cancelled under sub-section (3), the Collector of Customs may suspend the licence.

**13. Power to licence private warehouses.**-(1) At any warehousing station, the Collector of Customs may, from time to time, licence private warehouses wherein dutiable goods may be deposited without payment of customs-duty.

(2) Every application for a licence for a private warehouse shall be made in such form as may be prescribed by the Collector of Customs.

(3) A licence granted under this Section may be cancelled by the Collector of Customs for infringement of any condition laid down in the licence or for any violation of any of the provisions of this Act or any rules made there under, after the licensee has been given proper opportunity of showing cause against the proposed cancellation.

(4) Pending consideration whether a licence be cancelled under sub-section (3), the Collector of Customs may suspend the licence.

**14. Stations for officers of customs to board and land.**- The Collector of Customs may, from time to time, appoint, in or near any customs-port, stations or limits at or within which vessels arriving at or departing from such port shall bring to for the boarding or landing of officers of customs, and may, unless separate provisions therefore have been made under the Ports Act, 1908 (XV of 1908) direct at what particular place in any such port vessels, not brought into port by pilots, shall anchor or moor.

<sup>1</sup>[(14-A. Provision of security and accommodation at Customs-ports, etc.-(1) Any agency or person including port authorities managing or owning a customs-port, a customs-airport or a land customs station or a container freight station shall provide at its or his own cost adequate security and accommodation to customs staff for residential purposes, offices, examination of goods, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation.

(2) Any agency or person including, but not limited to port authorities managing or owning a customs port, a customs airport or a land customs station or a container freight station, shall entertain delay and detention certificate issued by an officer not below the rank of Assistant Collector of Customs and also refund demurrage charges which the agency or person has received on account of delay because of no fault of importers or exporters.]

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<sup>1</sup>Subs. by Finance Act, XXII of 2013, s. 2 (.w.e.f 1-07-2013).

## CHAPTER IV

### PROHIBITION AND RESTRICTION OF IMPORTATION AND EXPORTATION

**15. Prohibitions.**- No goods specified in the following clauses shall be brought into or taken out of Pakistan, namely:-

- (a) counterfeit coins, forged or counterfeit currency notes, and any other counterfeit product;
- (b) any obscene book, pamphlet, paper, drawing, painting, representation, figure, photograph, film, or, article, video or audio recording, CDs or recording on any other media;
- (c) goods having applied thereto a counterfeit trade mark within the meaning of the Pakistan Penal Code, 1860 (Act XLV of 1860), or a false trade description within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000), the Registered Designs Ordinance, 2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance, 2001 (XIX of 2001) <sup>1</sup>[\* \* \*];
- (d) goods made or produced outside Pakistan and having applied thereto any name or trade mark, being or purporting to be the name or trade mark of any manufacturer, dealer or trader in Pakistan, unless,-
  - (i) the name or trade mark is, as to every application thereof, accompanied by a definite indication of the goods having been made or produced in a place outside Pakistan; and
  - (ii) the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trade mark, and in the same language and character as the name or trade mark;
- (e) goods involving infringement of copyright, layout-design of integrated circuits, industrial designs, patents within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Designs Ordinance, 2000 (XLV of 2000), and the Patents Ordinance, 2000 (LXI of 2000), respectively; and

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<sup>1</sup>Omitted by Finance Act XVI of 2011, s. 2 (w.e.f 1-7-2011).

(f) goods made or produced outside Pakistan and intended for sale, and having applied thereto, a design in which copyright exists under the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout Designs of Integrated Circuits Ordinance, 2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance, 2001 (XIX of 2001), in respect of the class to which the goods belong or any fraudulent or obvious imitation of such design, patent, copyright except when the application of such design has been made with the licence or written consent of the registered proprietor, right holder of the design, patent or copyright, as the case may be:

<sup>1</sup>[Provided that offences relating to goods imported or exported in violation of Intellectual Property Rights shall, notwithstanding any thing contained in any other law for the time being in force, be adjudicated under section 179 by the appropriate officer of customs.]

**16. Power to prohibit or restrict importation and exportation of goods.**- The Federal Government may, from time to time, by notification in the official Gazette, prohibit or restrict the bringing into or taking out of Pakistan of any goods of specified description by air, sea or land.

**17. Detention, seizure and confiscation of goods imported in violation of section 15 or section 16.**-Where any goods are imported into, or attempted to be exported out of, Pakistan in violation of the provisions of section 15 or of a notification under section 16, such goods shall, without prejudice to any other penalty to which the offender may be liable under this Act or the rules made there under or any other law, be liable to detention, for seizure or confiscation subject to approval of an officer not below the rank of an Assistant Collector of Customs, and seizure for confiscation through adjudication, if required.

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<sup>1</sup>Added by Act I of 2009, s.2 (w.e.f 1-07-2009).

## CHAPTER V

### LEVY OF, EXEMPTION FROM, AND REPAYMENT OF, CUSTOMS-DUTIES

**18. Goods dutiable.**-(1) Except as hereinafter provided, customs duties shall be levied at such rates as are prescribed in the First Schedule or under any other law for the time being in force on,-

- (a) goods imported into Pakistan;
- (b) goods brought from any foreign country to any customs station, and without payment of duty there, transshipped or transported for, or thence carried to, and imported at any other customs- station; and
- (c) goods brought in bond from one customs station to another.

<sup>1</sup>[(1A) Notwithstanding anything contained in sub-section (1), customs duties shall be levied at such rates on import of goods or class of goods as are prescribed in the Fifth Schedule, subject to such conditions, limitations and restrictions as prescribed therein.];

(2) No export duty shall be levied on the goods exported from Pakistan.

(3) The Federal Government may, by notification in the official Gazette, levy, subject to such conditions, limitations or restrictions as it may deem fit to impose, a regulatory duty on all or any of the goods imported or exported, as specified in the First Schedule at a rate not exceeding one hundred per cent of the value of such goods as determined under section 25 <sup>2</sup>[ or, as the case may be, section 25A].

(4) The regulatory duty levied under sub-section (3) shall

- (a) be in addition to any duty imposed under sub-section (1) or under any other law for the time being in force; and
- (b) be leviable on and from the day specified in the notification issued under that sub-section, notwithstanding the fact that the issue of the official Gazette in which such notification appears is published at any time after that day.]

<sup>3</sup>[(5) The Federal Government may, by notification in the official Gazette, levy an additional customs-duty on such imported goods as are specified in the First Schedule, at a rate not exceeding thirty-five per cent of value of such goods as determined under section 25. <sup>2</sup>[ or, as the case may be, section 25A.]

<sup>2</sup>[Provided that the cumulative incidence of customs-duties leviable under sub-sections (1), (3) and (5) shall not exceed the rates agreed to by the Government of Pakistan under multilateral trade agreements.]

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<sup>1</sup> Ins. by Finance Act 2014, s.2 (w.e.f 01-07-2014).

<sup>2</sup> Added and subs. by Act IV of 2007, s.8 (w.e.f 01-07-2007).

<sup>3</sup> Added by Act III of 2006, s. 8.

(6) The additional customs-duty levied under sub-section (5) shall be,-

- (a) in addition to any duty imposed under sub-sections (1) and (3) or under any other law for the time being in force; and
- (b) leviable on and from the day specified in the notification issued under that sub-section, notwithstanding the fact that the official Gazette in which such notification appears is published at any time after that day.]

**18A. Special customs duty on imported goods.**— The Federal Government may, by notification in the official Gazette, levy a special customs duty on the importation of such of the goods specified in the First Schedule as are of the same kind as goods produced or manufactured in Pakistan, at a rate not exceeding the rate of duty of excise leviable under the <sup>1</sup>[Federal Excises Act, 2005,] on the goods produced or manufactured in Pakistan:

Provided that the exemption of any goods from the whole or any part of the duty of excise for the time being in force shall not prevent the Federal Government from levying a special customs duty on the importation of goods of the same kind:

Provided further that, for the purposes of the Sales Tax Act 1990 (VII of 1990), the special customs duty shall not constitute a part of the value of supply.

**18B. [Omitted.]**

**18C. Rates of duty and taxes and determination of origin under trade agreements.**- (1) Whereunder a trade agreement between the Government of Pakistan and the Government of a foreign country or territory, duty at a rate lower than that specified in the First Schedule is to be charged on articles which are the produce or manufacture of such foreign country or territory, the Federal Government may, by notification in the official Gazette, make rules for determining if any article is the produce or manufacture of such foreign country or territory and for requiring the owner to make a claim at the time of importation, supported by such evidence as may be prescribed in the said rules, for assessment at the appropriate lower rate under such agreement.

(2) Where in respect of any article, a preferential rate of duty is specified in the First Schedule, or is admissible by virtue of a notification under sub-section (1), the duty to be levied and collected shall be at the standard rate unless the owner of the article claims at the time of importation that it is chargeable with a preferential rate of duty, being the produce or manufacture of such preferential or free trade area, as is notified under sub-section (3) and the article is determined, in accordance with the rules made under sub-section (1) to be such produce or manufacture.

(3) For the purposes of this section and the First Schedule, "preferential area or free trade area" means any country or territory which the Federal Government may, by notification in the official Gazette, declare to be such area.

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<sup>1</sup>For expression Central Excise Act 1944 (I of 1944) subs. by Finance Act 2014, s. 2 (w.e.f. 1.7.2014)



(4) Notwithstanding anything contained in sub-sections (1) and (2), where the Federal Government is satisfied that, in the interests of trade including promotion of exports, it is necessary to take immediate action for discontinuing the preferential rate or increasing the preferential rate to a rate not exceeding the standard rate, or decreasing the preferential rate, in respect of an article specified in the First Schedule, the Federal Government may, by notification in the official Gazette, direct discontinuation of, or increase or decrease, as the case may be, the preferential rate.

<sup>1</sup>[**18D. Levy of fee and service charges.** The Federal Government may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy fee and service charges for examination, scanning, inspections, sealing and desealing, valuation check or in respect of any other service or control mechanism provided by any formation under the control of the Board, including ventures of public-private partnership, at such rates as may be specified in the notification.]

<sup>2</sup>**18E. Pakistan Customs Tariff.** The Board may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, make such changes in the Pakistan Customs Tariff, specified in the First Schedule to this Act, required only for the purposes of statistical suffix of the Pakistan Customs Tariff (PCT) Code.]

**19. General power to exempt from customs-duties.-** <sup>3</sup>[(1) The Federal Government pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in the emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in duties, development of backward areas, implementation of bilateral and multilateral agreements, <sup>4</sup>[and to any international financial institution or foreign government owned financial institution operating under a memorandum of understanding, an agreement or any other arrangement with the Government of Pakistan, subject to such conditions, limitations or restrictions, if any, as it deems fit to impose, may, by notification in the official Gazette, exempt any goods imported into, or exported from, Pakistan or into or from any specified port or station or area therein, from the whole or any part of the customs-duties chargeable thereon and may remit fine, penalty, charge or any other amount recoverable under this Act.]

(2) A notification issued under sub-section (1) shall be effective from the day specified therein, notwithstanding the fact that the issue of the official Gazette in which such notification appears is published at any time after that day.

(3) Notwithstanding anything contained in any other law for the time being in force, including but not limited to the Protection of Economic Reforms 1992 (XII of 1992), and notwithstanding any decision or judgment of any forum, authority or court, no person shall, in the absence of a notification by the Federal Government published in the official Gazette expressly granting and affirming exemption from customs duty, be entitled to or have any right to any such exemption from or refund of customs duty on the basis of the doctrine of promissory estoppel or on account of any correspondence or admission or promise or commitment or concessionary order made or understanding given whether in writing or otherwise, by any government department or authority.

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<sup>1</sup> Ins. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).

<sup>2</sup> Ins. by Finance Act of 2012, s. 4 (w.e.f 1-7-2012).

<sup>3</sup> Subs. by Act V of 2015, s. 2 (w.e.f 1-7-2015).

<sup>4</sup> Subs. and ins, by Act XXIX of 2016, s. 2.

<sup>1</sup>[(4) The Federal Government shall place before the National Assembly all notifications issued under this section in a financial year.

(5) Any notification issued under sub-section (1) after the commencement of the Finance Act, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.]

**19A. Presumption that incidence of duty has been passed on to the buyer.**- Every person who has paid the customs duty and other levies on any goods under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such customs duty and other levies to the buyer as a part of the price of such goods.

**19B. Rounding off of duty, etc.**— The amount of duty, interest, penalty, fine or any other sum payable, and the amount of refund, drawback or any other sum due, under the provisions of this Act shall be rounded off to the nearest one hundred rupees and, for this purpose, where such amount is fifty rupees or more, it shall be increased to one hundred rupees and if such part is less than fifty rupees, it shall be ignored.

<sup>1</sup>[**19C. Minimal duties not to be demanded.** Where the cumulative amount of all duties and taxes on a Goods Declaration is equal to, or less than, one hundred rupees, the same shall not be demanded.]

<sup>2</sup>[\* \* \*]

**21. Power to deliver certain goods with-out payment of duty and to repay duty on certain goods.** Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may, in such general cases as may be prescribed by rules or in particular cases by special order, authorize-

(a) the delivery without payment of the customs-duties chargeable thereon of goods which are imported only temporarily with a view to subsequent exportation;

<sup>3</sup>[\* \* \*]

(b) Omitted.

(c) the repayment in whole or in part of the customs-duties paid on the importation of any goods which have been used in the production, manufacture, processing, repair or refitting in Pakistan of goods meant for exportation, <sup>4</sup>[or for supplies against international tenders,] or for supply to industrial units, projects, institutions, agencies and organizations, entitled to import the same at concessionary rates:

Provided that no repayment may be granted in a case in which the amount involved is less than one hundred rupees; and

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<sup>1</sup> Ins. by Act IV of 2007, s. 8 (w.e.f 1-7-2007)

<sup>2</sup> Added and Omitted by Act V of 2015, s. 2 (w.e.f 1-7-2015).

<sup>3</sup> Omitted by Act I of 2008, s. 5 (w.e.f 1-7-2008).

<sup>4</sup> Ins. and omitted by Act XVI of 2011, s.2 (w.e.f 1-7-2011).

- (d) without prejudice to the provisions of clause (c), the Federal Government may, by notification in the Official Gazette, direct that drawback or repayment shall not be allowed in respect of any goods of specified description or may be allowed subject to such restrictions and conditions as may be specified in the notification.

**(21A. Power to defer collection of customs-duty.**- <sup>1</sup>[(1)] Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may, in such general cases as may be prescribed by rules or in particular cases by special order, defer the collection of customs-duties either in whole or in part.

<sup>1</sup>[(2) Where deferment of customs-duties is allowed by the Board under sub-section (1), a surcharge not exceeding<sup>2</sup>[KIBOR plus three] per cent per annum shall also be payable on the deferred amount from such date and in the manner as the Board may by rules prescribe.]

**22. Re-importation of goods produced or manufactured in Pakistan.**- If goods produced or manufactured in and exported from Pakistan are subsequently imported into Pakistan, such goods shall be liable to customs-duties and be subject to all the conditions and restrictions, if any, to which goods of the like kind and value not so produced or manufactured are liable on the importation thereof:

Provided if such goods have been imported within one year of their exportation and have been consigned to the person in whose account they were exported and have not undergone any processing since their exportation], the appropriate officer not below the rank of Assistant Collector <sup>3</sup>[\* \* \*] of Customs may admit the goods-

- (a) Where at the time of exportation of such goods, rebate, refund or drawback of any customs or excise duty or any other tax levied by the Federal Government or any tax, cess or duty levied by the Provincial Government was allowed on payment of customs duty equal to the amount of such rebate, refund or drawback as the case may be;
- (b) where such goods were exported in bond, without payment of—
- (i) the customs-duty chargeable on the imported materials, if any, used in the manufacture of the goods; or
  - (ii) the excise duty chargeable on the indigenous materials, if any, used in the manufacture of such goods; or
  - (iii) the excise duty, if any, chargeable on such goods; or
  - (iv) any other tax chargeable on the material used in the manufacture of such goods; or
  - (v) any other tax chargeable on such goods,

on payment of customs-duty equal to the aggregate amount of all such duties and taxes calculated at the rates prevailing at the time and place of importation of goods;  
or

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<sup>1</sup> Re-numbered and added by Act III of 2006, s. 8.

<sup>2</sup> Subs. by Act I of 2009, s. 2 (w.e.f 1-7-2009).

<sup>3</sup> Ins. and omitted by Act XVI of 2011 s. 2 (w.e.f 1-7-2011).

(c) in any other case, without payment of duty.

<sup>1</sup>[**22A. Temporary export of imported plant and machinery.**- Imported plant and machinery, temporarily exported that have not undergone any alteration, renovation, addition or refurbishment, may be re-imported duty free subject to the specific or general terms and conditions the Board may by the rules prescribe.]

**23. Goods, derelict, wreck, etc.-** All goods, derelict, jetsam, flotsam and wreck, brought or coming into Pakistan, shall be dealt with as if they were imported into Pakistan.

**24. Provisions and stores may be exported free of duty.**-Goods produced or manufactured in Pakistan and required as provisions and stores on any conveyance proceeding to any foreign port, airport or station may be exported free of customs- duty, in such quantities as the appropriate officer may determine having regard to the size of the conveyance, the number of passengers and crew and the length of the voyage or journey on which the conveyance is about to depart.

**25. <sup>1</sup>[Value of imported and exported goods].-(1) Transaction Value.**- The customs value of imported goods, subject to the provisions of this section and the rules, shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to Pakistan:

Provided that-

- (a) there are no restrictions as to the disposition or use of the goods by the buyer other than the restrictions which—
  - (i) are imposed or required by law;
  - (ii) limit the geographical area in which the goods may be resold; or
  - (iii) do not affect the value of the goods;
- (b) the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;
- (c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment is made in accordance with the provisions of sub-section (2) (e); and
- (d) the buyer and seller are not related, or where the buyer and seller are related, that the transaction value is acceptable for customs purposes under the provisions of sub-section (3).

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<sup>1</sup> Ins. and subs. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).

(2) Subject to clause (b), in determining the customs value under sub-section(1),-

- (a)** there shall be added to the price actually paid or payable for the imported goods, if not already included in the price; the cost of transport, excluding inland freight after importation, of the imported goods to the Port, Airport or place of importation;
    - (i)** the cost of transport, excluding inland freight after importation, of the imported goods to the Port, Airport or place of importation;
    - (ii)** loading, unloading, and handling charges associated with the transport of the imported goods to the Port, airport or place of importation; and
    - (iii)** the cost of insurance;
  - (b)** there shall also be added to such price, to the extent that they are incurred by the importer but are not included in the price actually paid or payable of the imported goods-
    - (i)** commissions including indenting commissions and brokerage, except buying commissions;
    - (ii)** the cost of containers which are treated as being one for customs purposes with the goods in question; and
    - (iii)** the cost of packing whether for labour or materials;
  - (c)** there shall also be added to such price the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the importer or his related person free of charge or at reduced cost, for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:
    - (i)** materials, components, parts and similar items incorporated in the imported goods;
    - (ii)** tools, dies, moulds and similar items used in the production of the imported goods;
    - (iii)** materials consumed in the production of the imported goods; and
    - (iv)** engineering, development, artwork, design work and plans and sketches undertaken elsewhere than in Pakistan and necessary for the production of the imported goods;
  - (d)** there shall also be added to such price, royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable; and
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- (e) there shall also be added to such price, the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;
- (f) if sufficient information is not available for any reason, with respect to any adjustments referred to above, the transaction value, of the imported goods shall be treated, for the purpose of sub-section (1), as the one that cannot be determined;

(3) If the buyer and seller are related in terms of the rules the transaction value shall be accepted for the purposes of sub-section (1); whenever:

- (a) the examination of the circumstances surrounding the sale of the imported goods as demonstrated by the importer, indicate that the relationship did not influence the price; or
- (b) the importer demonstrates that such value closely approximates to one of the following Test Values occurring at or about the same time:
  - (i) the transaction value in sales to unrelated buyers of identical or similar goods for export to Pakistan.
  - (ii) the customs value of identical or similar goods as determined under the provisions of sub-section (7) (deductive value);
  - (iii) the customs value of identical or similar goods as determined under the provisions of sub-section (8) (computed value).

Provided that in applying the foregoing tests due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in sub-section (2) and costs incurred by the seller in sales in which the seller and the buyer are not related that are not incurred by the seller in sales in which the seller and the buyer are related;

(4) Where, in relation to the goods being valued, the appropriate officer is of the opinion that the importer has not, for the purposes of clause (a) of sub-section (3), demonstrated that the relationship did not influence the price or, for the purposes of clause (b) of sub-section (3), that the declared price at which the goods are imported does not closely approximate to one of the test values mentioned therein, the appropriate officer shall inform the importer of his reservations in writing and give the importer an opportunity to justify the price difference. If the importer fails to justify the price difference, the customs value cannot be determined under the provisions of sub-section (1).

**(5) TRANSACTION VALUE OF IDENTICAL GOODS.-** If the customs value of the imported goods cannot be determined under the provisions of sub-section (1), it shall, subject to rules, be the transaction value of identical goods sold for export to Pakistan and exported at or about the same time as the goods being valued.

- (a) In applying the provisions of this sub-section, the transaction value of the identical goods in a sale at the same commercial level and substantially the same quantity as the goods being valued shall be used to determine the customs value of imported goods.
- (b) Where no sale referred to in clause (a) is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or decrease in the value.
- (c) Where the costs and charges referred to in clause (a) of sub-section (2) are included in the transaction value of identical goods, an adjustment shall be made to take account of significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and modes of transport.

<sup>1</sup>[\* \* \*]

**(6) TRANSACTION VALUE OF SIMILAR GOODS.**- If the customs value of the imported goods cannot be determined under the provisions of sub-section (5), it shall, subject to clauses (c), (d), (e) and (f) of sub-section (13) and rules, be the transaction value of similar goods sold for export to Pakistan and exported at or about the same time as the goods being valued, and the provisions of clauses (a), (b) <sup>1</sup>[and] (c) <sup>1</sup>[\* \* \*] of sub-section (5) shall, *mutatis mutandis*, also apply in respect of similar goods.

**(7) DEDUCTIVE VALUE.**- If the customs value of the imported goods cannot be determined under sub-section (6), it shall, subject to rules, be determined as follows:

- (a) if the imported goods or identical or similar imported goods are sold in Pakistan in the condition as imported, the customs value of the imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to the deductions for the following:-
  - (i) either the commission usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in Pakistan of imported goods of the same class or kind;
  - (ii) the usual costs of transport and insurance and associated costs incurred within Pakistan; and
  - (iii) Omitted.
  - (iv) the customs duties and other taxes payable in Pakistan by reason of the importation or sale of the goods.

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<sup>1</sup> Subs and omitted by Finance Act 2014, s. 2 (w.e.f 1-7-2014).

- (b) If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value shall, subject otherwise to the provisions of clause (a) of this sub-section, be based on the unit price at which the imported goods or identical or similar imported goods are sold in Pakistan in the conditions as imported at the earliest date after the importation of the goods being valued but before the expiry of ninety days after such importation.
- (c) If neither the imported goods nor identical nor similar imported goods are sold in the country of importation in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the country of importation who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in clause (a).

**(8) COMPUTED VALUE.**— If the customs value of the imported goods cannot be determined under sub-section (7), it shall, subject to rules, be based on computed value which shall consist of the sum of :-

- (a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;
- (b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to Pakistan; and
- (c) the cost or value of all other expenses as specified in clause (a) of sub-section (2).

**(9) FALL BACK METHOD.**- If the customs value of the imported goods cannot be determined under sub-sections (1),(5),(6),(7) and (8), it shall, subject to the rules, be determined on the basis of a value derived from among the methods of valuation set out in sub-sections (1),(5),(6), (7) and (8), that, when applied in a flexible manner to the extent necessary to arrive at a customs value.

**(10)** Sub-sections (1), (5), (6), (7), (8) and (9) define how the customs value of imported goods is to be determined<sup>1</sup>[\* \* \*]. The methods of customs valuation<sup>1</sup>[may or may not] be applied in a sequential order except reversal of the order of sub-section (7) and (8), at the importers request, if so agreed by Collector of the Customs.

**(11)** Nothing contained in this section or the rules, shall be construed as restricting or calling into question the rights of the appropriate officer of customs to satisfy himself as to the truth or accuracy of any statement, information, document or declaration presented for customs valuation purposes.

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<sup>1</sup> Omitted and subs. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).



(12) An appropriate officer of Customs appointed by an order in writing by the Board, or Collector of Customs, on case to case basis, shall have free access to business premises, registered office, warehouses or any other place, where any stocks, business records or documents required under this Act are kept or maintained belonging to any person after serving notice to such person whose business activities are covered under this Act or who may be required for audit, inquiry or investigation in any offence committed under this Act by such person, his agent or any other person: and such officer may, at any time during the working hours, inspect the goods, stocks, records, data, documents, correspondence, accounts and statements and any other record or documents and may take into custody such records in whole or in part, in original or copies thereof against a signed receipt. The Board or Collector of Customs may also order for audit for ascertaining the correctness of declarations, documents records and value of imported goods. All searches and seizure of documents made under this sub- section shall be carried out mutatis mutandis in accordance with the provisions of the Code of Criminal Procedure, 1898(Act V of 1898).

(13) For the purposes of this section,-

- (a) “customs value of imported goods” means the value of goods for the purposes of levying duties of customs and other taxes on imported goods;
  - (b) “identical goods” means goods which are the same in all respects including physical characteristics, quality and reputation. Minor differences in appearance would not preclude goods otherwise conforming to the definition from being regarded as identical;
  - (c) “similar goods” means goods which although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar;
  - (d) the terms “identical goods” and “similar goods” do not include as the case may be, goods which incorporate or reflect engineering development, art work, design work, and plans and sketches for which no adjustment has been made under sub-section 2(c) (iv) because such elements were undertaken in Pakistan;
  - (e) goods shall not be regarded as identical goods or similar goods unless they were produced in the same country as the goods being valued;
  - (f) goods produced by a different person shall be taken into account only when there are no identical goods or similar goods, as the case may be, produced by the same person as the goods being valued; and
  - (g) “goods of the same class or kind” means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods.
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**(14) Omitted.**

**(15) Customs value of exported goods.-** The customs value of any exported goods shall be the value at the prescribed time, on a sale in open market for exportation to the country to which the goods are consigned having regard to the following provisions, namely:-

- (a) that the goods are treated as having been delivered to the buyer on board the conveyance in which they are to be exported ; and
- (b) that the seller will bear all packing, commission, transport, loading and all other costs, charges and expenses (including any <sup>1</sup>[regulatory duty which may be chargeable under sub-section (3) of section 18] incidental to the sale and to the delivery of the goods on board the conveyance in which they are to be exported and which will be included in the customs value;
- (c) that where goods are manufactured in accordance with any patented invention or are goods to which any protected design has been applied, the customs value shall be determined taking into consideration the value of the right to use design in respect of the goods;
- (d) that where goods are exported for sale, other disposal or use, whether or not after further manufacture, under a Pakistan trade mark, the customs value shall be determined taking into consideration the value of the right to use the patent, design or trade mark in respect of the goods.

Explanation I.-A sale in open market between a buyer and a seller independent of each other presupposes-

- (a) that the customs value is the sole consideration and sale is between a buyer and seller independent of each other.
- (b) that the customs value is not influenced by any commercial, financial or other relationship, whether by contract or otherwise between the seller or any person associated in business with him and the buyer or an person associated in business with him other than the relationship created by the sale itself.
- (c) that no part of the proceeds of any subsequent resale, other disposal or use of the goods will accrue, either directly or indirectly, to the seller or any person associated in business with him.
- (d) that two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

Explanation II.-For the purposes of this sub-section, the expression prescribed time shall mean the time when the <sup>2</sup>[\* \* \*] goods declaration is delivered under section 131 or <sup>2</sup>[\* \* \*] when export of the goods is allowed without a <sup>2</sup>[\* \* \*] goods declaration or in anticipation of the delivery of a <sup>2</sup>[\* \* \*] goods declaration, the time when export of the goods commences.

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<sup>1</sup>Subs. by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

<sup>2</sup>Omitted, Renumbered ins & Subs. by Act. III of 06, & 8.

<sup>1</sup>[**25A. Power to determine the customs value.**-(1) Notwithstanding the provisions contained in section 25, the Collector of Customs on his own motion, or the Director of Customs Valuation <sup>2</sup>[on his own motion or] on a reference made to him by any person <sup>2</sup>[or 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, whichever is applicable.

(2) The Customs value determined under sub-section (1) shall be the applicable customs value for assessment of the relevant imported or exported goods.

(3) In case of any conflict in the customs value determined under sub-section (1), the Director-General of Customs Valuation shall determine the applicable customs value.]

<sup>3</sup>[(4) The customs value determined under sub-section (1) or, as the case may be, under sub-section (3), shall be applicable until and unless revised or rescinded by the competent authority.]

## **25B. Omitted.**

<sup>4</sup>[**25C. Power to takeover the imported goods.**-(1) If any person makes an offer in writing to buy the imported goods sought to be cleared at value declared by an importer in the <sup>4</sup>[\* \* \*] goods declaration, <sup>4</sup>[and the Collector of Customs is satisfied that the declared value is not the actual transactional value, he may after approval of the Board] order the following without prejudice to any other action against the importer or his authorized agent, namely:-

- (i) entertain offer by any other person to buy these goods at substantially higher value than the declared customs value in the <sup>4</sup>[\* \* \*] goods declaration and payment of customs duties and other leviable taxes thereon, provided such offer is accompanied by a pay order equal to twenty-five per cent of the amount of each <sup>4</sup>[such offer and duties and other taxes calculated in accordance with the offer]
- (ii) give an option in writing to the importer of such goods for clearance of imported goods at the customs value equal to such highest offer for purchase of goods and payment of customs duties and other taxes chargeable thereon; and
- (iii) in case the importer fails to clear the imported goods within seven days of the receipt of notice under clause (ii) above, the appropriate officer may takeover the goods on payment of customs value declared in the <sup>4</sup>[\* \* \*] goods declaration and an amount equal to five per cent of such declared value;

(2) The imported goods taken over under sub-section (1) shall be delivered to the offerer on submission of two pay orders, one equal to the customs value declared in the <sup>4</sup>[\* \* \*] goods declaration plus five per cent in the name of importer and the other pay order equal to the remaining amount of value of imported goods and the amount of customs duties and other taxes leviable on the imported goods in the name of Collector of Customs;

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<sup>1</sup> Subs. and ins. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).

<sup>2</sup> Ins. by Act I of 2009, s. 2 (w.e.f 1-7-2009).

<sup>3</sup> Added and subs. by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

<sup>4</sup> Omitted, renumbered, ins. and subs. by Act III of 2006, s. 8.

(3) In case the local buyer fails to take the delivery of the goods on payment of value and taxes as prescribed in sub-section (2) above, the pay order equal to twenty- five per cent of the amount shall be fore-feited in favour of the Federal Government and imported goods shall be released to the importer as per customs value determined under <sup>1</sup>[sections 25 or 25A, as the case may be"]

<sup>2</sup>**[25D. Revision of the value determined.-** Where the customs value has been determined under section 25A by the Collector of Customs or Director of Valuation the revision petition may be filed before the Director-General of Valuation within thirty days from the date of determination of customs value and any proceeding pending before any court, authority or tribunal shall be referred to the Director-General for the decision.]

<sup>3</sup>**[26. Obligation to produce documents and provide information.—** (1) Any person, as and when required, in writing, by an Officer of customs not below the rank of an Assistant Collector, shall,-

- (a) furnish information relating to importation, exportation, purchase, sales, transportation, storage or handling of any goods imported or exported;
- (b) produce for examination, documents or records that the appropriate officer considers necessary or relevant to the audit, inquiry or investigation under the Act;
- (c) allow the appropriate officer of Customs to take extracts from or make copies of documents or records; and
- (d) appear before an officer of Customs and answer any question put to him concerning goods, documents, records and transactions relating to the audit or inquiry or investigation.

(2) The appropriate officer of Customs conducting an audit, inquiry or investigation as the case may be, under this Act, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization which in the opinion of the appropriate officer is required for the completion of such audit, inquiry or investigation.

(3) The Board may require in writing any person, department, company or organization, as the case may be, to provide information held by that person, department, company or organization, which in the opinion of the Board is required for purposes of formulation of policy or administering the laws of Customs, Sales Tax, Federal Excise or Income Tax.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Board or the appropriate officer within the time specified in the notice.]

<sup>2</sup>**[26A. Conducting the audit.—**(1) The appropriate officer of customs conducting any audit under this Act shall proceed in the manner as the Board may by rules prescribe.

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<sup>1</sup>Omitted, renumbered ins. Subs. by Act.III of 06, s.8.

<sup>2</sup>Added and subs. by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

<sup>3</sup>Subs., ins and omitted by Act III of 2006, s. 8.

(2) Where any audit or inquiry or investigation is to be conducted for the purpose of ascertaining the correctness of any declaration or document or statement, for determining the liability of any person for duty, taxes, fees, surcharge, fines and penalties, or for ensuring compliance with all other laws administered by the customs, an appropriate officer of Customs may,-

- (a) examine, or cause to be examined, upon reasonable notice, any record, or any statement or declaration or document described in the notice with reasonable specificity, which may be relevant to such audit, inquiry or investigation ;
- (b) summon, by giving a notice and reasonable time,-
  - (i) the person who imported, or exported or transported or stored or held under customs bond, or filed a goods declaration, drawback or refund claim;
  - (ii) any officer, employee or agent of any person described in clause (a); and
  - (iii) any person having possession, custody or care of records and documents required to be kept under the Act, and any other person, as deemed proper, to appear before him at a reasonable time and to produce such records and documents as specified in the notice and to give such testimony under oath as may be relevant.

**26B. Access for the purposes of audit.**-(1) The appropriate officer of Customs, after giving a notice in writing specifying the date of visit, shall have access to business or manufacturing premises, registered office or any other place where any goods, stocks, documents or records relating to the ongoing audit are kept or maintained. Such officer may inspect the goods, stocks, documents, records, data, correspondence, accounts, statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents required under any Federal or Provincial laws, maintained in any form or mode. Such an officer may take into his custody such documents, records or any part thereof, in such form as he may deem fit, against a signed receipt.

(2) In all cases, except where it would defeat the purpose of the audit, a reasonable advance notice regarding a visit shall be given to the person concerned.

(3) Whosoever causes any obstruction or fails to provide any documents, record, statement etc, as required under sub-section (1), with an intention to defeat the purpose of the Act by way of destroying, altering or concealing any books, documents or records required to be maintained under this Act, shall be guilty of an offence under this section.]

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**27. Abatement allowed on damaged or deteriorated goods.**-(1) If before the examination of any imported goods the owner thereof informs <sup>1</sup>[an officer of Customs not below the rank of] the Assistant Collector <sup>1</sup>[\* \* \*] in writing that the value of the goods as declared in the <sup>1</sup>[goods declaration] has diminished as a result of some damage or deterioration sustained by them before or during unloading at the port of destination, an officer of Customs not below the rank of Assistant Collector <sup>1</sup>[\* \* \*] may appraise the value of the damaged or deteriorated goods in the manner given in sub-section (2) and the owner shall be allowed abatement of duty in proportion to the diminution of value so appraised, whether duty is leviable ad valorem or otherwise.

(2) For the purposes of this section, the value of damaged or deteriorated goods may be ascertained by either of the following methods at the option of the owner:-

- (a) value may be appraised by an Officer of Customs not below the rank of Assistant Collector <sup>1</sup>[\* \* \*] on the basis of physical examination of the goods; or
- (b) such goods may be sold by public auction or by tender or, with the consent of the owner, in any other manner and the gross sale proceeds shall be deemed to be the value of such goods inclusive of duties.

(3) In the case of short-landing or short-shipment of goods, the appropriate officer may, if satisfied with regard to the bonafide of short-landing or short-shipment of goods, allow reduction in duty proportionate to the goods short-landed or short- shipped on first examination.

<sup>2</sup>[**27A. Allowing mutilation or scrapping of goods.**- At the request of the owner the mutilation or scrapping of goods as are notified by the Board, may be allowed, in the manner as prescribed by the rules and where such goods are so mutilated or scrapped they shall be chargeable to duty at such rates as may be applicable to the goods as if they had been imported in the mutilated form or as scrapped.]

**28. Power to test and denature imported spirit.**-When by any law for the time being in force a duty lower than that prescribed by this Act is imposed on denatured spirit, any such spirit imported into Pakistan may, subject to rules, be tested and if necessary adequately denatured by officers of customs, at the expense of the person importing the same, before the customs-duty is charged thereon.

**29. Restriction on amendment of bill of entry or bill of export or goods declaration.**- Except as provided in section 88, no amendment of <sup>2</sup>[\* \* \*] goods declaration relating to goods assessed for duty on the declared value, quantity or description thereof shall be allowed after such goods have been removed from the customs-area <sup>2</sup>[or assigned a Customs Reference Number electronically, as the case may be].

**30. Date of determination of rate of import duty.** The rate of duty applicable to any imported goods shall be the rate of duty in force;

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<sup>1</sup> Subs., ins. and omitted by Act III of 2006, s. 8.

<sup>2</sup> Subs. by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

- (a) in the case of goods cleared for home consumption under section 79, on the date on which a <sup>1</sup>[\* \* \*] goods declaration is manifested under that section; and
- (b) in the case of goods cleared from a warehouse under section 104, on the date on which a <sup>1</sup>[\* \* \*] goods declaration for clearance of such goods is manifested under that section:

Provided that, where a <sup>1</sup>[\* \* \*] goods declaration has been manifested in advance of the arrival of the conveyance by which the goods have been imported, the relevant date for the purposes of this section shall be the date on which the manifest of the conveyance is delivered at the port of first entry:

Provided further that, in respect of goods for the clearance of which a <sup>1</sup>[\* \* \*] goods declaration for clearance has been manifested under section 104, and the duty is not paid within seven days of the <sup>1</sup>[\* \* \*] goods declaration being manifested, the rate of duty applicable shall be the rate of duty on the date on which the duty is actually paid:

Provided further that in case of the goods illegally removed from the warehouse, the rate of duty shall be the rate prevalent either on the date of in-bonding or detection of case or date of payment of the duty and taxes, whichever is higher:

Provided further that in case of exercising option for redemption of fine in lieu of confiscation of the goods seized during anti-smuggling operations, the rate of duty shall be the rate prevalent either on the date of seizure or date of payment of duty and taxes, whichever is higher:

Provided further that the Federal Government may, by notification in the official Gazette, for any goods or class of goods, specify any other date for the determination of rate of duty.

Explanation:- For the purpose of this section “manifested” means that when a machine number is allocated to <sup>1</sup>[\* \* \*] goods declaration and is registered in Customs record.

**30A. Date of determination of rate of duty for clearance through the Customs Computerized System.-** Subject to the provisions of section 155A, the rate of duty applicable to any imported or exported goods if cleared through the Customs Computerized System, shall be the rate of duty in force on;-

- (a) the date of payment of duty;
- (b) in case the goods are not chargeable to duty, the date on which the goods declaration is filed with Customs.

Provided that where a goods declaration has been filed in advance of the arrival of the conveyance by which the goods have been imported, the relevant date for the purposes of this section shall be the date on which the manifest of the conveyance is filed at the customs-station of first entry:

Provided further that the Federal Government may, by notification in the official Gazette, specify any other date for the determination of rate of duty in respect of any goods or class of goods.]

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<sup>1</sup> Omitted by Act III of 2006, s. 8.

**31. Date for determination of rate of <sup>1</sup>[duty on goods exported].-** The rate and amount of duty applicable to any goods exported shall be the rate and amount chargeable at the time of the delivery of the <sup>1</sup>[\* \* \*] goods declaration under section 131:

Provided that where the export of any goods is permitted without a <sup>1</sup>[\* \* \*] goods declaration or in anticipation of the delivery of such a <sup>1</sup>[\* \* \*] declaration, the rate and amount of duty applicable shall be the rate and amount chargeable on the date on which loading of the goods on the outgoing conveyance commences:

Provided further that the Federal Government may, by notification in the official Gazette, for any goods or class of goods, specify any other date for determination of the rate of duty.

**31A. 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 section 30, 30A and 31, the rate of duty applicable to any goods shall include any amount of duty imposed under section 18, <sup>2</sup>[18A and 18C] and the amount of duty that may have become payable in consequence of the withdrawal of the whole or any part of the exemption or concession from duty whether before or after the conclusion of a contract or agreement for the sale of such goods or opening of a letter of credit in respect thereof.

(2) For the purpose of determining the value of any imported or exported goods, the rate of exchange at which any foreign currency is to be converted into Pakistan currency shall be the rate of exchange in force on the date immediately preceding the relevant date referred to in sections 30, 30A or 31.

**32. False statement, error, etc.**—(1) If any person, in connection with any matter of customs,-

- (a) makes or signs or causes to be made or signed, or delivers or causes to be delivered to an officer of customs any declaration, notice, certificate or other document whatsoever, or
- (b) makes any statement in answer to any question put to him by an officer of customs which he is required by or under this Act to answer,<sup>2</sup>[or]
- <sup>2</sup>[(c) submits any false statement or document electronically through automated clearance system regarding any matter of Customs.]

knowing or having reason to believe that such document or statement is false in any material particular, he shall be guilty of an offence under this section.

(2) Where, by reason of any such document or statement as aforesaid or by reason of some collusion, any duty <sup>3</sup>[Taxes] or charge has not been levied or has been short-levied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice within five years of the relevant date, requiring him to show cause why he should not pay the amount specified in the notice.

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<sup>1</sup> Omitted and subs. by Act III of 2006, s. 8.

<sup>2</sup> Ins. and added by Act I of 2009, s. 2 (w.e.f 1-7-2009).

<sup>3</sup> Ins. by Finance Act 2011, s. 2 (w.e.f 1-7-2014).



(3) Where, by reason of any inadvertence, error or misconstruction, any duty <sup>1</sup>[Taxes] or charge has not been levied or has been short-levied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice within three years of the relevant date requiring him to show cause why he should not pay the amount specified in the notice.

Provided that if the recoverable amount in a case is less than <sup>2</sup>[Twenty Thousand] rupees, the Customs authorities shall not initiate the aforesaid action.

(3A) Notwithstanding anything contained in sub-section (3), where any duty <sup>1</sup>[Taxes] or charge has not been levied or has been short-levied or has been erroneously refunded and this is discovered as a result of an audit or examination of an importers accounts or by any means other than an examination of the documents provided by the importer at the time the goods were imported, the person liable to pay any amount on that account shall be served with a notice within <sup>3</sup>[five] years of the relevant date requiring him to show cause why he should not pay the amount specified in the notice:

Provided that if the recoverable amount in a case is less than one hundred rupees, the Customs authorities shall not initiate the aforesaid action.

(4) The appropriate officer, after considering the representation, if any, of such person as is referred to in sub-section (2) or sub-section (3) <sup>4</sup>[or Sub Section (3A)] shall determine <sup>5</sup>[any amount payable by him under this Act,] which shall in no case exceed the amount specified in the notice, and such person shall pay the amount so determined.

(5) For the purposes of this section, the expression "relevant date" means

- (a) in any case where duty is not levied, the date on which an order for the clearance of goods is made;
- (b) in a case where duty is provisionally assessed under section 81, the date of adjustment of duty after its final assessment;
- (c) in a case where duty has been erroneously refunded, the date of its refund;
- (d) in any other case, the date of payment of duty or charge <sup>6</sup>[;]
- <sup>6</sup>[(e) in case of clearance of goods through the Customs Computerized System, on self assessment or electronic assessment, the date of detection.]

**[32A.Fiscal fraud.-** (1) If any person, in connection with any matter related to customs-

- (a) causes to submit documents including those filed electronically, which are concocted, altered, mutilated, false, forged, tempered or counterfeit to a functionary of customs;
- (b) declares in the <sup>5</sup>[goods declaration] electronically filed customs declaration, the name and address of any exporter or importer which is physically non-existent at the given address;

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<sup>1</sup> Ins. by Finance Act 2011, s. 2 (w.e.f 1-7-2014).

<sup>2</sup> Subs. by Act V of 2015, s. 2 (w.e.f 1-7-2015).

<sup>3</sup> Subs. by Act XVI of 2011 s. 2 (w.e.f 1-7-2011).

<sup>4</sup> Ins by Finance Act of 2013, s. 2 (w.e.f 1-7-2013).

<sup>5</sup> Subs. by Act III of 2006, s. 8.

<sup>6</sup> Added, subs. and ins. by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

- (c) declares in the <sup>1</sup>[goods declaration] electronically filed customs declaration, an untrue information regarding <sup>2</sup>[payment of duties and taxes through self-assessment,] description, quantity, quality, origin and value of goods;
- (d) alters, mutilates or suppresses any finding of the customs functionary on any document or in the computerized record; or
- (e) attempts, abets or connives in any action mentioned in clauses (a), (b), (c) and (d) above, he shall be guilty of an offence under this section.

(2) Where, by any reason as referred to in sub-section (1) as aforesaid, any duty or tax charged or fee or fine and penalty levied under any provision of law has not been levied or has been short levied or has been refunded, the person liable to pay any amount on that account shall be served with a notice within a period of 180 days of the date of detection of such custom duty and tax fraud, requiring him to show cause as to why he should not pay the amount specified in the notice along with any other amount imposed as fine or penalty under the provisions of this Act.

(3) The appropriate Adjudicating Officer, after considering the written or verbal representation of such person, may determine the amount of duty or tax chargeable or fee payable by such person which shall in no case exceed the amount specified in the notice and such person shall pay the amount so determined besides the fine or penalty or both.

**32B. Compounding of offence.**- Notwithstanding anything contained in section 32 and 32A or any other provision of this Act, where any person has committed a duty or tax fraud, the Collector may, with the prior approval of the Board, either before or after the institution of any proceedings for recovery of duty or tax, compound the offence if such person pays the amount of duty or tax due along with penalty as is determined under the provisions of this Act.

**33. Refund to be claimed within one year.**-(1) No refund of any customs- duties or charges claimed to have been paid or over-paid through inadvertence, error or misconstruction shall be allowed, unless such claim is made within one year of the date of payment <sup>3</sup>[:]

<sup>3</sup>[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.]

(2) In the case of provisional payments made under section 81, the said period of one year shall be reckoned from the date of the adjustment of duty after its final assessment.

<sup>4</sup>(3) In the case where refund has become due in consequence of any decision or judgment by any appropriate officer of Customs or the Board or the Appellate Tribunal or the Court, the said period of one year shall be reckoned from the date of such decision or judgment, as the case may be.]

**34. Power to give credit for, and keep account-current of duties and charges.**- An officer of customs, not below the rank of Assistant Collector <sup>4</sup>[\* \* \*] of customs may, in the case of any mercantile firm or public body, if he so thinks fit, instead of requiring payment of customs duties or charges as and when they become due, keep with such firm or body an account-current of such duties and charges, which account shall be settled at intervals of not exceeding one month, and such firm or body shall make a deposit or furnish a security sufficient in the opinion of that officer to cover the amount which may at any time be payable by it in respect of such duties or charges.

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<sup>1</sup> Subs. by Act III of 2006, s. 8.

<sup>2</sup> Added, Subs. and ins by Act XVI of 2010, s. 3(w.e.f 1-7-2010)

<sup>3</sup> Subs. and added by Act I of 2009, s. 2 (w.e.f 1-7-2009).

<sup>4</sup> Ins and omitted by Finance Act XVI of 2011, s. 2 (w.e.f 1-7-2011)

## CHAPTER VI

### DRAWBACK

**35. Drawback of the export on imported goods.-** Subject to the subsequent provisions of this Chapter and the rules, when any goods, capable of being easily identified, which have been imported into Pakistan and upon which customs-duties have been paid on importation, are exported to any place outside Pakistan or as provisions or stores for use on board a conveyance proceeding to a foreign territory, seven-eighth of such duties shall be repaid as drawback, subject to the following conditions, namely:-

(1) the goods are identified to the satisfaction of an officer of customs not below the rank of Assistant Collector <sup>1</sup>[\* \* \*] of Customs at the customs- station, to be the same as had been imported, and

(2) the goods are entered for export within two years of the date of their importation, as shown by the records of the custom-house or if such time is extended by the Board or the Collector of Customs for sufficient cause within such extended time:

Provided that the Collector of Customs shall not extend the time beyond three years of the importation of such goods.

Explanation. For the purposes of this section, the goods shall be deemed to have been entered for export on the date on which the <sup>1</sup>[goods declaration] is delivered to the appropriate officer under section 131.

**36. Drawback on goods taken into use between importation and exportation.-** Notwithstanding anything contained in section 35, the repayment of duty as drawback in respect of goods which have been taken into use between their importation and subsequent exportation shall be made in accordance with the provisions of the rules made in that behalf.

**37. Drawback on goods used in the manufacture of goods which are exported.-** Where it appears to the Board that in respect of goods of any class or description manufactured in Pakistan and exported to any place outside Pakistan, a drawback of customs-duties should be allowed on any imported goods of a class or description used in the manufacture of such exported goods, the Board may, by notification in the official Gazette, direct that drawback shall be allowed in respect of such imported goods to such extent and subject to such condition as may be provided in the rules.

**38. Power to declare what goods are identifiable and to prohibit draw-back in case of specified foreign territory.-** (1) The Board may, from time to time, by notification in the official Gazette, declare what goods shall, for the purposes of this Chapter, be deemed to be not capable of being easily identified.

(2) The Federal Government may, from time to time, by notification in the official Gazette, prohibit the payment of drawback upon the exportation of goods or any specified goods or class of goods to any specified foreign port or territory.

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<sup>1</sup>Omitted and subs. by Act III of 2006, s.8.

**39. When no drawback allowed.-** Notwithstanding anything hereinbefore contained, no drawback shall be allowed-

- (a) upon goods which are required to be included in the export manifest and are not so included, or
- (b) when the claim is for drawback amounting, in respect of any single shipment, to less than 1[or equal to] hundred rupees, or
- (c) unless the claim for drawback has been made and established at the time of export.

**40. Time of payment of drawback.-** No such payment of drawback shall be made until the vessel carrying the goods has put out to sea or other conveyance has left Pakistan.

**41. Declaration by parties claiming drawback.** Every person, or his duly authorized agent, claiming drawback on any goods duly exported, shall make and subscribe a declaration that such goods have been actually exported and have not been relanded and are not intended to be relanded at any place in Pakistan and that such person was at the time of entry outwards and export and continues to be entitled to drawback thereon.

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<sup>1</sup> Subs. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).

## CHAPTER VII

### ARRIVAL AND DEPARTURE OF CONVEYANCE

**42. Arrival of conveyance.-** (1) The person-in-charge of a conveyance entering Pakistan from any place outside Pakistan shall not cause or permit the conveyance to call or to land in the first instance at any place other than a customs-station.

(2) The provisions of sub-section (1) shall not apply in relation to any conveyance which is compelled by accident, stress of weather or other unavoidable cause to call, or land at a place other than a customs-station but the person-in-charge of any such conveyance-

- (a) shall immediately report its arrival to the nearest officer of customs or the officer-in-charge of the police-station and shall on demand produce before him either the cargo book or the manifest or the log-book belonging to such conveyance;
- (b) shall not, without the consent of any such officer, permit any goods carried in the conveyance to be unloaded from, or any of the crew or passengers to depart from its vicinity;
- (c) shall comply with any direction given by such officer with respect at any such goods; and no passenger or member of the crew shall, without the consent of any such officer, leave the vicinity of the conveyance:

Provided that nothing in this section shall prohibit the departure of any passenger or member of the crew from the vicinity of, or the removal of goods from, the conveyance where such departure or removal is necessary for reasons of health, safety or the preservation of life or property:

Provided further that the person in charge of a conveyance, that is *en route* to Pakistan from a point outside Pakistan shall, unless otherwise approved by the Collector,-

- (a) give to the Customs, in such form and manner (for example, in an electronic form and manner) as may be approved in writing by the Collector (either generally or for a particular case or class of cases), such advance notice as may be prescribed for any or all of the following matters, namely:-
  - (i) the impending arrival of the conveyance;
  - (ii) its voyage;
  - (iii) its crew;
  - (iv) its passengers;
  - (v) its cargo for discharge within Pakistan whether commercial or non-commercial;
  - (vi) its commercial cargo not intended for discharge within Pakistan, if any;
  - (vii) the Customs station at which the conveyance will arrive; and

(b) or arriving within Pakistan, proceed directly to that Customs station unless directed elsewhere by an appropriate Customs officer.]

(3) The owner or operator of the conveyance, referred to in sub-section (1), or an agent of the owner, may provide the information referred to in paragraph (a) of that sub-section to the Customs on behalf of the person in charge of the conveyance:

Provided that the provisions of sub-section (1) and (2) shall apply to,-

- (a) a conveyance that has arrived in Pakistan from a point outside Pakistan;
- (b) a conveyance departing from Pakistan for a point outside Pakistan;
- (c) a conveyance that is within Pakistan and that is carrying international cargo or international crew or any international passenger, whether or not the conveyance is also carrying domestic cargo;
- (d) any other conveyance that is within Pakistan and that a Customs officer has reasonable cause to suspect has been, or is about to be, involved in the commission of an offence under this Act or the importation or exportation of any dutiable, prohibited, restricted, notified or confiscated goods.

(4) The person in charge of, the owner of goods, any member of the crew of, any passenger on, a conveyance to which this sub-section applies, shall,-

- (a) answer any question asked by a customs officer under this Act relating to the conveyance and its voyage and any persons or goods that are or have been carried by the conveyance; and
- (b) produce forthwith, at the request of any Customs officer, any documents within that persons possession or control relating to any of those matter.

**43. Delivery of import manifest in respect of a vessel.-** (1) The Board may, by notification in the official Gazette, fix a place beyond which no vessel arriving shall pass until an import manifest has been delivered to Customs or other person duly authorized to receive in such form, manner and time as the Board may prescribe.

(2) On receipt of such import manifest the vessel may proceed to come beyond the fixed place. No pilot shall bring a vessel into customs-port without having been so authorized by Customs.

(3) If any vessel arrives at any customs-port in which a place has not been so fixed, master of such vessel shall, within twenty-four hours after arrival of such vessel, deliver an import manifest to Customs in such form and manner as the Board may prescribe.

(4) Notwithstanding anything contained in sub-section (3), an import manifest may be delivered in anticipation of the arrival of a vessel.

**44. Delivery of import manifest in respect of a conveyance other than a vessel.-** The person-in-charge of a conveyance other than a vessel shall <sup>1</sup>[before arrival or], within twenty-four hours after arrival thereof at a land customs-station or customs- airport, as the case may be, deliver <sup>1</sup>[or file electronically]an import manifest to the appropriate officer.

**45. Signature and contents of import manifest and amendment thereof.-** (1) Every manifest delivered under section 43 or section 44 shall be signed by the person- in-charge of the conveyance or his duly authorized agent and shall specify all goods imported in such conveyance showing separately all goods, if any, intended to be landed, transshipped, transited or taken into another customs-station or to a destination outside Pakistan and stores intended for consumption at the customs-station or on the outward voyage or journey, and shall be made out in such form and contain such further particulars as the Board may from time to time direct:

Provided that the Collector of Customs, through a special order, on such terms and conditions as he may deem fit to impose, may allow acceptance of digital signatures instead of manual ones, on electronically transmitted import manifest.

(2) The appropriate officer shall permit the person-in-charge of a conveyance or his duly authorized agent to correct any obvious error in the import manifest or to supply any omission which in the opinion of such officer results from accident or inadvertence, by furnishing an amended or supplementary import manifest or by making an amendment electronically and shall levy thereon such fees as the Board from time to time directs.

(3) Except as provided in sub-section (2), no import manifest shall be amended.

**46. Duty of person receiving import manifest.-** The person receiving an import manifest under section 43 or section 44 shall countersign the same and enter thereon such particulars as the Collector of Customs from time to time directs:

Provided that no countersignatures shall be required in respect of an import manifest filed electronically.

**47. Bulk not to be broken until manifest, etc., delivered and vessel entered inwards.-** No vessel arriving in any customs-port shall be allowed to break bulk, until an import manifest has been delivered as hereinbefore provided or until copy of such manifest together with an application for entry of such vessel inwards, has been presented by the master to the appropriate officer and an order has been given thereon for such entry.

**48. Power to require production of documents and ask questions.-**(1) When an import manifest is presented, the person-in-charge of a conveyance or his duly authorized agent, if required so to do by the appropriate officer, shall deliver to the officer the bill of lading or the bill of freight or a copy thereof for every part of cargo or goods laden on board, journey log-book and any port clearance, docket or other paper granted in respect of such conveyance at the place from which it is stated to have come, and shall answer all such questions relating to the conveyance, goods, crew and voyage or journey as are put to him by such officer.

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<sup>1</sup> Ins. by Act I of 2009, s. 2 (w.e.f 1-7-2009).

(2) The appropriate officer may, if any requisition or question made or put by him under this section is not complied with or answered, refuse to grant permission to a vessel to break bulk and to other conveyance to land the imported goods, as the case may be.

**49. Special pass for breaking bulk.**-Notwithstanding anything contained in section 47 and subject to rules, the appropriate officer may grant, prior to receipt of the import manifest and the entry inwards of a vessel, a special pass permitting bulk to be broken.

**50. Order for entry out-wards or loading of goods to be obtained before export goods are loaded.**-(1) No goods other than passengers' baggage and mail bags shall be loaded on a conveyance until-

(a) in the case of a vessel, a written application for entry of such vessel outwards, subscribed by the master of such vessel, has been made to the appropriate officer and an order has been given thereon for such entry; and

(b) in the case of any other conveyance, a written application for authority to load the goods subscribed by the person-in-charge of the conveyance has been made to the appropriate officer and an order has been given thereon authorizing the loading.

(2) Every application made under this section shall specify the particulars as prescribed by the Board.

**51. No vessel to depart without port clearance.**-(1) No vessel, whether laden or in ballast, shall depart from any customs-port until a port-clearance has been granted by the appropriate officer.

(2) No pilot shall take charge of any vessel proceeding to sea, unless the master of such vessel produces a port-clearance.

**52. No conveyance other than vessel to leave without permission.**-No conveyance other than a vessel shall depart from a land customs-station or customs- airport until a written permission to that effect has been granted by the appropriate officer.

**53. Application for port clearance of vessels.**-(1) Every application for port- clearance shall be made by the master of a vessel at least twenty-four hours before the intended departure of the vessel:

Provided that the Collector of Customs or an officer authorized by him in this behalf may for special reasons to be recorded allow a shorter period for the delivery of the said application.

(2) The master shall, at the time of applying for port clearance,-

(a) deliver to the appropriate officer an export manifest in duplicate in such form as may from time to time be prescribed by the Board signed by such master specifying all goods to be exported in the vessel and showing separately all goods



and stores entered in the import manifest, and not landed or consumed on board or transshipped:

Provided that the Collector of Customs, through a special or general order, on such terms and conditions as he may deem fit to impose, may allow acceptance of digital signatures, in lieu of the manual ones, on electronically transmitted export manifest.

- (b) deliver to the appropriate officer such <sup>1</sup>[\* \* \*] goods declaration or other documents as such officer acting under the general instructions of the Collector of Customs requires; and
- (c) answer such questions respecting the departure and destination of the vessel as are put to him by the appropriate officer.

(3) The provisions of section 45 relating to the amendment of import manifests shall, mutatis mutandis, apply also to export manifests delivered under this section or under section 54.

**54. Conveyances other than vessels to deliver documents and answer questions before departure.**-The person-in-charge of a conveyance other than a vessel or his duly authorized agent shall -

- (a) deliver to the appropriate officer an export manifest in duplicate in such form as may from time to time be prescribed by the Board signed by the person-in-charge or the agent specifying all goods or  
  
stores entered in the import manifest, and not landed or transshipped or consumed on board the conveyance;
- (b) deliver to the appropriate officer such bills of export or goods declaration or other documents as such officer acting under the general instructions of the Collector of Customs requires; and
- (c) answer such questions respecting the departure and destination of the conveyance as are put to him by the appropriate officer.

**55. Power to refuse port clearance to vessels or permission for departure to other conveyance.**-(1) The appropriate officer may refuse to give port-clearance to a vessel or permission for departure to any other conveyance until-

- (a) the provisions of section 53 or section 54, as the case may be, have been complied with;
- (b) all station or port dues and other charges and penalties payable in respect of such vessel, or by the owner or master thereof, or in respect of such other conveyance by the owner or person-in-charge thereof, and all taxes, duties and other dues payable in respect of any goods loaded therein, have been duly paid, or their payment secured by such guarantee, or by such deposit at such rate, as such officer directs;

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<sup>1</sup> Omitted by Act III of 2006, s. 8.

(c) where any export goods have been loaded without payment or securing payment as aforesaid of all taxes, duties and other dues payable in respect thereof or in contravention of any provision of this Act or the rules or of any other law for the time being in force relating to export of goods.

(i) such goods have been unloaded, or

(ii) where the appropriate officer is satisfied that it is not practicable to unload such goods, the person-in-charge or his duly authorized agent has given an undertaking secured by such guarantee or deposit of such amount as the appropriate officer may direct, for bringing back the goods to Pakistan;

(d) the agent, if any, delivers to the appropriate officer a declaration in writing to the effect that he will be liable for any penalty imposed under clause 24 of the Table under sub-section (1) of section 156 and furnishes security for the discharge of the same;

(e) the agent, if any, delivers to the appropriate officer a declaration in writing to the effect that such agent is answerable for the discharge of all claims for damage or short delivery which may be established by the owner of any goods comprised in the import cargo in respect of such goods.

(2) An agent delivering a declaration under clause (d) of sub-section (1) shall be liable to all penalties which might be imposed on the person-in-charge of such conveyance under clause 24 of the Table under sub-section (1) of section 156 and an agent delivering a declaration under clause (e) of sub-section (1) shall be bound to discharge all claims referred to in such declaration.

**56. Grant of port clearance or permission for departure.**-When the appropriate officer is satisfied that the provisions of this Chapter relating to the departure of conveyance have been duly complied with, he shall grant a port-clearance to the master of the vessel or a written permission for departure to the person-in-charge of any other conveyance and shall return at the same time to such master or person-in-charge one copy of the manifest duly countersigned by the appropriate officer.

**57. Grant of port clearance or permission for departure on security of agent.**-Notwithstanding anything contained in section 55 or section 56 and subject to rules, the appropriate officer may grant a port-clearance in respect of a vessel or permission for departure in respect of any other conveyance, if the agent furnishes such security as such officer deems sufficient for duly delivering within ten days from the date of such grant, the export manifest and other documents specified in section 53, or section 54, as the case may be.

**58. Power to cancel port-clearance or permission for departure.**-(1) For the purpose of securing compliance with any provision of this Act or the rules or any other law, the appropriate officer may at any time, while the vessel is within the limits of any port or any other

conveyance is within the limits of any station or airport or within Pakistan territory, demand the return of port-clearance or the written permission for departure, as the case may be.

(2) Any such demand may be made in writing or may be communicated to the person-in charge of the conveyance by wireless, and, if made in writing it may be served, by delivery to the person in-charge or his agent personally; or

(a) by leaving it at the last known place of abode of such person or agent; or

(b) by leaving it on board the conveyance with the person appearing to be in-charge or command thereof.

(3) Where a demand for the return of a port-clearance or of a permission for departure is made as aforesaid, the port-clearance or permission shall forthwith become void.

**59. Exemption of certain classes of conveyance from certain provisions of this Chapter.-(1)**

The provisions of section 44, 52, and 54 shall not apply to a conveyance, other than a vessel which carries no goods other than the baggage of its occupants.

(2) The Federal Government may, by notification in the official Gazette, exempt conveyances belonging to Government or any foreign Government from all or any of the provisions of this Chapter.

## CHAPTER VIII

### GENERAL PROVISIONS AFFECTING CONVEYANCES AT CUSTOMS-STATIONS

**60. Power to depute officers of customs to board conveyances.**-At any time while a conveyance is in a customs-station or is proceeding towards such station, the appropriate officer may depute one or more officers of customs to board the conveyance, and every officer so deputed shall remain on board such conveyance for such time as the appropriate officer may consider necessary.

**61. Officer to be received and accommodation to be provided.**- Whenever an officer of customs is so deputed to be on board any conveyance, the person-in-charge shall be bound to receive him on board and provide him with suitable accommodation and adequate quantity of fresh water.

**62. Officer's power of access, etc.**—(1) Every officer deputed as aforesaid shall have free access to every part of the conveyance and may-

- (a) cause any goods to be marked before they are unloaded from the conveyance;
- (b) lock up, seal, mark or otherwise secure any goods carried in the conveyance or any place or container in which they are carried; or
- (c) fasten down any hatchway or entrance to the hold.

(2) If any box, place or closed receptacle in any such conveyance be locked, and the key be withheld, such officer shall report the same to the appropriate officer, who may thereupon issue to the officer on board the conveyance, or to any other officer under his authority, a written order for search.

(3) On production of such order, the officer empowered thereunder may require that any such box, place or closed receptacle be opened in his presence; and if it be not opened upon his requisition, he may break open the same.

**63. Sealing of conveyance.**- Conveyances carrying transit goods for destinations outside Pakistan or goods from some foreign territory to a customs-station or from a customs-station to some foreign territory may be sealed in such cases and in such manner as may be provided in the rules.

**64. Goods not to be loaded or unloaded or water-borne except in presence of officer.**-Save where general permission is given under section 67 or with baggage or ballast urgently required to be loaded for the vessels safety, shall be shipped or water-borne to be shipped or discharged from any vessel, in any customs-port, nor any goods except passengers baggage shall be loaded in or unloaded from any conveyance other than a vessel at any land customs-station or customs-airport except in the presence of an officer of customs.

**65. Goods not to be loaded or unloaded or passed on certain days or at certain times.-**

Except with the permission in writing of the appropriate officer and on payment of such fees as may be prescribed by the Board no goods, other than passengers baggage or mail bags, shall in any customs-port be discharged, or be shipped or water-borne to be shipped or shall be loaded or unloaded or passed at any land customs-station or customs-airport-

(a) on any public holiday within the meaning of section 25 of the Negotiable Instruments Act, 1881 (XXVI of 1881), or on any day on which the discharge or shipping of cargo at customs-port or loading, unloading passage or delivery of cargo at any land customs-station or customs- airport, as the case may be, is prohibited by the Board by notification in the official Gazette; or

(b) on any day except between such hours as the Board may, from time to time, by a like notification, appoint <sup>1</sup>[:]

<sup>1</sup>[Provided that where the Customs Computerized System is in operation, all loading and discharge may be allowed by the Collector of Customs round the clock and on all days.]

**66. Goods not to be loaded or unloaded except at approved places.-** Save where general permission is given under section 67 or with permission in writing of the appropriate officer, no imported goods shall be unloaded or goods for export loaded at any place other than a place duly approved under clause (b) of section 10 for the unloading or loading of such goods.

**67. Power to exempt from sections 64 and 66.-** Notwithstanding anything contained in section 64 or section 66, the Board may, by notification in the official Gazette, give general permission for goods to be loaded at any customs-station from any place not duly appointed for loading and without the presence or authority of an officer of customs.

**68. Boat-note.-**(1) When any goods are water-borne for the purposes of being landed from any vessel and warehoused or cleared for home-consumption, or of being shipped for exportation on board any vessel, there shall be sent, with each boat-load or other separate despatch, a boat-note specifying the number of packages so sent and the marks or number or other description thereof.

(2) Each boat-note for goods to be landed shall be signed by an officer of the vessel, and likewise by the officer of customs on board, if any such officer be on board, and shall be delivered on arrival to any officer of customs authorized to receive the same.

(3) Each boat-note for goods to be shipped shall be signed by the appropriate officer and, if an officer of customs is on board the vessel on which such goods are to be shipped, shall be delivered to such officer, and if no such officer be on board, shall be delivered to the master of the vessel or to an officer of the vessel appointed by him to receive it.

(4) The officer of customs who receives any boat-note of goods landed, and the officer of customs, master or other officer as the case may be, who receives any boat-note of goods shipped, shall sign the same and note thereon such particulars as the Collector of Customs may from time to time direct.

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<sup>1</sup> Subs. and added by Act III of 2006, s. 8.

(5) The Board may from time to time, by notification in the official Gazette, suspend the operation of this section in any customs-port or part thereof.

**69. Goods water-borne to be forthwith landed or shipped.**-All goods water- borne for the purpose of being landed or shipped shall be landed or shipped without any unnecessary delay.

**70. Goods not to be transhipped without permission.**-Except in cases of imminent danger, no goods discharged into or loaded in any boat for the purpose of being landed or shipped shall be transhipped into any other boat without the permission of an officer of customs.

**71. Power to prohibit plying of unlicensed cargo-boats.**-(1) The Board may declare with regard to any customs-port, by notification in the official Gazette that, after a date therein specified, no boat not duly licensed and registered shall be allowed to ply as a cargo-boat for the landing and shipping of merchandise within the limits of such port.

(2) In any port with regard to which such notification has been issued, the Collector of Customs or other officer whom the Board appoints in this behalf, may, subject to rules and on payment of such fees as the Board may, by notification in the official Gazette, prescribe, issue licences for and register cargo-boats, or cancel the same.

**72. Plying of ships of less than one hundred tons.**-(1) Every boat belonging to a Pakistani ship and every other vessel not exceeding one hundred tons, shall be marked in such manner as may be prescribed by rules.

(2) Plying of all or any class or description of vessels of less than one hundred tons, whether in sea or inland waters, may be prohibited or regulated or restricted as to the purposes and limits of plying by rules.

**72A. Responsibilities of person in charge or master of a conveyance, agent and owner of the conveyance.**-The person in charge of the conveyance, master, agent for conveyance and owner of the conveyance shall jointly and individually be responsible to submit the following information to the Collector of Customs, namely:-

- (a) loading or unloading of any container of package, etc., which is believed to contain any other goods or has different weight or quantity or freight than declared in the bill of lading or any other document in the knowledge of such person;
- (b) the name and full address with telephone number of the person who stuffed the goods in the container if he is other than the actual owner of the goods;
- (c) the name and full address with telephone number of the person who issued a consignment note or the house bill of lading in case of a person other than licenced by the customs as Customs agent; and
- (d) full details and photo copies of corrigendum or instructions issued by the owner of the goods or by the other persons for change in the name of consignee or consignor or destination or regarding weight, value, description and quantity of the goods loaded on the conveyance arriving or leaving Pakistan;

## CHAPTER IX

### DISCHARGE OF CARGO AND ENTRY INWARDS OF GOODS

**73. Discharge of cargo by vessels may commence on receipt of due permission.** When an order for entry inwards of any vessel which has arrived in any customs-port or a special pass permitting such vessel to break bulk has been given, discharge of the cargo of such vessel may be proceeded with.

**74. Discharge of goods by conveyances other than vessels.-** When on arrival of a conveyance other than a vessel at a land customs-station or customs-airport the person- in-charge of such conveyance has delivered the import manifest under section 44 and the documents required under section 48, he shall forthwith take the conveyance or cause it to be taken to the examination station at the land customs-station or customs- airport and remove or cause to be removed all goods carried in such conveyance to the custom-house in the presence of the appropriate officer or some person duly authorized by him in that behalf.

**75. Imported goods not to be unloaded unless entered in the import manifest.-** (1) No imported goods required to be shown in the import manifest shall, except with the permission of the appropriate officer, be unloaded from any conveyance at any customs-station unless they are specified in the import manifest or amended or supplementary import manifest for being unloaded at that customs-station.

(2) Nothing in this section shall apply to the unloading of baggage accompanying a passenger or a member or a crew or mail bags.

**76. Procedure in respect of goods not unloaded by vessels within time allowed.-**

(1) (a) If any goods imported by a vessel (except such as have been shown in the import manifest as not to be unloaded) are not unloaded within such period as is specified in the bill of lading or if no period is so specified, within such number of working days, not exceeding fifteen, after entry of the vessel as the Board may from time to time by notification in the official Gazette appoint, or

(b) if the cargo of any vessel, excepting a small quantity of goods, has been discharged before the expiration of the period so specified or appointed, the master of such vessel or, on his application, the appropriate officer may then carry such goods to the custom-house, there to remain for entry.

(2) The appropriate officer shall thereupon take charge of, and grant receipts for, such goods; and if notice in writing has been given by the master of such vessel that goods are to remain subject to a lien for freight, primage, general average, or other charges of a stated amount, the appropriate officer shall hold such goods until he receives notice in writing that the said charges have been paid.

**77. Power to land small parcels and hold unclaimed parcels.**-(1) At any time after the arrival of any vessel, the appropriate officer may, with the consent of the master of such vessel, cause any small package or parcel of goods to be carried to the custom-house there to remain for entry in charge of the officers of customs, during the remainder of the working days allowed under this Act, for the landing of such package or parcel.

(2) If any package or parcel so carried to the custom-house remains unclaimed on the expiration of the number of working days so allowed for its unloading, or at the time of clearance outwards of the vessel from which it was unloaded, the master of such vessel may give such notice as is provided in section 76, and the officer-in-charge of the custom-house shall thereupon hold such package or parcel as provided in that section.

**78. Power to permit immediate discharge.**-(1) Notwithstanding anything contained in sections 74,76 and 77, the appropriate officer in any customs-station to which the Board, by notification in the official Gazette, declares this section to apply, may permit the master of any vessel immediately on receipt of an order under section 47 or a special pass under section 49, or the person-in-charge of a conveyance other than a vessel on receipt of the import manifest, to discharge the goods imported by such conveyance, or any portion thereof, into the custody of his agent, if he be willing to receive the same, for the purpose of unloading the same forthwith-

- (a) at the custom-house, or at any specified landing place or wharf; or
- (b) at any landing-place or wharf belonging to the port commissioners, port trust, railways or other public body or company; or
- (c) for giving it in the custody of such person as may be approved by the Collector of Customs.

(2) Any agent so receiving such cargo or portion shall be bound to discharge all claims for damage or short delivery which may be established in respect of the same by the owner thereof, and shall be entitled to recover from such owner his charges for service rendered, but not for commission or the like, where any agent for the unloading of such cargo or portion has been previously appointed by the owner and such appointment is unrevoked.

(3) The appropriate officer shall take charge of all goods discharged under clause (a) of sub-section (1) and otherwise proceed in relation thereto as provided in sections 76 and 82.

(4) A public body or company or person at whose landing place or wharf or place of storage any goods are discharged under clause (b) or clause (c) of sub-section (1) shall not permit the same to be removed or otherwise dealt with except in accordance with the order in writing of the appropriate officer.

**79. Declaration and assessment for home consumption or warehousing.**<sup>1</sup>[(1)The owner of any imported goods shall make entry of such goods for home consumption or warehousing<sup>2</sup>[or trans-shipment] or for any other approved purposes, within fifteen days of the arrival of the goods, by,-

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<sup>1</sup> Subs. by Act III of 2006, s. 8.

<sup>2</sup> Ins, added by Act V of 2015, s. 2 (w.e.f 1-7-2015).



- (a) filing a true declaration of goods, giving therein complete and correct particulars of such goods, duly supported by commercial invoice, bill of lading or airway bill, packing list or any other document required for clearance of such goods in such form and manner as the Board may prescribe ; and
- (b) assessing and paying his liability of duty, taxes and other charges thereon, in case of a registered user of the Customs Computerized System:

<sup>1</sup>[Provided that if, in case of used goods, before filing of goods declaration, the owner makes a request to an officer of customs not below the rank of an Additional Collector that he is unable, for want of full information, to make a correct and complete declaration of the goods, then such officer subject to such conditions as he may deem fit, may permit the owner to examine the goods and thereafter make entry of such goods by filing a goods declaration after having assessed and paid his liabilities of duties, taxes and other charges:]

Provided further that no goods declaration shall be filed prior to ten days of the expected time of arrival of the vessel.]

<sup>2</sup>[**Explanation.** For the purposes of this clause, the assessment and paying of duty, taxes and other charges in respect of transshipment shall be at the port of destination.].

(2) If an officer, not below the rank of Additional Collector of Customs, is satisfied that the rate of customs duty is not adversely affected and that there was no intention to defraud, he may, in exceptional circumstances and for reasons to be recorded in writing, permit, substitution of a goods declaration for home consumption for a goods declaration for warehousing or *vice versa*.

(3) An officer of Customs, not below the rank of Assistant Collector of Customs, may in case of goods requiring immediate release allow release thereof prior to presentation of a goods declaration subject to such conditions and restrictions as may be prescribed by the Board.

**80. Checking of goods declaration by the Customs.**-(1) On the receipt of goods declaration under section 79, an officer of Customs shall satisfy himself regarding the correctness of the particulars of imports, including declaration, assessment, and in case of the Customs Computerized System, payment of duty, taxes and other charges thereon.

(2) An officer of Customs may examine any goods that he may deem necessary at any time after the import of the goods into the country and may requisition relevant documents, as and when and in the manner deemed appropriate, during or after release of the goods by Customs;

(3) If during the checking of goods declaration, it is found that any statement in such declaration or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be reassessed to duty <sup>3</sup>[Taxes and other charges levied thereon].

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<sup>1</sup> Subs. by Act XVI of 2010, s. 3. (w.e.f 1-7-2010).

<sup>2</sup> Ins. and added by Act V of 2015, s. 2 (w.e.f 1-7-2015).

<sup>3</sup> Ins and subs. by Finance Act 2014, s. 2 (w.e.f 1-7-2014).

(4) In case of the Customs Computerized System, goods may be examined <sup>1</sup>[and assessed]only on the basis of computerized selectivity criteria.

(5) The Collector may, however, either condone the examination or defer the examination of imported goods or class of goods and cause it to be performed at a designated place as he deems fit and proper either on the request of the importer or otherwise.

**81. Provisional determination of liability.**—(1) Where it is not possible for an officer of Customs during the checking of the goods declaration to satisfy himself of the correctness of the assessment of the goods made under section 79, for reasons that the goods require chemical or other test or a further inquiry, an officer, not below the rank of Assistant Collector of Customs, may order that the duty, taxes and other charges payable on such goods, be determined provisionally:

Provided that the importer, save in the case of goods entered for warehousing, pays such additional amount on the basis of provisional assessment or furnishes bank guarantee <sup>2</sup>[or pay order] <sup>3</sup>[\* \* \*] of a scheduled bank along with an indemnity bond for the payment thereof as the said officer deems sufficient to meet the likely differential between the final determination of duty <sup>1</sup>[Taxes and other charges] over the amount determined provisionally:

Provided further that there shall be no provisional assessment under this section if no differential amount of duty and <sup>1</sup>[Taxes and other charges] is paid or secured against bank guarantee <sup>4</sup>[or pay order] <sup>3</sup>[\* \* \*].

<sup>5</sup>[(2) Where any goods are allowed to be cleared or delivered on the basis of such provisional determination, the amount of duty, taxes and charges correctly payable on those goods shall be determined within six months of the date of provisional determination:

Provided that the Collector of Customs or, as the case may be, Director of Valuation, may in circumstances of exceptional nature and after recording such circumstances, extend the period for final determination which shall in no case exceed ninety days <sup>6</sup>[:]

<sup>6</sup>[Provided further that any period, during which the proceedings are adjourned on account of a stay order or for want of clarification from the Board or the time taken through adjournment by the importer, shall be excluded for the computation of aforesaid periods.]

(3) On completion of final determination, the amount already paid or guaranteed shall be adjusted against the amount payable on the basis of final determination, and the difference between the two amounts shall be paid forthwith to or by the importer, as the case may be.

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<sup>1</sup>Ins. by Act V of 2015, s. 2 (w.e.f 1-7-2015).

<sup>2</sup>Ins and subs. by Act IV of 2007, s. 8 (w.e.f 1-7-2007).

<sup>3</sup>Omitted by Finance Act XXII of 2013, s. 2 (w.e.f 1-7-2013).

<sup>4</sup>Ins. by Act XVII of 2012, s. 6 (w.e.f 1-7-2012).

<sup>5</sup>Ins. & Subs. by Act IV of 2007, s.8 (w.e.f 1.07.2007)

<sup>6</sup>Subs. and added by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

(4). If the final determination is not made with the period specified in sub-section (2), the provisional determination shall, in the absence of any new evidence, be deemed to be the final determination.

**Explanation.**— Provisional assessment means the amount of duties and taxes paid or secured against bank guarantee <sup>1</sup>[Pay order].

<sup>2</sup>[(5) On completion of final determination under sub-section (3) or (4), the appropriate officer shall issue an order for adjustment, refund or recovery of amount determined, as the case may be.];

**82. Procedure in case of goods not cleared or warehoused or transshipped or exported or removed from the port within <sup>3</sup>[twenty days] after unloading or filing of declaration.**- If any goods are not cleared for home-consumption or warehoused or transshipped or are not loaded on the conveyance for export or removed from the port area within <sup>3</sup>[twenty days] of their arrival at a customs station or within such extended period not exceeding <sup>3</sup>[ten] days, an officer not below the rank of Assistant Collector may allow, and such goods may, after the due notice given to the owner if his address could be ascertained, or after due notice to the carrier, shipping or customs agent, custodian of the goods, as the case may be, if his address could not be ascertained, may be sold in auction or taken into custody by Customs and removed from the port to a Customs warehouse for auction under the order of the Assistant Collector notwithstanding the fact that adjudication of the case under section 179, or an appeal under section 193, or 196, or a proceeding in any court is pending:

Provided that,—

- (a) animals and perishable and hazardous goods may, with the permission of the appropriate officer, be sold or destroyed at any time;
- (b) arms, ammunition or military stores may be sold or otherwise disposed of at such time and place and in such manner as the Board may, with the approval of the Federal Government, direct;
- (c) in cases where goods are sold pending adjudication, appeal or decision of the court, the proceeds of sale shall be kept in deposit and if on such adjudication, or as the case may be, in such appeal or the decision of the court, the goods sold are found not to have been liable to confiscation, the entire sale proceeds, after necessary deduction of duties, taxes transportation and other charges or duties as provided in section 201, shall be handed over to the owner:

Provided further that where Customs removes such goods from the premises of the custodian for disposal, the charges due to the custodian shall be paid subsequently from the sale proceeds of the goods in the manner as provided under section 201:

Provided also that nothing in this section shall authorize removal for home consumption of any dutiable goods without payment of customs duties thereon.

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<sup>1</sup>Subs. by Finance Act of 2013, s. 2 (w.e.f 1-7-2013).

<sup>2</sup> Added by Act XVI of 2010, s. 3 (w.e.f 1-7-2010).

<sup>3</sup> Subs. by Act III of 2006, s. 8.

## CHAPTER X

### CLEARANCE OF GOODS FOR HOME-CONSUMPTION

<sup>1</sup>**[83. Clearance for home consumption.]**—(1) When the owner of any goods entered for home-consumption and assessed under section 80 or 81 has paid the import duty and other charges, if any, in respect of the same the appropriate officer, if he is satisfied that the import of the goods is not prohibited or in breach of any restrictions or conditions applying to the import of such goods, may make an order for the clearance of the same:

Provided that, at customs-stations where the Customs Computerized System is operational the system may clear the goods through system generated clearance documents.

(2) Where the owner fails to pay import duty and other charges within <sup>1</sup>[ten] days from the date on which the same has been assessed under sections 80, [\* \* \*]<sup>2</sup> or 81, he shall be liable to pay surcharge at the rate of <sup>3</sup>[KIBOR plus three] per cent per annum on import duty and other charges payable on such goods.

<sup>1</sup>[\* \* \*]

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<sup>1</sup> Subs. and omitted bny Act III of 2006, s. 8.

<sup>2</sup> Omitted by Finance Act, XXII of 2013, s. 2 (w.e.f 1-7-2013).

<sup>3</sup> Subs. by Act I of 2009, s. 2 (w.e.f 1-7-2009).

## CHAPTER XI

### WAREHOUSING

**84. Application to warehouse.**- When any dutiable goods have been entered for warehousing and assessed under section 80 or 81 the owner of such goods may apply for leave to deposit the same in any warehouse appointed or licensed under this Act :

Provided that the Collector of Customs, for reasons to be recorded in writing, may disallow the warehousing of goods or any class of goods or goods belonging to a particular importer.

Provided further that, at customs-stations where the Customs Computerized System is operational the system may allow removal to warehouse through system generated clearance documents.

**85. Form of application.**- Every such application shall be in writing signed by the applicant, and shall be in such form as may be prescribed by the Board.

**86. Submission of post-dated cheque and indemnity bond.**—(1) When any such application has been made in respect of any goods, the owner of the goods to which it relates shall furnish an indemnity bond and post-dated cheque equivalent to the duty assessed under section 80 or section 81 or reassessed under section 109 on such goods,-

- (a) to observe all the provisions of this Act and the rules in respect of such goods;
- (b) to pay on or before a date specified in a notice of demand all duties, taxes, rent and charges payable in respect of such goods together with surcharge on the same from the date so specified at the rate of <sup>1</sup>[KIBOR plus three per cent per annum] or such other rate as is for the time being fixed by the Board; and
- (c) to discharge all penalties incurred for violation of the provisions of this Act and the rules in respect of such goods.

(2) Every such post-dated cheque shall be equivalent to the duties and taxes leviable on the goods or portion of the goods of one conveyance only.

**87. Forwarding of goods to warehouse.**—(1) When the provisions of sections 85 and 86 have been complied with in respect of any goods, such goods shall be forwarded in charge of an officer of customs to the warehouse in which they are to be deposited.

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<sup>1</sup> Subs. by Act I of 2009, s. 2 (w.e.f 1-7-2009).

(2) A pass shall be sent with the goods specifying the name of the bonder and the name or number of the importing conveyance, the marks, numbers and contents of each package, and the warehouse or place in the warehouse wherein they are to be deposited.

**88. Receipt of goods at warehouse.**-(1) On receipt of the goods, the pass shall be examined by the warehouse-keeper, and shall be returned to the appropriate officer.

(2) No package, butt, cask or other container shall be admitted into any warehouse unless it bears the marks and numbers specified in, and otherwise corresponds with, the pass for its admission.

(3) If the goods be found to correspond with the pass, the warehouse-keeper shall certify to that effect on the pass, and the warehousing of such goods shall be deemed to have been completed.

(4) If the goods do not so correspond, the fact shall be reported by the warehouse-keeper for the orders of the appropriate officer, and the goods shall either be returned to the custom-house in charge of an officer of customs or kept in deposit pending such orders as the warehouse-keeper deems most convenient.

(5) If the quantity or value of any goods has been incorrectly stated in the 1[goods declaration], due to inadvertence or *bona fide* error, the error may be rectified at any time before the warehousing of the goods is completed, and not subsequently.

**89. Goods how warehoused.**- Except as provided in section 94, all goods shall be warehoused in the packages, butts, casks or other containers in which they have been imported.

**90. Warrant to be given when goods are warehoused.**—(1) Whenever any goods are lodged in a public warehouse or a licensed private warehouse, the warehouse-keeper shall deliver a warrant signed by him as such to the person lodging the goods.

(2) Such warrant shall be in such form as the Board may from time to time prescribe, and shall be transferable by endorsement; and the endorsee shall be entitled to receive the goods specified in such warrant on the same terms as those on which the person who originally lodged the goods would have been entitled to receive the same.

(3) The Board may, by notification in the official Gazette, exempt any class of goods from the operation of this section.

**91. Access of customs officer to private warehouse.**- The appropriate officer shall have access to any <sup>1</sup>[\* \* \*] warehouse licensed under this Act.

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<sup>1</sup> Subs. and omitted by Act III of 2006, s. 8.

**92. Power to cause packages lodged in warehouse to be opened and examined.**-(1) The appropriate officer may at any time by order in writing direct that any goods or packages lodged in any warehouse shall be opened, weighed or otherwise examined; and, after any goods have been so opened, weighed or examined, may cause the same to be sealed or marked in such manner as he thinks fit.

(2) When any goods have been so sealed and marked after examination, they shall not be again opened without the permission of the appropriate officer; and, when any such goods have been opened with such permission, the packages shall, if he thinks fit, be again sealed or marked.

**93. Access of owner to warehoused goods.**-(1) Any owner of goods lodged in a warehouse shall, at any time within the hours of business, have access to his goods in the presence of an officer of customs, and an officer of customs shall, upon application for the purpose being made in writing to the appropriate officer, be deputed to accompany such owner.

(2) When an officer of customs is specially employed to accompany such owner, a sum sufficient to meet the expense thereby incurred shall, subject to rules, be paid by such owner to the appropriate officer, and such sum shall, if the appropriate officer so directs, be paid in advance.

**94. Owner's power to deal with warehoused goods.**-(1) With the sanction of the appropriate officer and on payment of such fees as may be prescribed by rules, the owner of any goods may, either before or after warehousing the same,-

- (a) separate damaged or deteriorated goods from the rest;
- (b) sort the goods or change their containers for the purpose of preservation, sale, export or disposal of the goods;
- (c) deal with the goods and their containers in such manner as may be necessary to prevent loss or deterioration or damage to the goods;
- (d) show the goods for sale; or
- (e) take such samples of goods as may be allowed by the appropriate officer with or without entry for home-consumption, and with or without payment of duty, except such as may eventually become payable on a deficiency of the original quantity.

(2) After any such goods have been so separated and repacked in proper or approved packages, the appropriate officer may, at the request of the owner of such goods, cause or permit any refuse, damaged or surplus goods remaining after such separation or repacking (or, at the like request, any goods which may not be worth the duty) to be destroyed, and may remit the duty payable thereon.

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**95. Manufacture and other operations in relation to goods in a warehouse.** (1) Subject to rules, the owner of any warehoused goods may, with the permission in writing of the Collector of Customs, carry on any manufacturing process or other operations in the warehouse in relation to such goods.

(2) Where in the course of any such operation or process there is any waste or refuse the following provisions shall apply, namely:-

- (a) If the whole or any part of the goods produced by such operation or process are exported, no duty shall be charged on the quantity of the warehoused goods wasted or turned into refuse in the course of the operation or processing carried on in relation to the goods exported:

Provided that such waste or refuse is either destroyed or duty is paid on such waste or refuse as if it had been imported into Pakistan in that form;

- (b) If the whole or any part of the goods produced by such operation or process are cleared from the warehouse for home-consumption, duty shall be charged on the quantity of the warehoused goods wasted or turned into refuse in the course of the operation or processing carried on in relation to the goods cleared for home-consumption.

**96. Payment of rent and warehouse dues.**-(1) If goods be lodged in a public warehouse, the owner shall unless exempted by an order of the Collector or an officer not below the rank of Assistant Collector <sup>1</sup>[\* \* \*] authorized by him, pay monthly rent and warehouse-dues at such rates as the Collector of Customs may fix.

(2) A table of the rates of rent and warehouse-dues so fixed shall be placed in a conspicuous part of such warehouse.

(3) If any demand for such rent or dues is not discharged within ten days of its presentation, the appropriate officer may, in the discharge of such demand (any transfer or assignment of the goods notwithstanding) cause to be sold, after due notice in the official Gazette, such sufficient portion of the goods as he may select.

(4) The proceeds of such sale shall be adjusted in accordance with section 201.

**97. Goods not to be taken out of warehouse except as provided by this Act.** No warehoused goods shall be taken out of any warehouse, except on clearance for home- consumption or export, or for removal to another warehouse, or as otherwise provided in this Act.

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<sup>1</sup> Omitted by Act of 2011, s. 2 (w.e.f 1-7-2011).



**98. Period for which goods may remain warehoused.**-(1) Warehoused goods, other than perishable goods notified by the Central Board of Revenue, may remain in the warehouse for a period of six months following the date of their admission into the warehouse and perishable goods so notified may remain in the warehouse for a period of three months, following the said date:

Provided that the said period may, in case of non-perishable goods, be extended, on sufficient cause being shown by the owner of the warehoused goods and subject to the condition that he pays in advance surcharge on the duty and taxes involved at one per cent per month for the extended period-

- (a) by the Collector of Customs, for a period not exceeding one month in case of notified perishable goods and a period not exceeding three months in case of non-perishable goods; and
- (b) subject to the condition that the extension in case of perishable goods shall be granted only if the goods are fit for human consumption.

(2) The Federal Government may, subject to such conditions, or restrictions as it may deem fit to impose, by notification in the official gazette, remit the whole or a part of the surcharge in case of any goods or category of goods and the Board, in circumstances of exceptional nature, may, subject to such conditions, limitations or restrictions, if any, as it may think fit to impose, by a special order in each case recording such circumstances remit the whole or a part of the surcharge.

(3) Notwithstanding anything contained in sub-section (1), the Federal Government may, by notification in the official Gazette, limit the period for which goods or class of goods may remain in the warehouse:

Provided that such period shall not be less than one month.

(4) When the licence of any warehouse is cancelled, the owner of any goods warehoused therein shall, within ten days of the date on which notice of such cancellation is given, or within such extended period as the appropriate officer may allow, remove the goods from that warehouse to another warehouse or clear them for home-consumption or exportation.

**99. Power to remove goods from one warehouse to another in the same customs-station.**-(1) Any owner or a manufacturer-cum-exporter duly authorized by such owner in respect of goods warehoused under this Act may, within the period of their warehousing under section 98, and with the permission of the Collector of Customs, on such conditions and after giving such security, if any, as the Collector directs, remove goods from one warehouse to another warehouse in the same warehousing station.

(2) When any owner or a manufacturer-cum-exporter duly authorized by such owner desires to remove any goods, he shall apply for permission to do so in such form as the Board may prescribe.

































































































































































































































