

# **SROs, STANDING ORDERS & PUBLIC NOTICES**

**GOVERNMENT OF PAKISTAN**  
**MINISTRY OF INDUSTRIES**  
**NOTIFICATION**  
**Islamabad, the 23<sup>rd</sup> September, 1981**  
**EXPORT PROCESSING ZONES AUTHORITY RULES, 1981**

**S.R.O. 1058(1)/81.-** In exercise of the powers conferred by section 26 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to make the following rules, namely:-

**1. Short title and commencement.-** (1) These rules may be called the Export Processing Zones Authority Rules, 1981

(2) They shall come into force at once.

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

(i) "application" means an application to the Authority for setting up industrial undertaking in the Zones in such form as may be specified from time to time by the Authority;

<sup>1</sup>[(ia) "foreign collaborator" means an investor, whether a foreigner or a non-resident citizen of Pakistan, who makes investment in a Zone in a joint venture with a resident citizen of Pakistan;

<sup>2</sup>[(iaa) "Controller of Insurance" has the same meaning as in the Insurance Act, 1938 (IV of 1938);

<sup>3</sup>[(ii) "Foreign investment" means an investment made by foreigner and/or a non-resident citizen of Pakistan in form of cash, foreign exchange or equipment or in any other form approved by the Authority;

<sup>4</sup>[(iii) "foreign investor" means an investor who is not a citizen of Pakistan or is non-resident citizen of Pakistan or a company incorporated outside Pakistan by a foreign national and/or non-resident citizen of Pakistan;

<sup>5</sup>[(iiia) "insurer" shall have the same meaning as in the Insurance Act, 1938 (IV of 1938).

<sup>1</sup>[(ia) *Added by S.R.O. 580(1)/85, dated 09-06-1985.*

<sup>2</sup>[(iaa) *Added by S.R.O. 857(1)/82 dated 08-09-1982.*

<sup>3</sup>[(ii) *Sub. By S.R.O. 165(KE)/89, dated 30-08-1989 for the following:*

*"foreign investment" means investment made by a foreigner in an industrial undertaking in a Zone, in the form of cash, foreign exchange, imported machinery or equipment, or in any other form approved by the Authority;*

<sup>4</sup>[(iii) *Subs. By S.R.O. 165(KE)/89, dated 30-08-1989 for the following:*

*"foreign Investor" means an investor who is not a citizen of Pakistan or a company incorporated outside Pakistan by foreigners;*

<sup>5</sup>[(iiia) *Added by S.R.O-857(i)/82, dated 08-08-1982.*

- <sup>6</sup>[(iv) “Joint Venture” means an industrial enterprise set up with participation between foreign investors or between a foreign investor and a resident citizen of Pakistan or a company incorporated in Pakistan whose share in investment shall not exceed 40% of the total investment;
- <sup>7</sup>[(v) “non-repatriable investment” means an investment in foreign currency which is purchased from the State Bank of Pakistan by a resident citizen of Pakistan or company incorporated in Pakistan on the condition that capital, dividends and profits shall not be repatriated outside Pakistan;
- (vi) “Ordinance” means the Export Processing Zones Authority Ordinance 1980 (IV of 1980);
- (vii) “registration” means registration of an investor with the Authority;
- (viii) “regulations” means regulations made by the Authority under section 27 of the Ordinance; and
- (ix) “Scheme” means a scheme prepared under section 10 or framed under section 11 of the Ordinance.

**(ix) Eligibility.-** The following categories of persons shall be eligible to establish industrial undertaking in a Zone, namely:-

- (1) a foreign investor;
- <sup>8</sup>[(2) a foreign investor in collaboration with a resident citizen of Pakistan or a company incorporated in Pakistan through exchange investment under the provisions of the State Bank of Pakistan F/E Circular No. 12; and
- <sup>9</sup>[(3) a resident citizen of Pakistan or resident forms and companies of Pakistan, are allowed to make equity investment in companies whether incorporated or not or joint ventures, through foreign exchange investment up to 100% under the provisions of the State Bank of Pakistan F.E. Circular No. 12 of 2001.

<sup>6</sup>[(iv) *Sub. by S.R.O. 165(KE)/89, dated 30-08-1989 for the following:*

*“Joint venture” means an industrial enterprise set up with participation between foreign investors or between foreign investor and a non-resident citizen of Pakistan with non-repatriable investment;*

<sup>7</sup>[(v)a. *Subs. by S.R.O. 165(KE)/89, dated 30-08-1989 for the following:*

*“non-repatriable investment” means an investment in foreign currency out of the earnings abroad by a non-resident citizen of Pakistan, who has not surrendered his Pakistan passport, on the condition that capital, dividends and profits would not be repatriated outside Pakistan;*

b. *The words “in joint venture with a foreign investor” omitted by SRO.915(1)/92, dated 23-09-1992.*

<sup>8</sup>[(2) *Subs. by SRO.80(KE)/2005, dated 03-07-2005.*

<sup>9</sup>[(3) *Subs. by SRO.80(KE)/2005, dated 03-07-2005.*

- 4. Investment to be in foreign currency.-** All investments made in a Zone shall be in foreign convertible currency.
- 5. Type of industries to be set-up etc.** (1) Export oriented industries requiring sophisticated technology, advanced marketing arrangement, using local raw materials and labour shall be preferred.
- (2) Industries which compete with similar export industries in the tariff area would normally not be allowed to be set up in the Zone.
- (3) Supporting enterprises to provide essential services to industrial undertakings in the Zone shall be allowed to be set up.
- <sup>10</sup>[(4) Consignment and distribution services for receiving and storing goods meant for export to foreign markets and to the tariff area subject to the provisions of national import policy shall be permitted.
- (5) Industries manufacturing prohibited items, such as, narcotics, alcoholic drinks, armaments or those causing serious environmental pollution shall not be permitted to be established in the Zones.
- 6. Application for setting up industrial undertaking.-** <sup>11</sup>[(1) Investors desiring to establish an industrial undertaking in a Zone shall submit 11 (.....) their application to the Authority complete in all respect.
- (2) Each application shall be accompanied by a non-refundable fee specified by the Authority from time to time.
- 7. Power of the Authority to accept or reject any application.-** (1) The Authority may accept or reject any application without assigning any reasons.
- (2) If the application is accepted, the Authority shall issue a letter of sanction to the investor containing the terms and conditions subject to which the sanctioned industry shall operate.
- 8. Time for implementation of the sanction.-** On receiving the letter of sanction, the applicant shall be required to implement and complete the industry within the period specified in the letter of sanction failing which the sanction shall stand cancelled, provided the Authority may, for sufficient cause, extend the said period.

<sup>10</sup>[(4) Subs. by SRO.165(KE)/89, dated 30-08-1989 for the following:

*Consignment and distribution services for receiving and storing foreign goods meant for re-export shall be permitted.*

<sup>11</sup>[(1) The words "twelve copies of" omitted by SRO. 1287(I)/84, dated 26-12-1982

9. **Registration.-** If an industrial undertaking is sanctioned for a Zone, the investor shall register himself or itself with the Authority before commencing work on the project or site by entering into an agreement in such form, as may be specified from time to time, by Authority containing the general terms, conditions and procedure under which an industrial undertaking is sanctioned to operate in the Zone:

Provided that the Authority may exempt any investor from one or more of the general conditions laid down in the agreement.

- <sup>12</sup>[9.A **Power of the Authority to cancel sanction.-** If in the opinion of the Authority an investor has failed to carry out the purpose for which, or has not fulfilled the conditions of, the sanction accorded to him under sub-section (1) of section 11 of the Ordinance, it may, after giving him notice to show cause, cancel, revoke or withdraw the sanction.

10. **Issue of licenses to banks to open branches, etc.-** (1) Licenses for opening of branches in a Zone to banks may be issued by the State Bank of Pakistan hereafter in this rule and rule 11 referred to as the Bank:

- (a) to foreign banks operating in Pakistan outside the licensing policy on merit; and  
(b) to Pakistani banks on merit.

(2) The banks to whom licenses are issued under sub-rule(1) shall meet all preliminary expenses of opening of branches from their external resources.

(3) The Bank shall not allow the incorporation of any bank or subsidiaries thereof in a Zone.

(4) The branches of the banks opened in the Zones, hereafter in this rule and rule 11 referred to as branches, shall not be eligible for any financial assistance from the Bank.

(5) The branches may, in addition to the business of banking, engage in all or any of the forms of business enumerated in section 7 of the Banking Companies Ordinance, 1962 (LVII of 1962).

(6) The banking statistics of the branches shall not form part of the banking statistics of Pakistan:

Provided that the Bank may, with a view to obtaining statistical data about the operations of the branches, call such periodical returns from such branches from time to time as it may think fit.

11. **Dealings in foreign exchange, etc.-** (1) The Bank may issue licenses to the branches for transacting foreign exchange business in the Zones.

(2) The rules applicable to the import into, and export from, Pakistan of Pakistani currency shall apply to the import into, and export from, the Zones to the tariff area.

<sup>12</sup>[9.A *Added by SRO.1287(I)/82, dated 26-12-1982*

- (3) Foreign currency notes and other foreign currency instruments may be exported from the Zones to the tariff area.

Provided that all such foreign currency notes shall, immediately after entry, be surrendered to an authorized dealer in the tariff area.

- (4) All imports into the Zones shall be paid for out of the importers own foreign exchange resources abroad without involving, either directly or indirectly, Pakistan resources.
- (5) Imports into the Zones from the tariff area shall be deemed to be exports from Pakistan and imports into the tariff area from the Zones shall be deemed to be imports from abroad and shall be subject to the same conditions and restrictions as are applicable to similar imports from abroad.

<sup>13</sup>[11-A **Issue of licenses to Insurers to open branches, etc.-** (1) Licenses for opening of branches in a Zone to an Insurer may be issued by the Authority:-

- (a) to Pakistani insurers on the recommendations of the Standing Committee constituted under the Federal Government Resolution No.12/11/1973 Ins.2, dated the 8<sup>th</sup> December, 1975; and
  - (b) to non-Pakistani insurers on the recommendations of the Controller of Insurance.
- (2) The Insurers to whom licenses are issued under sub-rule (1) shall meet all preliminary expenses of opening of branches from their external resources and all expenses on the maintenance of such branches shall be met either out of the earnings of these branches or from the insurers external resources.
  - (3) The Authority shall not allow the incorporation of any insurer or subsidiary thereof in a Zone.

<sup>14</sup>[11-B **Furnishing of information report, return, etc.-** All insurers operating in a Zone shall furnish information and submit returns or reports from time to time to the Controller of Insurance in the manner required by him in writing.

**12. Travel of Pakistanis, etc., in the Zones.-** (1) Pakistanis of occupant industries holding identity cards from a Zone's administration and proceeding on official visit shall pay the cost of the ticket in convertible foreign exchange.

- (2) The expatriates employed by the occupant industries shall, in respect of their foreign travel both on private and official account, pay the cost of the ticket in convertible foreign exchange.

<sup>13</sup>[11.A *Added by SRO.857(I)/82, dated 08-09-1982.*

<sup>14</sup>[11.B *Added by SRO.857(I)/82, dated 08-09-1982.*

- 13. Maintenance of accounts and credit facilities.-** (1) Persons resident of the tariff area shall not be permitted to maintain accounts with the branches of bank in the Zones.
- (2) Foreign exchange funds of the enterprises may be kept with the banks in a Zone in any convertible currency.
- (3) No industrial undertaking in a Zone shall be extended any credit facility out of Pakistan resources including financing by the Industrial Development Bank of Pakistan.
- 14. Rebate of excise and customs duties for supplies to Zones.-** The normal excise and customs duties and other taxes leviable on raw materials, machinery, or goods in the tariff area shall be eligible for rebate under the existing rules when supplied to a Zone.
- 15. Facilities.-**(1) **The Authority shall undertake to provide infrastructure facilities such as electricity, water, gas, telephone and telex which are considered necessary for efficient industrial operations in a Zone:**
- Provided that the cost of providing such facilities shall be borne by industries set up in a Zone.
- (2) The Authority may also provide to investors a list of contractors for providing necessary services such as stevedoring, movement of goods to and from a Zone, factory design and construction for their information and guidance.
- (3) Postal, fire services, first aid station and medical centers shall be provided within a Zone.
- <sup>15</sup>(4) Supporting enterprises including banking, insurance and such services as may be specified by the Federal Government from time to time shall also be provided within a Zone.
- 16. Imports and exports.-** A <sup>16(i)</sup> service charges of <sup>16(ii)</sup> 0.5% on the F.O.B value of all goods <sup>16</sup>(.....) exported from any Zone shall be payable to the Authority.
- 17. Entry into and exit from a Zone.-**(1) **Entry and exit of persons and goods into and from a Zone shall be in accordance with the regulations framed by the Authority.**

<sup>15</sup>(4)

*Added by SRO.1287(I)/82, dated 26-12-1982*

<sup>16</sup>

*Omitted by SRO.165(KE)/89, dated 30-08-1989, for the following;  
In rule 16, the words "imported into or" shall be omitted.*

16(i)

*Added through circular No. Fin-FR(CIR) /001/005 dated April 20, 2005 subsequent to BOD decision taken 67<sup>th</sup> meeting held on July 27, 2002.*

16(ii)

*Substituted by SRO -(1)/2000 dated August 24, 2004 MOI NO. 1(8)/2000-INV-IV*

- (2) Payments for raw materials, machinery or goods and services purchased by a Zone investor from the tariff area shall be made in convertible foreign currency.
- 18. Monetary transactions.-** All payments to labour, managerial staff and for services and facilities within a Zone shall be made in Pakistani rupees against the surrender of foreign exchange to an authorized bank or banks as may be designated by the Authority.
- 19. Environmental pollution.-** Industries whose operation results in the creation of harmful effluents that cause environmental pollution shall be required to adopt such measures as are necessary for the proper treatment of the pollutants before they are disposed of.
- 20. Cost of additional services.-** The Authority may impose such fees or charges for services which it may additionally provide from time to time in connection with-
- (a) development and maintenance of public utilities and installations;
  - (b) measures for maintenance of environmental, sanitation and public safety; and
  - (c) such other related services which the Authority may deem necessary.
- 21. Suspension and cessation of operations.-** (1) If an industrial undertaking in a Zone decided to cease or suspend its registered operations, a written notice thereof shall be sent to the Authority before the decision is implemented.
- (2) Subject to the provisions of the relevant laws and the rights of mortgage creditors, the cessation of business operations shall have the effect of automatically cancelling the certificate of registration upon which the industrial undertaking shall cease to be entitled to the incentives provided for it.
- 22. Employment of foreign nationals.-** (1) An investor may employ foreign nationals for which an application shall be made in the form prescribed by the Authority.
- (2) A foreign national employed under sub-rule (1) shall be granted an initial term of employment of three years, extendable from year to year.
- (3) Request for further extension shall be filed with Authority at least thirty days before the expiry date of the authorized stay.



- 23. Exclusion of items detrimental to public health & safety.-** The Authority may at any time, order the exclusion from a Zone of such goods, chemicals, materials, processes or operations which in its judgment are detrimental to the public interest, health or safety.
- 24. Privilege of the Authority to call for reports.-** The Authority may order any industrial undertaking or its supporting enterprise to report on the following particulars, namely:
- (i) monthly report on manufacturing process or assembly of commodities;
  - (ii) monthly report on commodity import and export;
  - (iii) status of arrival of commodities imported into the Zone;
  - (iv) suspension of business operation for over one month;
  - (v) any other information which is considered necessary by the Authority concerning the business activities of the industrial undertaking and its supporting enterprise.
- <sup>17</sup>[24.A **Change in incentive package.-** Change in the incentive package, under which an investment has been sanctioned in a Zone, shall not be made except where such change is more advantageous to the investor and is also accepted by him.
- 25. General Provision.-** (1) The Authority may, from time to time issue memoranda and circulars to implement the provisions of these rules, regulations and schemes
- (2) The Authority may, with the approval of the Federal Government set up an Advisory Committee for the Authority which may include representatives of the private sector.

HASINUDDIN AQUIL  
Deputy Secretary

<sup>17</sup>[24.A            *Added by SRO.165(KE)/89, dated 30-08-1989.*

**THE CUSTOMS RULES, 2001**  
**Notification No. S.R. O. 450(1)/2001, 18<sup>th</sup> June, 2001**

**CHAPTER XII**  
**EXPORTS**

**SUB CHAPTER (c)**  
**EXPORT PROCESING ZONE**

**225. Definitions.--** In this sub-chapter, unless there is anything repugnant in the subject of context,-

- (a) "Authority" means the Export Processing Zones Authority established under the Ordinance;
- (b) "Collector of Customs", in relation to a Zone, means the Collector of Customs, in whose jurisdiction such Zone is established;
- (c) "import", in relation to a Zone, means import from abroad and includes goods introduced into a Zone from the Tariff Area'
- (d) "investor" and "industrial-undertaking" shall have the same meaning as are, respectively, assigned to them in the Ordinance;
- (e) "Ordinance" means the Export Processing Zones Authority Ordinance 1980 (IV of 1980);
- (f) "Tariff Area" means any area in Pakistan outside the limit of a Zone; and
- (g) "Zone" means such area as is declared by the Federal Government to be a Zone under the Ordinance.

**226. Import of goods into the Zones.--**(1) Subject to sub-rules (7) and (8), any goods can be imported into the Zones from abroad or from the Tariff Area.

(2) A separate bill of entry in respect of goods imported for a Zone along with other documents showing details of the goods as required under the Act and the Rules made thereunder shall be presented to the Customs authorities for assessment and clearance.

(3) Goods imported into a Zone shall be assessed in accordance with the existing procedure.

(4) The exemption granted under Board's Notification No.SRO. 881(I)/80, dated the 23<sup>rd</sup> August, 1980 shall, be applicable to machinery, equipment, materials to be used solely within the limits of a Zone and goods imported into the Zone for warehousing purposes:

Provided that Investors in Export Processing Zones shall be allowed to dispose off their machinery in tariff area after three years from date of filing of the bill of entry of its import subject to import policy order and payment of duties and taxes.

(5) An investor or his licensed clearing agent duly approved and authorized by the Authority shall carry out necessary formalities regarding Customs clearance.

(6) All goods so cleared shall be secured and forwarded to the Zone under Customs supervision, a pass shall be sent with the goods specifying the name of the importer and the clearing agent, if any, number of vehicle, description and quantity of goods with the marks and numbers and contents thereof and, on receipt of the goods in the Zone, the officer of Customs allowing the goods to enter the Zone shall retain the pass.

(7) Admission of goods imported for a Zone shall not be refused except when the goods are liable to restrictions or prohibitions imposed on the grounds of public morality or order, public security hygiene or health or for veterinary or phyto-pathological consideration, or relating to the protection of patents, trademarks or copy-rights.

(8) Hazardous goods may be allowed to be admitted to a Zone only when an area specially designed for its storage is made available within the Zone.

(9) Goods admitted to a Zone may remain there for such period as may be prescribed by the Authority.

<sup>1</sup>[(10)(a) Import of vehicles shall be allowed without payment of customs duty and other taxes as per the entitlements given in the table below, namely:-

**TABLE**

<b>S.No.</b> <b>(1)</b>	<b>Quantum of Investment in EPZ</b> <b>(2)</b>	<b>Vehicles Allowed</b> <b>(3)</b>
1.	US\$ 10.00 million or more upto US\$ 25 million;	03
2.	More than US\$ 25 Million but less than US\$ 50 Million;	05
3.	Equal to or more than US\$ 50 Million but less than US\$ 75 Million	10
4.	Equal to or more than US\$ 75 Million but less than US\$ 100 Million	15
5.	Equal to or more than US\$ 100 Million but less than US\$ 125 Million; and	20
6.	Equal to or more than US\$ 125 Million,	25

(b) subject to a maximum of one motor car of up to 1600 c.c. within the number of vehicles allowed and shall be further subject to the verification of the amount of investment and completion of the project within a time period of three years by the Export Processing Zones Authority.}

<sup>2</sup>[(11) Units employing upto 25 workers will be allowed to import or purchase one coaster while units employing more than 25 will be allowed to import or purchase a bus upto 50 seats. Similarly, units with turnover of US\$ 5.00 million or more per annum will be allowed to import or purchase one cargo vehicle or truck.]

<sup>1</sup>[(10)a. Sub-rule (10) substituted by Notification No. S.R.O 889(1)/2007, dated 1<sup>st</sup> September, 2007 reported as PTCL 2008 St.578 (ii). Before substitution sub-rule (10) was added by Notification No. S.R.O 461(1)/2004, dated 12<sup>th</sup> June, 2004, reported as PTCL 2004 St. 1181.

<sup>2</sup>[(11) . Sub-rule (11) added by Notification No. S.R.O 461(1)/2004, dated 12<sup>th</sup> June. 2004, reported as PTCL 2004 St. 1181.

<sup>3</sup> [(12) Mining Projects in the notified Export Processing Zones may import vehicles, free of customs duty and sales tax, according to their requirements on production of full justification supported by the Ministry of Petroleum and Natural Resources.]

**227. Introduction of goods into the Zones from Tariff Area.-** (1) Goods from the Tariff Area required for further processing in a Zone shall be admitted after completion of export formalities which normally observed for export out of the country.

(2) Goods which are entitled to exemption or repayment of Customs-duties and sales tax on exportation shall qualify for such exemption or repayment immediately after these have been admitted in to a Zone in accordance with the provisions of the Board's Notification No. S.R.O 882(1)/80, dated 23<sup>rd</sup> August, 1980.

**228. Export of goods from the Zones.-** (1) Any goods removed from a Zone for exportation shall be exported under the export procedure as laid down in the Act and the rules made there under <sup>1</sup>[\*\*\*].

(2) Goods cleared for export shall be forwarded to the exporting station under Customs supervision; a pass shall be sent with the goods, specifying the name of the Exporter and the clearing agent, if any, number of vehicles, description and quantity of goods with the marks and numbers and, on receipt of the goods shall retain the pass.

(3) All Customs formalities regarding removal of goods from the Tariff Area shall be completed at the main Customs Check Post or any place within the Zone approved for this purpose by the Collector of Customs.

(4) Export Processing Zones manufactures shall be treated at par with the bonded manufacturers in tariff area.

<sup>2</sup> [(5) The units established in the Export Processing Zones <sup>3</sup>[excluding the units as mentioned in the table below, shall export only upto twenty per cent of their total production to tariff areas in Pakistan while eighty per cent shall be exported to other countries <sup>4</sup>[:]]

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<sup>3</sup> [(12) Sub-rule (12) added by Notification No. S.R.O. 492(1)/2005, dated 23<sup>rd</sup> May, 2005, reported as PTCL 2005, St. 603(ii).

<sup>1</sup>[\*\*\*] The words, letters, full stop, figures and comma “ and documentation shall be completed on the basis of exemption from duties and taxes under the Board's Notification NO.S.R.O881(1)/80, dated 23<sup>rd</sup> August,1980” omitted by Notification No. S.R.O. 461(1)/2004, dated 12<sup>th</sup> June, 2004 reported as PTCL 2004 St. 1181.

<sup>2</sup> [(5) Sub-rule (5) inserted by Notification No. S.R.O. 461(1)/2004, dated 12<sup>th</sup> June, 2004, reported as PTCL 2004 St. 1181.

<sup>3</sup> Substituted for the words “excluding M/s. Al-Tuwairqi Steel Mills Karachi” by Notification No .S.R.O 483(1)/2007, dated 9<sup>th</sup> June, 2007, reported as PTCL 2007 St. 1770(i) Earlier The words and comma “excluding M/s. Al-Tuwairqi Steel Mills Karachi” inserted by Notification No. S.R.O. 23 (1)/2006M dated 5<sup>th</sup> January, 2006, reported as PTCL 2006 St. 1147(I).

<sup>4</sup> [:] Substituted for the full stop by Notification No. S.R.O. 240(1)/2006, dated 13<sup>th</sup> march, 2006, reported as PTCL 2006 St.1255 (ii).

<sup>5</sup>[Provided that the limit of twenty per cent on exports to tariff areas in Pakistan shall not apply to the goods supplied free of charge for relief operations in earthquake hit areas through Federal Relief Commissioner or NGOs approved by the Economic Affairs Division, Government of Pakistan.]

<sup>1</sup>TABLE

S. No.	Name of Unit	Maximum Level of Export to Tariff Area
(1)	(2)	(3)
1.	M/s. Al-Tuwairqi Steel Mills, Karachi	100% of the production
2.	M/s. Filling & Packing Material Manufacturing Company (FIPCO), Karachi	50% of the production]
<sup>2</sup> [3.	M/s. MRDL Saindak	100% of the production of magnetite concentrate to Pakistan Steel]
<sup>3</sup> [4.	Units established in the Export Processing Zone, Gawadar	50% of the production]

**229. Removal of goods from the Zone to Tariff Area:-** (1) Removal of imported raw materials, imported goods in the same state and goods produced by investors in a Zone to Tariff.

Area for home consumption may be allowed subject to the import restrictions and formalities applicable to imports from abroad; customs-duties and other taxes levied on imports into Tariff Area from the Zone shall be the same as duties and taxes levied on similar imports from abroad.

(2) Any goods permitted by the aforesaid authority for entry into the Tariff Area under sub-rule (1) may be taken out of the Zone after fulfilling all the requirements prescribed under the Act and the Rules made hereunder for the direct import from aboard into the Tariff Area.

(3) The point in time to be taken into consideration for the purpose of determination of value and the rate of duties and other taxes applicable on goods removed for home consumption shall be determined in accordance with provision of the Act and the Rules made thereunder.

(4) The goods produced in a zone and removed to Tariff Area for home consumption shall be chargeable to customs-duties in the state in which they enter the Tariff Area.

**Explanation:-** `The normal value of the goods manufactured in the E.P.Z., on entry into the Tariff Area and vice versa shall be assessed as per the provisions of section 25 of the Customs Act, 1969.

<sup>5</sup>[ Provisio added by Notification No. S.R.O. 240(1)/2006, dated 13<sup>th</sup> March 2006, reported as PTCL 2006 St. 1255(ii)

<sup>1</sup>T Table added by Notification No. S.R.O. 483(1)/2007, dated 9<sup>th</sup> June, 2007, reported as PTCL 2007 St. 1770(1).

<sup>2</sup>[3. S. No 3 and the entries relating thereto added by Notification No. S.R.O (1)/2009, dated 19<sup>th</sup> February, 2009.

<sup>3</sup>[4. S. No 4 and the entries relating thereto inserted by Notification No. S.R.O 600(1)/2009, dated 26<sup>th</sup> June, 2009.

**230. Subcontracting for units of the Tariff Area.-** Units operating in a Zone shall be allowed to undertake subcontracting for units of the tariff area subject to payment of duty and taxes on value addition only and sales tax if chargeable on the value of supply with the prior permission of the Collector of Customs on such conditions, restrictions and limitations as may be prescribed by the Collector or as otherwise provided in the Act or the Rules made thereunder:

Provided that in case of chargeability of central excise duty or sales tax, shall be collected in the same manner and time as if it were duty of customs payable under the Customs Act, 1969 (IV of 1969).

**231. Destruction.-** Any goods admitted to a Zone on having been rendered unfit for consumption may be allowed to be destroyed or rendered commercially value-less by an officer of Custom not below the rank of Assistant Collector of Custom in such manner as may be prescribed by the Collector of Customs:

Provided that manufacturer in Export Processing Zone is allowed to remove @ 3% of the total value of export, the defective 'B' grade goods, waste, used packing materials, empty drums and cartons generated or produced in the Zone to tariff area on payment of duties and taxes.

**232. Unaccounted good.-** If any importer fails to give proper account of the imported goods to the satisfaction of an officer of Customs not below the rank of an Assistant Collector of Customs, the importer shall pay on demand an amount equal to the duties and taxes leviable thereon and shall also be liable to pay penalties imposed for such violation under the Act and the rules made thereunder.

**233. Remission of dutie.-** Subject to the satisfaction of the Collector of Customs, the duties and other taxes, if any, may be remitted in full or in part, as the case may be, in the following cases, namely:-

- (i) When any goods are damaged or destroyed by unavoidable circumstances or causes beyond the control of the importer or the owner;
- (ii) When the waste or refuse of the goods is destroyed in accordance with rules 231; and
- (iii) When goods imported are bona fide samples for study, testing or design.

**234. Restriction on removal of goods from the Zone.-** No goods shall be taken out from any Zone except as provided in rules 228,229,230 and 231, or for transfer to another Zone or to a customs manufacturing bond in a tariff area or for subcontracting with the prior permission of the Collector of Customs on such conditions, restriction and limitation as may be prescribed by him or as otherwise provided in the Act or the rules made thereunder.

**235. Transfer of ownership:** Transfer of ownership of goods admitted to a Zone may be allowed:

Provided that retail sale of such goods shall not be allowed' <sup>1</sup>[:]

<sup>2</sup>[Provided further that exporters from tariff area may be allowed to purchase goods from within the units in the Zone to be exported to foreign destination directly from Export Processing Zone under the supervision and seal of Export Processing Zone and Customs authorities duly escorted by Customs fulfilling all the related formalities.]

**236. Security of the Zones:** (1) Each Zone shall be delimited and bounded with secured boundary fencing and suitable check posts may be established after approval of the Collector of Customs.

(2) The construction of the check post shall be carried out by the Authority in accordance with the layout plan approved by the Collector of Customs.

(3) The Collector of Customs may impose restriction on means of access to a Zone and establish the hours of business. The Collector of Customs may keep the means of access to a Zone under permanent or intermittent supervision, and make spot checks on the goods introduced into the Zone to ensure that these are subject to only authorized operations and to see that no unauthorized goods have been introduced.

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<sup>1</sup>[:] Substituted for the full stop by Notification No. S.R.O. 493(1)/2009, dated 13<sup>th</sup> June, 2009

<sup>2</sup>[ Provisio added by Notification No. S.R.O. 493(1)/2009, dated 13<sup>th</sup> June, 2009

**THE CUSTOMS RULES, 2001**  
**Notification No. S.R. O. 450(1)/2001, 18<sup>th</sup> June, 2001**

Sub-Chapter IX  
Export Processing Zones under PACCS  
Import and Export of goods to and from the Zones  
(Transshipment scheme)

**511. Customs clearance at the Zones:** - All cargo to and from the Zones shall be cleared by the Collector of Customs or Collectorate exercising jurisdiction over the Zone.

**512. Transshipment of cargo:-** All cargo to and from the Zones shall be allowed transshipment facilities by the port of entry in case of imports and the port of exit in case of exports.

**513. Limitations:** - Only such goods shall be allowed transshipment facilities from the first port of entry to a Zone as have been distinctly manifested for that Zone.

**514. Procedure at the port of entry or exit:** - The procedure hereinafter laid down for the transshipment of goods from the first port of entry to the Zones shall be applicable under PACCS.

**515. Transshipment permits:-** No separate declaration at the port of entry or, for that matter, any permit except the manifest shall be required for transshipment of goods through PACCS and on receipt whereof, PACCS shall electronically authorize the Terminal Operator to hand over those consignments to a bonded carrier that approaches the Terminal Operator with delivery orders from the shipping line for the goods where the address of the importer in the manifest is of a Zone.

**516. Safe Carriage:** - The Terminal Operator shall, subject to authorization by PACCS handover the cargo to the carriers as may approach the Terminal Operator under rule 515 for carriage of goods to the Zone and, soon where after, the Terminal Operator shall electronically communicate the relevant particulars to PACCS. For purposes of safe carriage the carrier shall be governed by rule 329.

**517. Delivery of cargo:** - All cargo consignments for transshipment to the Zone may be delivered by the Terminal Operator to the bonded carriers on 24 hours a day and seven days a week basis.

**518. Intimation of transshipment:** - As soon as a consignment for the Zone leaves the exit gate of the terminal at the first port of entry, PACCS shall electronically intimate the Collectorate of Customs exercising jurisdiction over the Zone regarding the particulars of the departed consignment.

**519. Arrival of cargo at destination:-** Where any transshipment of cargo consignment arrives at the Zone of destination, the concerned office of the Collectorate exercising jurisdiction over the Zone shall electronically intimate receipt of such consignment to the Model Collectorate of Customs.



**520. Reminder to Zones:** - In case no acknowledgement for receipt of departed consignments is received from the concerned office of the Collectorate of jurisdiction after lapse of 72 hours of departure from the port of entry, a reminder or notice to that effect shall be electronically communicated to the Collectorate of jurisdiction.

**521. Non-response by Collectorate of jurisdiction:-** The Collectorate exercising jurisdiction over a Zone shall acknowledge the receipt of transshipment of goods or cargo consignment within 144 hours of the intimation thereof, contrary where to, the matter shall be electronically communicated to the Collector of Customs, and in case no response is received from the Collector of Customs within 72 hours of such communication to him, the matter shall be electronically communicated to the Board.

**522. Non-receipt of departed consignment:-** In case non-receipt of consignment is reported by the concerned office of the Collectorate of jurisdiction on lapse of 144 hours of the intimation of departure of goods, the PACCS shall, notwithstanding any other action that may be taken under the law, proceed to take action against the bonded carrier blocking their future carriage until the matter is resolved.

**523. Application of risk management system:-** All goods under transshipment to the Zones shall be subject to the PACCS, it shall either be scanned by the Terminal Operator or examined by the customs authorities before handing over the consignment to the bonded carrier, whereupon, either the scanned image or examination report, as the case may be, shall be transmitted online before the Terminal Operator hands over the consignment to the bonded carrier.

**524. Examination of goods under transshipment to the Zone:** - No consignment under transshipment to the Zones shall be subject to examination at the first port of entry, unless:

- (a) Illicit fire arms or explosive material is detected during scanning.
- (b) The goods have been classified as risky and are not claimed from the first port of entry for carriage to a Zone despite lapse of 72 hours of the arrival of goods.

**525. Exports from Zones:-** The Collectorate exercising jurisdiction over the Zone shall forward the cargo to the Model Collectorate of Customs after clearing it for exports and an intimation whereof shall be made online soon after the consignment departs from the Zone through a bonded carrier where to rules 514 to 523 shall, mutatis mutandis, apply.

**526. Examination of exports:** - Export consignment under transshipment from the Zones shall not be subjected to either risk management system or examination at the Model Collectorate of Customs, unless:

- (a) The seals of the containers upon arrival at the port of exit are found to be either missing or broken.
- (b) The container has been damaged en-route.

(c) The Collectorate of jurisdiction from where the consignment has originated, requests the Model Collectorate of Customs to examine the consignment on basis of specific information.

Explanation: Provisions relating to scanning of goods shall be effective from the date the scanners become operational at the port.

**Exemption from custom duty and sales tax for all goods imported into  
and exported from the Export Processing Zones.**

**MINISTRY OF FINANCE AND ECONOMIC COORDINATION  
Islamabad, the 23<sup>rd</sup> August, 1980**

**Customs**

**S.R.O. 881(I)/80.-** In exercise of the powers conferred by section 19 of the custom act ,1969 (IV of 1969),and section 7 of the Sales Tax Act,1951 (III of 1951), the Federal Government, subject to such conditions, limitations and restrictions as the Central Board of Revenue may impose from time to time, is pleased to exempt from the whole of customs-duties and sales tax leviable on all the goods imported into and exported from the Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).

[C. No. 9(10)-SS(CB)/77]

**G. A. JAHANGIR,**  
Joint Secretary

**Repayment of Custom – duties and sales tax paid on the raw materials used in the manufacture of goods admitted into the Export Processing Zones from the Tariff Area of Pakistan.**

**MINISTRY OF FINANCE AND ECONOMIC COORDINATION**

**Islamabad, the 23<sup>rd</sup> August, 1980**

**Customs**

**S.R.O. 882(I)/80.-** In exercise of the powers conferred by clause (c) of section 21 of the Customs Act, 1969 (IV of 1969), and sub-section (2A) of section 27 of the Sales Tax Act, 1951 (III of 1951), the Central Board of Revenue is pleased to authorize the repayment of customs-duties and sales tax paid on the raw materials used in the manufacture of goods admitted into the Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), at such rates and subject to such conditions as are applicable to the goods exported outside Pakistan.

[C.No.9(10)-SS(CB)/77]

**NASIR AHMED**

**Secretary**

**Notification S.R.O. 582(1)/80, dated 02-06-1980  
relating to exemption of Karachi Export Processing Zone  
from Import & Export Regulations.**

**MINISTRY OF INDUSTRIES  
Islamabad, the 2<sup>nd</sup> June, 1980.**

**S.R.O. 582(I)/80.-** In exercise of the powers conferred by section 25 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to exempt Karachi Export Processing Zone from the provisions of the Registration (Imports and Exports) Order, 1952, <sup>1</sup>[the import Trade Control Order, 1973], the Import Policy Order issued from time to time and Schedules I to IV and VI annexed to the Ministry of Commerce's Notification NO. SRO. 685(1)/79, dated the 31<sup>st</sup> July, 1979, except in so far as they relate to supplies from Karachi Export Processing Zone to the tariff areas of Pakistan.

(No.5(1)/80-P.1)

HASINUDDIN AQUIL  
Deputy Secretary

**Notification S.R.O. 1248(1)/48, dated 23-11-1983  
Relating to exemption of the Export Processing Zones  
from State Bank of Pakistan Act, 1956 (XXXIII) of 1956) and Banking  
Companies Ordinance 1962 (LVII of 1962).**

**MINISTRY OF INDUSTRIES  
Islamabad the 23<sup>rd</sup> November, 1981**

**S.R.O. 1248(I)/81.-** In exercise of the powers conferred by section 25 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to exempt the Export Processing Zones from all the provisions of the State Bank of Pakistan Act, 1956 (XXXIII of 1956), and the Banking Companies Ordinance, 1962 (LVII of 1962), except sections 7, 25A, 32, 40, 41 and 42 thereof\*.

HASINUDDIN AQUIL  
Deputy Secretary

**Notification S.R.O. 1332(1)/81, dated 13-12-1981  
Relating to exemption of the Export Processing Zones  
from Foreign Exchange Regulations Act 1947  
(VII of 1947)**

**MINISTRY OF INDUSTRIES  
Islamabad the 13<sup>th</sup> December, 1981**

**S.R.O. 1332(I)/81.-** In exercise of the powers conferred by section 25 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to exempt the Export Processing Zones established under the said Ordinance from the provisions of the Foreign Exchange Regulations Act, 1947 (VII of 1947).

HASINUDDIN AQUIL  
Deputy Secretary

**MINISTRY OF FINANCE, PLANNING  
AND PROVINCIAL COORDINATION  
FINANCE DIVISION**

**(External Finance Wing)  
Islamabad, the 25<sup>th</sup> May, 1980**

**S.R.O. 535(I)/80:-** In exercise of the powers conferred by sub-section (1) of section 12 of the Foreign Exchange Regulation Act, 1947(VII of 1947), the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. 1(7)-ECS/48, dated the 1<sup>st</sup> July,1948, namely:-

In the aforesaid Notification, in the proviso,-

- (a) in item 4, for the full-stop at the end a semi-colon and word “ ; and ” shall be substituted ; and
- (b) after item 4 amended as aforesaid, the following new item shall be added namely :-

“5. Goods processed or manufactured or processed and manufactured in and exported from Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).”

[Case No. 8(1)-EF(G)/74 (Vol-I).]

**MIRZA AFZAL BAIG,**  
Section Officer.

**MINISTRY OF FINANCE, PLANNING  
AND PROVINCIAL COORDINATION  
FINANCE DIVISION**

**(External Finance Wing)  
Islamabad, the 25<sup>th</sup> May, 1980**

**S.R.O. 436(I)/80:-** In exercise of the powers conferred by sub-section (1) of section 12 of the Foreign Exchange Regulation Act, 1947(VII of 1947), the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. 1(6)-ECS/48, dated the 1<sup>st</sup> July,1948, namely:-

In the aforesaid Notification, in the proviso,-

- (a) in item 6, for the full-stop at the end a semi-colon and word “ ; and ” shall be substituted ; and
- (b) after item 6 amended as aforesaid, the following new item shall be added namely :-

“7. Goods processed or manufactured or processed and manufactured in and exported from Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).”

[Case No. 8(1)-EF(G)/74 (Vol-I).]

**MIRZA AFZAL BAIG,**  
Section Officer.



**Notification S.R.O. 858(I)/82, dated 08-09-1982  
relating to exemption of the Export Processing Zones  
from the Insurance Act, 1938 (IV of 1938) and Pakistan Insurance  
Corporation Act, 1957 (XXXVII of 1952).**

**Islamabad, Wednesday, September 8, 1982**

**S.R.O.858(1)/82:-** In exercise of the powers conferred by section 25 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to exempt the Export Processing Zones from all the provisions of the Insurance Act, 1938 (IV of 1938), and the Pakistan Insurance Corporation Act, 1952 (XXXVII of 1952).

[No. 5(6)/81-P1)

MUHAMMAD HASIN KHAN  
Chief Research Officer

**Exemption from central excise duty on such goods manufactured in the Tariff Area of Pakistan as are imported into an Export Processing Zone for use as raw materials or intermediary goods for further manufacture of goods in the Zone for export.**

**CENTRAL BOARD OF REVENUE**

**Islamabad the 18<sup>th</sup> October, 1992  
Central Excise**

**S.R.O. 1022(I)/92:-** In exercise of the powers conferred by sub-section (1) of section 12A of the Central Excises and Salt Act, 1944 (I of 1944), the Federal Government is pleased to exempt from the whole of central excise duty such locally manufactured goods used as raw materials or intermediary goods by a manufacturer located in an Export Processing Zone for further manufacturing of goods in that Zone for export provided that the provisions of rule 13 of the Central Excise Rules, 1944, read with chapter IX thereof, have been observed.

**Explanation.** – “Export Processing Zone” means such area as is declared by the Federal Government to be a Zone under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).

[C. No. 16 (28)-CEB/84]

MUMTAZ ALI  
Additional Secretary

**Government of Pakistan  
Revenue Division**

**CENTRAL BOARD OF REVENUE**

**Islamabad the 7<sup>th</sup> June, 2003**

**C.No. 1(1)-CEB/03**

**7. Import of excisable goods by units located in export processing zones:**

CED exemption to all excisable goods was available if imported by manufacturers located in Export Processing Zones while at local stage, only raw materials/semi-finished excisable goods were exempted if purchased by the units located in EPZ and used as raw materials/intermediary goods. This distortion has been done away with. Now CED exemption is available to raw materials/intermediary goods imported or locally purchased by the manufacturers located in EPZ for use as raw materials/intermediary goods used in manufacturing of finished goods. No exemption of CED on finished goods (cement, beverages, cigarette etc.) will be available on import/locally purchased goods. The prevailing notification for imported goods S.R.O. 54(1)/2000, dated the 18<sup>th</sup> August has been rescinded concurrently.

UMAR FAROOQ  
Chief (Central Excise)

**MINISTRY OF INDUSTRIES**  
**Islamabad, the 10<sup>th</sup> October, 1982**

**EXPORT PROCESSING ZONES**  
**(CONTROL OF EMPLOYMENT) RULES, 1982**

**S.R.O. 1003(I)/82:-** In exercise of the powers conferred by section 26 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to make the following rules, namely:-

1. **Short title and commencement.-** (1) These rules may be called the Export Processing Zones (Control of Employment) Rules, 1982.  
(2) They shall come into force at once.
2. **Definitions:-** In these rules, unless there is anything repugnant in the subject or context;
  - (i) “employee” means a person employed or engaged for hire or for any pecuniary consideration to work within a Zone and includes a worker and workman;
  - (ii) “Ordinance” means the Export Processing Zones Authority Ordinance, 1980 (IV of 1980); and
  - (iii) all other words and expressions used but not defined in these rules shall have the meaning assigned to them in the Ordinance.
3. **Terms and conditions of service.-**(1) The service of an employee shall be governed by the terms and conditions as laid down in his letter of appointment issued under sub-rule (2) by the employer under his signature and accepted by the employee.  
(2) The employer shall issue a letter of appointment in duplicate containing the agreed terms and conditions of employment in details to every employee except to a person engaged on day-to-day basis.  
(3) The employee shall put his signature or thumb impression on the duplicate copy of his letter of appointment in token of his acceptance and return the same to the employer.

- (4) The employer shall be responsible to make payments of all contributions which would have been required to be paid by the employer under section 20 of the Provincial Employees Social Security Ordinance, 1965 (West Pakistan Ordinance No. X of 1965), and section 9 of the Employees Old-Age Benefits Act, 1976 (XIV of 1976), had the Zones not been exempted from the provisions thereof.
- (5) The Authority may from time to time issue instructions to employers regarding minimum wages, payment of wages, over-time work, leave, holidays, daily and weekly working hours, health and safety measures and other compensations not specifically mentioned in these rules and the letter of appointment issued under sub-rule (1) and any violation of the instructions so issued shall render the sanction for the establishment of the industrial undertaking liable to be cancelled.
- (6) Any agreement of employment contrary to these rules shall be void.

**4. Prohibition of strike. No employee shall.-**

- (a) refrain from or refuse to work or go slow or go on strike, or
- (b) commence, continue, instigate, incite or compel others to take part in or support, go slow or strike.

**5. Termination of service.-** The service of an employee may be terminated by an employer in accordance with the terms and conditions contained in his letter of appointment referred to in sub-rule (1) of rule 3;

**Provided that,** if the letter of appointment contains no provision in that behalf the employer may terminate the service by giving thirty days notice in writing or on payment of substantive pay or wages in lieu thereof.

**6. Resignation.-** An employee may resign from service by giving thirty days notice in writing or on payment of substantive pay or wages in lieu thereof.

- 7. Adjudication.-** (1) An employee may refer a dispute as to the terms and conditions of his service or interpretation of these rules, within thirty days of an order passed by the employer, to the Labour Welfare Officer of the Zone, to be appointed by the Authority for the purpose.
- (2) Upon receipt of an application under sub-rule (1), the Labour Welfare Officer shall, after hearing the parties, adjudicate and determine the dispute.
- (3) The decision of the Labour Welfare Officer shall be in writing.
- (4) Any party aggrieved by a decision of the Labour Welfare Officer may, within thirty days of the date thereof, file an appeal to the Manager, Labour, of the Zone, to be appointed by the Authority for the purpose.
- (5) An appeal filed under sub-rule (4) shall be heard and determined by the Manager, Labour, whose decision shall be final.
- (6) If the parties to a dispute or appeal, at any time before the final decision of the case, satisfy the Labour Welfare Officer or Manager, Labour, that the dispute has been resolved amicably, such dispute or appeal may be allowed to be withdrawn.
- (7) No counsel shall be allowed to appear in any proceedings before the Labour Welfare Officer or the Manager, Labour;  
Provided that the employer may be represented by an officer nominated by him for this purpose.

**MUHAMMAD HASIN KHAN**  
Chief Research Officer

**Notification S.R.O. 1004(I)/82, dated 10-10-1982  
relating to exemption of Export Processing Zones from  
various labour laws.**

**MINISTRY OF INDUSTRIES  
Islamabad, the 10<sup>th</sup> October, 1982**

**EXPORT PROCESSING ZONES  
(CONTROL OF EMPLOYMENT) RULES, 1982**

**S.R.O.1004(1)/82.-** In exercise of the powers conferred by section 25 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to exempt the export processing zones from all the provisions of the following laws, namely:-

- (1) The workmen's Compensation Act, 1923 (VIII of 1923);
- (2) The Factories Act, 1934 (XXV of 1934);
- (3) The payment of Wages Act., 1936 (IV of 1936);
- (4) The Minimum Wages Ordinance, 1961 (XXXIX of 1961);
- (5) The Provincial Employees' social Security Ordinance, 1965 (W.P. Ordinance No. X of 1965);
- (6) The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968 (W.P. Ordinance No. VI of 1968);
- (7) The Industrial Relations Ordinance, 1969 (XXIII of 1969);
- (8) The West Pakistan Shops and Establishment Ordinance, 1969 (W.P. Ordinance No. VIII of 1969); and
- (9) The Employees' Old-Age Benefits Act, 1976 (XIV of 1976).

[No.5(6)/81-P-1]

**MUHAMMAD HASIN KHAN**  
Chief Research Officer

**EXPORT PROCESSING ZONES AUTHORITY  
(CONTROL OF EMPLOYMENT) RULES, 1982**

**E.P.Z. CONTROL OF EMPLOYMENT ORDER NO. 1 OF 1983**

In experience of power conferred by the sub-rule (5) of rule 3 of Export Processing Zones Authority (Control of Employment) rules 1982, the Competent Authority is pleased to issue the instructions, regarding working hours and rest periods as follows:-

**1. SHORT TITLE AND COMPENCEMNTNT:**

- i. These instructions may be called EPZ Control of Employment order No. 1 of 1983.
- ii. They shall come into force at once.
- iii. They shall apply to all Employers & employees as defined in the E.P.Z.A. (Control of Employment) as rules 1982.

**2. WEEKLY WORKING HOURS OF WORK:**

- i. No employee shall be allowed of required to work in an establishment/industrial undertaking for more than forty eight (48) hours a week the factory is seasonal one, for more than fifty hours in a week.
- ii. Hours worked shall include all time during which an employee is on duty, or allowed leave by the circumstances.

**3. DAILY HOURS OF WORK:**

- i. No employee shall be asked to work more than eight hours in any day excluding meal periods tea and prayer breaks. However if the hours of work on one or more days are less than eight, the limit of eight hours may be exceed in remaining days but in no case more then (48) hours per week.
- ii. In the case seasonal establishment, the daily working hours of employee shall be so adjusted as not to exceed 50 hours in a week.

**4. MEAL PERIODS, TEA & PRAYERS TIME OFFS:**

Employers shall provide reasonable time for meals, tea and prayers during working hours in addition to daily working hours.



**5. WEEKLY REST PERIOD:**

- i. Every employer shall provide his employees a rest period not less than twenty four (24) consecutive hours after every day for six consecutive normal work days.
- ii. The employer shall determine the schedule of weekly rest day for his employees.

**6. GAZEETED HOLDYS:**

- i. All the gazetted & optional holiday announced by Govt. of Pakistan shall be treated as holidays for every employee of Industrial undertaking/Establishment provided that the establishment is not running shift.
- ii. In case of shifts, the employer shall provide compensatory leave or overtime payment by mutual consent.

**7. OBLIGATION TO WORK ON A REST DAY:**

- i. The employer may require his employees to work on any day.
- ii. In case of actual or impending emergencies caused by serious accident, fine flood, typhoon, earthquake, epidemic of other disaster or calamity to prevent loss of life and property, or imminent danger to public safety.
- iii. In case of urgent work to be performed on the machinery, equipment or installation, to avoid serious loss which the employer would otherwise suffer.
- iv. In the event of abnormal pressure of work out to special circumstances, where the employer cannot ordinary be expected to resort to other measure.
- v. To prevent loss or damage to perishable goods.
- vi. Where the nature of work requires continuous operations and the stoppage of work may result in irreparable injury or loss to the employer and
- vii. Under other circumstances analogous, or similar to the forgoing as determined by the authority.

(PERVAIZ AKHTAR SANKHLA)  
Dy. General Manager (Facilities)

**EXPORT PROCESSING ZONES AUTHORITY  
(CONTROL OF EMPLOYMENT) RULES, 1982**

**E.P.Z. CONTROL OF EMPLOYMENT ORDER NO. 2 OF 1983**

In exercise of powers conferred by sub rule (5) of rule 3 of Export processing Zones Authority ( Control of Employment) Rules 1982, the Competent Authority is pleased to issue the instructions regarding minimum wages allowance and overtime work.

**1. SHOET TITILE & CIMUMENCEMENT:**

- i. These instructions may be called E.P.Z. control of Employment Order No.2
- ii. They shall come into force at ones.
- iii. They shall apply to all employers and employees as defined in the EPZ (control of Employment) rules 1982.

**2. DEFINITION:**

- i. Unskilled workers means a worker who does not possess institutionalized training or reasonable experience of recognized technical skill of the trade.
- ii. I“Apprentice” manes a person who is employed whether on payment of wages or not, for the purpose of being trading in any trade and craft or employment in any Industrial Undertaking.

**3. Minimum Wages:**

- i. Every unskilled worker, other than apprentice employed in the industrial undertaking of zone shall be paid wages at the rate not lower than Rs.600/- per month.
- ii. IThe said rate of wages shall be applicable to all time rated workers including temporary and piece rated workers.
- iii. IThe employer shall fix the rate of remuneration for piece rated workers so as to ensure that workers in such piece works occupations are enabled by working 8 hours per day and six days in each week to earn not less than Rs.600/-p.m.
- iv. The wages of skilled and supervisory staff shall be determined by the employer himself Commensurate with his qualification and experience.
- v. Other allowances and perquisites shall be the sole discretion of the employer.

4. OVERTIME WORK:

When any employee is required to work overtime in any industrial undertaking more than forty eight (48) in a week, the wages payable to such employee in respect of overtime work shall be calculated at double the rate wage payable to him.

5. CASUAL,SICK & EARNED LEAVE:

- i. Every employee shall be entitled to casual leave with full wages for minimum ten (10) days in every year. Such leave shall not ordinarily be granted of more than three days and shall not be accumulated.
- ii. Every employee shall be entitled to sick leave with full wages for a total period of 8 days in every year. Such leave, if not availed of by any employee during a calendar year, may be carried forward, but total accumulation shall not exceed sixteen (16) days at any time.
- iii. Every employee shall be entitled to earned leave with full wages for minimum period of (14) days after continuous employment for a period of twelve (12) months. Such leave if not availed of by any employee in any year may be accumulated upto 30 days, No further accumulation of or addition to such leave will be permissible.
- iv. The employee, may at his request in lieu of warned leave not availed of by him, be paid by the employer full wages for such leave.

NOTE: The employee must, as far as possible, seek prior permission for the leave from his employer. In case of emergency and illness, he should ensure to inform his employer the reason for not attending his duties at the earliest opportunity).

6. DEDUCTION ASSENCE FROM DUTY:

The employer may deduct wage on account of the unauthorized absence of an employer from the place of work, such absence being for whole of any part of the period during which he is required to for whole or any part of the period during which he is required to work.

7. MEDICAL CARE AND RELIEF FOR DEATH AND ENJURY UNDER SOCIAL SECURITY SCHME:

Till such time as arrangements are made with the social security Institution, the employer shall undertake to provide the following benefits to each employee, other than casual worker:

- i. Medical care, through a recognized medical institution, to be extent available to a secured person under the social security scheme.
- ii. Group insurance – for injury and / or death in the course of employment, such that the compensation received by the affected person or his/her hiers is not less than that admissible under the social security scheme and sec. 10(B) of west Pakistan (Standing order ordinance.)

SHAHID I. HASHMI  
Manager (Facilities)

## KARACHI PROCESSING ZONE

No. Fac-17-005

February 19, 1984

### E.P.Z. CONTROL OF EMPLOYMENT ORDER NO. 3

In exercise of powers conferred by the rule (5) of rule 3 of Export Processing Zones Authority Rules 1982, the Competent Authority is pleased to issue instructions regarding apprenticeship as follows:-

#### 1. SHORT TITLE & COMMENCEMENT

- i. These instructions may be called E.P.Z. Control of employment Order No.3
- ii. They shall come into force at once.
- iii. They shall apply in all employers and Employees as defined in the E.P.Z (Control of Employment) rules 1982.

#### 2. DEFINITION:

- i. 'Audit' means a person who has completed his seventeen year.
- ii. 'Adolescent' means a person who has completed his fifteenth but has not completed his seventeen year:
- iii. 'Child' means a person who has not completed his fifteenth year.

#### 3. MINIMUM AGE OFR APPRENTICESHIP:

- i. The minimum age for enrolment as an apprentice shall be 15 years.
- ii. Every apprentice must be physically fit at the time of recruitment.
- iii. The medical examination shall be done qualified doctor nominated by and at the cost of employer.

#### DURATION OF APPRENTICESHIP:

The duration of apprenticeship for every trade, expected degree of skill and minimum educational qualification laid down at the time of entrance.

**5. STIPEND & INCENTIVE DURING PERIOD OF APPENTICESHIP:**

- i. The employer shall pay to apprentice, during the period of apprenticeship stipend of at least Rs. 400/-
- ii. No apprentice shall be paid stipend on the basis of pace of work.
- iii. Notwithstanding the provision of 5(i) and 5(ii) the employer shall be free to offer and pay monetary and other incentives to an apprentice for good progress during his apprenticeship.

**6. WORKING HOURS, LEAVE & HOLIDAYS:**

- i. Working hours, leave and holidays for an apprentice shall be the same as for other employees in the industrial undertakings.
- ii. No person other than adult shall be allowed to work in night shift or overtime. Adult women shall also not be allowed to work between 2200 to 600 hours.

7. It shall not be obligatory on the part of employer to offer an employment to an apprentice on the completion of apprenticeship to serve the employer after the completion of his apprenticeship. An employer shall not recruit the same person as an apprentice more than once.

**8. CERTIFICATION:**

The employer shall arrange to issue certificate to his apprentice on successful training during apprenticeship period. The certificate shall indicate the specific trade, period or nature of training including related instructions undergone, the degree of proficiency achieved etc.

SHAHID I. HASHMI  
Manager (Facilities)

**EXPORT PROCESSING ZONES AUTHORITY  
(CONTROL OF EMPLOYMENT) RULES, 1982  
E.P.Z. CONTROL OF EMPLOYMENT ORDER NO. 4**

In exercise of the power conferred by rules IV & V of the Export Processing Zones Authority (Control of Employment) Rules 1982, the Employment Authority is pleased to issue the following instructions regarding Social Security benefits for the workers of industrial Undertaking at Karachi Export Processing Zone.

**1. SHORT TITLE AND COMMENCEMENT:**

- i. These instructions may be called E.P.Z. Control of Employment Order No.4
- ii. They shall come into force on the first day of May, 1985.
- iii. They shall apply to all the industrial undertaking in KEPZ.

**2. DEFINITIONS:**

“Employee” –means any person working, normally for at least twenty four hours per week, for wages in or is connection with the worker of any Industrial undertaking under any written contract of service or apprenticeship.

“employer”-means the owner of the industrial undertaking and includes any agent, manager or representative of the owner.

“Wages”-means remuneration for service payable in cash to a person, not being less than remuneration based on the minimum rates of wages declared under the EPZ control of Employment order No. 2 without taking in to account deduction for any purpose, under a contract of service or apprenticeship, and shall be other additions in respect of the cost of living and any payment by the employer to the worker in respect of any period of authorized leave.

**EXCLUSTON:**

Payment of overtime,  
Any payment to defray special expenses.

**3. REGISTRATION OF THE EMPLOYEES WITH AN INSURANCE CO.**

All the employees working in the Industrial undertakings of the Karachi Export Processing Zone shall be insured for providing social security benefits and workmen Compensation with an insurance Company on the terms and conditions which are not less favorable than those mentioned in appendix-I, the employers shall set apart 7% of the premium shall be paid to the Insurance Company for providing cover to the employee as detailed in Appendix-I, and the balance shall be paid to the employee till such time as alternative arrangements for providing these benefits are made.

**4. SUBMISSION OF STATEMENT:**

Every employer shall submit a monthly statement to EPZA/KEPZ Administration in which the details of the premium paid to the Insurance Co., and the balance disbursed to the employee are given.

**5. NON- COMPLIANCE:**

Failure to comply with these Instructions shall render an employer liable to action under EPZA (Control of Employment) Rules 1982.



*accelerating the pace of prosperity*  
**EXPORT PROCESSING ZONES AUTHORITY**  
Ministry of Industries, Production & Special Initiatives, Government of Pakistan

No FAC-17-005 Vol-II (Secretary)

December 15, 2010

**CIRCULAR**

**MINIMUM WAGE FOR UNSKILLED WORKERS AND RATE OF STIPEND FOR APPRENTICE**

In exercise of power conferred by sub rule (5) Rule 3 of Export Processing Zones (Control of Employment) Rules, 1982, the competent authority has been pleased to fix minimum wage for unskilled Worker at Rs. 7000.00 per month and rate of stipend for apprentice at Rs. 6500.00 per month with effect from 1<sup>st</sup> July 2010 and until further instructions.

Accordingly, Rule 3(I) of EPZ Control of Employment Order No. 2 and Rule 5 (I) of EPZ control of employment order No.3 shall be deemed to be modified to the extent mentioned above.

(Mrs. Zubeda Sultana)  
Manager (Labour/Welfare Works)

**Distribution:**

7. All Industrial/Trading Units
8. P.S to Chairman
9. P.A to Director (I.P & Facilities)
10. Secretary (EPZA)
11. All General Managers
12. Office Copy

Landhi Industrial Area Extension, Mehran Highway, Karachi 75150 Pakistan.

UAN: 111-777-222 Tel: (92-21) 5082001-2 Fax: (92-21) 5082009-5082005 E-mail: info@epza.gov.pk Website: www.epza.gov.pk

**No.1/4/83-visa  
Government Of Pakistan  
Ministry Of Interior**

**Islamabad ,The 21<sup>st</sup> May 1986.  
Office Memorandum**

**Subject:** Grant of visas to investors and foreign persons in KEPZ and their registration .

The undersigned is directed to refer to minister of industries O.M NO.9(30)/84-admn.IV dated 17<sup>th</sup> march ,subjected noted above and to say that it has been decided that following procedure may be adopted for insurance of visas and registration etc. of the foreign investors and their personnel working in Karachi export processing zone:

- I. 1.The intending visitors would be granted a single journey entry visa valid by three months by our concerned on production or a letter from the khi authority in each case ,after due checking.
- II. On arrival in Pakistan they and their family members would be issued multiple journey valid for one year by the regional passport office concerned on clearance by the concerned agencies.
- III. Multiple journey visas would be rendered for such periods as recommended by the said authority, on yearly basis.
- IV. As regard registration of foreigners ,it would be done in the office of the foreigners registration officer Karachi. officer of KEPZA should take care of the foreigners to avoid hardship to them.

The ministry is requested to bring the above procedure to the notice of all the attending investors/ visitors, under intimation to this ministry.

Mushataq Ahmed Gujar  
Section officer



**GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMERCE**

**NOTIFICATION**

Islamabad, the 7<sup>th</sup> March, 2002

**S.R.O. 137(I)/2002:-** In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to direct that the following further amendments shall be made in the Export Policy and Procedure Order, 2000, namely:-

In the aforesaid Order,

(1) for paragraph 8 the following shall be substituted, namely:-

(8) Export to Afghanistan and through Afghanistan to Central Asian Republics

(1) ***In Pak Rupees.***- Subject to provisions of sub-paragraph (1) of paragraph 5, export of all commodities produced or manufactured in Pakistan, excluding those manufactured in manufacturing bonds, shall be allowed via land route, against Pak-rupee on filing of regular shipping bills without Form 'E'. Such exports shall not be entitled to (i) zero-rating of sales tax on taxable goods, (ii) rebate of central excise duty; and (iii) repayment of drawback of customs-duty.

(2) ***In convertible currency.***- Subject to provisions of sub-para (1) of paragraph 5 and Schedule IV, all items and commodities produced or manufactured in Pakistan exported, via land route or by air against irrevocable letters of credit, or advance payment, in convertible foreign currency, shall be allowed (i) zero-rating of sales tax on taxable goods, (ii) rebate of central excise duty and (iii) repayment for drawback of customs-duty, subject to the following conditions, namely:-

(a) the Pakistan Embassy or Consulate in Kabul, Kandhar and Jalalabad shall verify the arrival of export consignments from Pakistan. (This condition of verification from Pakistan Missions shall remain suspended until these Missions or Sub-Missions become fully functional);

(b) packages or retail packing shall prominently and indelibly be marked with the expression "For Export Only", and in case of international donor agencies "For Export only – supply for aid to Afghanistan (insignia of the organization) – not for sale in Pakistan";

(c) export shall be allowed only through authorized export land routes i.e. Torkham and Chaman; and

(d) export from Export Processing Zones and manufacturing bonds, except vegetable ghee and cooking oil, shall be allowed but these exports shall not be entitled to (i) zero-rating of sales tax on taxable goods, (ii) rebate of central excise duty; and (iii) repayment or drawback of customs duty.

- (3) **Export by international donor agencies.-** Export of such goods as are made by or on behalf of UNCHR, World Food Programme, UNDP, UNFPA, ICRC, WHO, FAO, UNICEF against international tenders, as relief goods to Afghanistan, shall be allowed the facility of normal duty drawback against payment in convertible foreign currency, through all standard modes of payment including letters of credit, advance payment and DA/DP basis.
- (4) Normal duty drawback shall remain available on exports to the Central Asian Republics via Iran.
- (5) Export of acetic anhydride to Afghanistan shall not be allowed till further order.
- (2) after paragraph 12A, the following new paragraph shall be inserted, namely:-
- "12B. *Export of petroleum and petroleum products to Afghanistan:-* The export of petroleum & petroleum products shall be made by refineries and approved oil marketing companies only. Zero-rating of sales tax, rebate of central excise duty and normal repayment / drawback of customs duty shall be allowed on these products against irrevocable letters of credit or advance payment in convertible currency";
- (3) in Schedule 1, for serial No. 9 in column (1) and the entries relating to in columns (2) and (3) the following shall be substituted, namely:-
- "9. Vegetable ghee and cooking oil.-* The export of vegetable ghee and cooking oil shall be allowed (excluding that manufactured in manufacturing bonds in case of exports to Afghanistan only) provided there is value addition of fifteen per cent for edible uses in packs up to five liters for cooking oil and five kilograms for vegetable ghee and fifty per cent value addition in non-edible uses in packs up to one half litre or half kilogram"; and
- (4) after Schedule III the following new Schedule shall be added, namely:-

**"SCHEDULE –VI  
(See paragraph 8)**

Negative List of items for exports to Afghanistan under Duty Drawback Scheme.

- (1) Cigars, cheroots, cigarillos and cigarettes of tobacco or of tobacco substitutes.
- (2) Dyes and chemicals.
- (3) Yarn all types.
- (4) PVC and PMC materials.
- (5) Polyester metalized film.
- (6) Ball bearings.
- (7) Vegetable ghee and cooking oil (if exported from Export Processing Zones or manufacturing bonds.)"

[F.No.18(11)/2000-E.IV]

(MOHAMMAD ASHRAF)  
Deputy Secretary

**GOVERNMENT OF PAKISTAN**  
**MINISTRY OF INDUSTRIES AND PRODUCTION**  
**(Export Processing zones Authority)**  
**Islamabad, the 21<sup>st</sup> November, 1994**

**NOTIFICATION**

**S.R.O. 214(KE)/94:**

In exercise of the powers conferred by sub-section (I) of section 27 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), and rule 17 of the Export Processing Zones authority Rules, 1981, the Export Processing Zones Authority, with the approval of the Federal Government, is pleased to make the following regulations, namely :-

**1. Short title, application and commencement.--** (I) These regulations may be called the Export Processing Zones (Control of Entry and Exit of Persons and Goods) Regulation, 1994.

(2) They shall apply to all zones.

(3) They shall come into force at once

**2. Definitions.--** (I) in these regulations, unless there is anything repugnant in the subject or context.—

- (a) “authorised officer” means an officer authorised in this behalf by the chairman, to issue a pass to person for entry into a Zone; and
- (b) “Ordinance” means Export Processing Zones Authority Ordinance 1980 (IV of 1980)

(2) The words and expressions used but not defined in these regulations shall have the meanings assigned to them in the Ordinance.

**3. No entry without a valid pass.--** No person shall enter in Zone unless he is in possession of valid pass issued by the authorised officer.

**4. Person eligible for issuance of passes.--** (I) The following categories of persons shall be eligible to be issued passes for entry into a Zone, namely :--

- (a) the investor ;
- (b) any duly authorized representative of the investor ; and
- © authorized clearing agent

Provided that a person against whom an enquiry or investigation is pending or who is involved in any unlawful act in the vicinity or within a Zone shall not be allowed to enter or re enter the Zone and a register of all such persons shall be maintained for the guidance of the authorities concerned with the enforcement of these regulations.

(2) Any person aggrieved by any order, other than an order passed under sub regulation (1) of regulation 9, refusing his entry or re-entry in the Zone may prefer an appeal to the Chairman of the Authority whose decision shall be final.

**5. Entry without obtaining pass in certain cases.--** Customs Police officers, fire-fighting personnel and equipments and hospital ambulance may be allowed entry, while on duty, on production of their identity cards if they cannot obtain passes due to exigencies of situation.

**6. Mutilation and destruction of pass to be reported.--** In case of mutilation or destruction of a pass the holder thereof shall immediately report this fact to the authorised officer who may after such enquiry as he may deem fit, issue a new pass.

**7. Passes not transferable.--** Passes issued under these regulations shall not be transferable.

**8. Persons and vehicles liable to search.--** All persons and vehicles entering in or going out of a Zone shall be liable to be searched at the gate or any where within the Zone.

**9. Prosecution of persons involved in unlawful acts.--** (1) Where a person is found involved in theft or smuggling including abetment thereof, in a Zone or vicinity thereof, he shall be handed over to the concerned authorities for prosecution according to law and in case such person is convicted of the offence, he shall not be allowed entry in the Zone.

(2) If an information is received that an attempt is being made to smuggle out goods by concealing them in a car, or through an export consignment, the Shift Incharge or, as the case may be, the Inspector shall stop the car or vehicle and issue a detention Order specified in Annex to these regulations and forth-with report the matter to the Incharge of the Zone.

(3) After the issue of aforesaid detention Order the car or the vehicle carrying the consignment shall not be removed from its place till such time the matter has been investigated by Customs authorities and clearance given by them in writing.

**10. Gate pass for entry of goods.--**The authorised officer may issue a gate pass to a person, specified in regulation 4, in quadruplicate consisting of blue, pink, white and yellow copies.

**11. Entry of dutiable goods in a Zone.--** Where the dutiable goods are brought into a Zone, the investor, his representative or his authorised clearing agent shall present all the four copies of the Entry Gate Pass to the Shift Incharge, Inspector (Security) or the Security Guard at the gate.

**12. Duties of the Shift Incharge, etc.--**The Shift Incharge, Inspector (Security) or the Security Guard, on presentation of the pass, shall :-

- (a) Check that the seal of the packages or container is intact ;
- (b) check that the number of the vehicle is the same as mentioned in gate pass ;
- © verify the marks and numbers on the packages ; and
- (d) verify the number of packages or container.

**13. Procedure after checking--- (I)** After checking any of the officials specified in regulations 12 shall---

- (a) sign and stamp all the four copies of the gate pass ;
- (b) write down the name of the driver with time and date the white copy of the gate pass and retain it ; and
- © return the remaining three copies of the gate pass to the investor, or, as the case may be, to his representative or his authorised Clearing Agent, for presenting them, alongwith goods, to the Customs Check Post.
- (d) After customs-clearance the pink copy of the pass should be handed over to the Shift Incharge or Inspector and goods shall be taken to the industrial undertaking.

**14. Entry and exit of petty items.---** (I) Petty Item including construction material like sand, earth or crush stone shall be brought into the Zone subject to such directions as the Authority may specify and the name of the driver with time and date shall be written on the while copy of the gate-pass.

(2) The item like shuttering, mixing machine or tool tackles shall be brought into the Zone in accordance with procedure specified in sub-regulation (I) and the custom officer concerned shall, at the time of entry, affix a stamp "RETURNABLE" on the white copy of the gate pass.

(3) The contractor shall, at the time of removing the goods from the Zone, retrieve the white copy from the security official on duty, obtain clearance from the customs both on the white and yellow copies and thereafter hand over the white copy to the security official to remove the goods from the Zone.

**15. Exit gate pass.---**The authorised officer may issue Exit Gate Pass to any of the persons specified in regulation 4, for taking out goods from the Zone, in quadruplicate consisting of blue, pink, white and yellow copies.

**16. Exit of dutiable goods.---** The Investor, his representative or, as the case may be, his authorised Clearing Agent may be remove from the zone dutiable goods on presenting all the four copies of the Exit Gate Pass to the Customs authorities at the check post.

**17. Custom Officer to sign and stamp certain copies, etc.---** After necessary processing, the Custom Officer on duty shall sign and stamp all the four copies, retain blue copy of the gate pass and return the remaining copies to the person presenting the gate pass.

**18. Presentation of three copies.**---On receiving the pink, white and yellow copies of the pass from the Custom, the same shall be presented to the Shift Incharge, inspector (Security), or, as the case may be, the Security Guard at the gate who shall---

- (a) ensure that all the three copies of the Gate Pass bear signature and stamp of the Custom Officer ;
- (b) check that vehicle number is the same as specified in the gate pass ;
- © Check that seal on the packages of the container is intact ;
- (d) count the number of the packages or container and verify with those specified in the gate pass ; and
- (e) verify the marks and numbers given on the packages of the containers.

**19. Procedure after checking.**---After checking, any of the officials specified in regulation 18 shall---

- (a) sign and stamp all the four copies of the pass ;
- (b) write name of the driver with time and date on the white copy and retain it with the pink copy ; and
- © return the yellow copy to the investor, his representative or, as the case may be, his authorised Clearing Agent for presenting the same along with goods at the Custom Check Post.

**20. Passes to be entered in a register.**--- All gate passes shall be entered in a separate register and the white copies of the passes shall be retained for record in the Security Division while the pink copy shall be sent to the Facilities Division of the Authority.

**21. Gate passes to be deposited.**--- The gate passes received in one shift shall be handed over to the Shift Incharge or the Inspector of the next shift and so on till the next working day when all gate passes shall be deposited with Assistant Manager (Security).

**22. All passes to be noted.**--- All entry and exit gate Passes of goods and persons shall be noted in the Daily Round Book by the respective Shift Incharge or the Inspector immediately after the consignment enters into, or moves out of, the Zone gate.

**23. Relaxation.**--- (I) The provisions of these regulations shall be strictly complied with by all functionaries of the Authority responsible for their enforcement and no official of the Authority shall relax any provisions thereof :

Provided that where in any emergent situation the compliance of the regulations is not possible he case shall be referred to the Incharge of the Zone who for reasons to be recorded in writing, may relax any provision of the regulations and if such a situation arises after the office hours the verbal permission from the said officer shall be obtained on telephone and entry to this effect shall be made in the Daily Round Book.

(2) The Shift Incharge or, as the case may be, the inspector (Security) shall, on the next working day, obtain written confirmation, on Daily Round Book, from the Incharge of the Zone of the verbal relaxation referred to in sub-regulation (1).

(No. SEC/3/020)

**JAVED AHMED**  
Secretary

**PART III THE GAZETTE OF PAKISTAN, EXTRA, DEC 22, 1994 2329**

DETENTION ORDER

WHEREAS Vehicle No..... (Loaded with .....  
Un-loaded)  
Packages) has made a request or the exit from .....  
Export Processing Zone today at \_\_\_\_\_  
(Time)

WHEREAS on the basis of the information received. I have reason to believe that some unspecified quantity of unauthorized unaccounted of or good are being illegally removed from the side Zone through above mentioned vehicle;

I, therefore, in pursuance of sub-regulation (2) of regulation 9 of Export Processing Zones Authority (Control of Entry and Exit of Goods and Persons) Regulations, 1994, seize above said vehicle and put the same under detention and direct that the vehicle No.....(Loaded with.....  
Un-loaded  
Packages) shall not be removed from its present unit Customs authorities have satisfied themselves about the suspected illegal removal of good.

INSPECTOR /SHIFT INCHARGE  
.....Export Processing Zone Gate House.

Copy to:

- i. Mr./M/s.....  
.....
- ii. Incharge .....Export Processing Zone  
Custom Check Post.....

**INCOME TAX ORDINANCE – 2001  
GOVT. OF PAKISTAN  
FEDERAL BOARD OF REVENUE  
(REVENUE DIVISION)**

**CHAPTER X**

**Part – V  
Advance Tax and Deduction of Tax at Source**

**Division III  
(Deduction of Tax at Source)**

**Section – 154  
Export**

<sup>5</sup>[(3A) The Export Processing Zone Authority established under Export Processing Zone Authority Ordinance, 1980 (VI of 1980), shall at the time of export of goods by an industrial undertaking located in the areas declared by the Federal Government to be a Zone within the meaning of the aforesaid Ordinance, collect tax at the rate specified in Division IV of Part III of the First Schedule.]

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<sup>5</sup>[ Inserted by the Finance Act, 2003



**INCOME TAX ORDINANCE – 2001  
GOVT. OF PAKISTAN  
FEDERAL BOARD OF REVENUE  
(REVENUE DIVISION)**

**THE FIRST SCHEDULE**

**Part – III  
(Deduction of Tax at Source)**

**Division IV  
(Export)**

<sup>1</sup>[(1) The rate of tax to be deducted under sub-section (1), (3), (3A), (3B) or (3C) of section 154 shall be 1% of the proceeds of the export.]

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<sup>1</sup>[ Substituted by the Finance Act, 2009.

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE**

\*\*\*\*\*

Islamabad, the 29<sup>th</sup> June, 2009.

NOTIFICATION  
(INCOME TAX)

S.R.O. 606(I)/2009.- In exercise of the powers conferred by sub-section (2) of section 53 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to direct that the following further amendment shall be made in the Second Schedule to the said Ordinance, namely:-

In the aforesaid Schedule, in Part I, after clause (126C), the following new clause shall be inserted, namely:-

“(126D) Profit and gains derived by a taxpayer from an industrial undertaking set up in the Gwadar declared by the Federal Government to be a Zone within the meaning of Export Processing Zone Authority Ordinance, 1980 (IV of 1980) as Export Processing Zone, Gwadar, for a period of ten years beginning with the month and year in which the industrial undertaking is set up or commercial operation commenced, whichever is later.”.

---

[C.No.1(51)INC/2007]

(Khalid Aziz Banth)  
Member (Direct Taxes)/Additional Secretary

**GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS (EXPORTS)  
CUSTOM HOUSE KARACHI**

**NO.SI/MISC/216/98-CUS/EPZ**

**Dated 28-09-2002**

**STANDING ORDER NO.05 /2002-(EXPORTS)**

**Subject: PROCEDURE FOR TRANSFER OR GOODS FROM TARIFF AREA TO  
KARACHI EXPORT PROCESSING ZONE FOR SUB-CONTRACTING AT  
KEPZ**

In order to facilitate the Investors at KEPZ, Central Board of Revenue has allowed the facility of reverse sub-contracting in the Export Processing Zone by units based in tariff area and in this regard CBR has added rules 230 in sub-chapter (C ) of SRO 450(1)/2001, dated 18.06.2001. Accordingly in-order to prescribe the detailed Customs procedure for availing the facility of Sub-Contracting, the following instructions are hereby issued for immediate compliance by all concerned:-

**2. CENTRAL GUIDE LINES:**

The facility of sub-contracting shall be restricted only to such type of items which are capable of identification at the time of entry into and removal from the KEPZ, after the goods have been processed, embellished, worked and further manufactured, as the case may be.

**3. APPLICATION BY INVESTOR:**

The investor, in the KEPZ, shall apply for reverse subcontracting work to be carried out by him on the prescribed format (annexed as 'A') in quadruplicate to the Assistant/Deputy Collector of Customs <sup>1</sup>directly. Each copy shall be duly marked as 'original', 'duplicate', 'triplicate' and 'quadruplicate'. The investor shall declare on each copy of application the relevant particulars of the reverse sub-contracting work e.g. name of the unit in the tariff area from which the goods are brought in, nature of the sub-contract, materials to be brought into the Zone, quantity, value of the imported inputs to be used by the unit in the KEPZ, its processing charges, etc.

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1 The word "directly" added by letter No. SI/MISC/216/98-CUS/EPZ dated May 05, 2005

**4. DOCUMENTS TO BE SUBMITTED BY THE INVESTOR:**

At the time of submission of application to the <sup>2</sup>Assistant/Deputy Collector of Customs, the Investor shall submit the following documents along-with the application:

- a) A copy of the reverse sub-contracting agreement.
- b) An Indemnity Bond (as per annex-B) equal to double the amount of the value of the goods as given in the agreement.
- c) A post-dated cheque equal to the amount of Indemnity Bond.
- d) An undertaking to the effect that the sub-contracting work will be completed within the stipulated period.

5. <sup>3</sup>deleted

**6. ACTION TO BE TAKEN BY CUSTOMS (KEPZ):**

- i. <sup>4</sup>After approval of the case by the Assistant /Deputy Collector of Customs, the Customs shall process the case in the light of rule-230, sub-chapter (C ) of SRO 450(1)/2001 dated 18.06.2001. The concerned Appraising Officer shall scrutinize and process the case for detachment of Indemnity Bond and post-dated cheque. The Appraising Officer, while processing the case, shall ensure that the value of the material being brought into the Zone and the value of the goods after processing are fair and in accordance with Section 25 of the Customs Act, 1969. He shall also check that the undertaking, Indemnity Bond and post-dated cheque submitted by the investor are equal to twice the amount of ascertained value of the material to be admitted into KEPZ for reverse sub-contracting.
- ii. The Principal Appraiser (KEPZ) shall maintain a master register for each unit in KEPZ availing the facility of reverse sub-contracting. The Principal Appraiser shall also ensure that the relevant data of the application has been entered in the register maintained for the reverse sub-contracting. The Indemnity Bond and Post-dated Cheque shall be detached after approval from Assistant/Deputy Collector (KEPZ). The Assistant /Deputy Collector (KEPZ) shall allow the entry of sub-contracting goods into KEPZ for a period as he may deem fit. However, a maximum period of one year may be allowed by AC/DC (KEPZ) and, in rare circumstances, further extension may be allowed by the Additional Collector which shall not be more than 180 days in any circumstances.

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2 Assistant /Deputy Collector of Customs substituted by letter No. SI/MISC/216/98-CUS/EPZ dated May 05, 2005.

3 Deleted vide letter No. SI/MISC/216/98-CUS/EPZ dated May 05, 2005

4 "After approval of the case by the Assistant/Deputy Collector of Custom" added by letter No. SI/MISC/216/98-CUS/EPZ dated May 05, 2005

- iii. The Original copy shall be kept in the relevant file; duplicate, triplicate and quadruplicate copies of the application shall be handed over to the applicant or his authorized representative. The duplicate copy of the application, duly processed by Customs, shall be handed over to KEPZ Authority for issuance of Gate Pass. The applicant or his authorized representative shall deliver the triplicate copy to Customs Preventive staff at KEPZ Gate, while the investor shall retain quadruplicate copy for his own record. The Customs staff posted at the KEPZ gate shall endorse particulars of passing in of the material on the triplicate copy. They shall send the triplicate copy to Principal Appraiser (KEPZ) after all the material, to be admitted in the Zone, has been passed in or after the expiry of the time period allowed for sub-contracting. The Principal Appraiser (KEPZ) shall get the consignment examined as and when the goods are admitted into KEPZ. He shall verify the particulars declared in the application and also have the unit surveyed, if required, for the issuance of analysis card. Such survey shall be conducted in case where consumption of the imported raw material by the investor is involved. If an earlier survey of identical nature has already been conducted, which is not more than one year old, re-survey shall not be required.

## **7. REMOVAL OF FINISHED GOODS FROM KEPZ TO TARIFF AREA**

- i. After completion of the sub-contracting work, the Investor shall approach the Customs Authorities at KEPZ on the prescribed format (Annex-C) for removal of the manufactured goods,. He shall submit the final break-up of processed goods in terms of the total value, processing charges and value of imported inputs, if utilized.
- ii. On the basis of this application, the terms of contract and the unit consumption mentioned in the Analysis Card, if any, the Customs authorities shall examine the goods and endorse examination report on the serially numbered assessment slip, with five copies of each serial number (Annex-D). Duty and taxes shall be worked out on value addition only, keeping in view the provisions of Section 25 of the Customs Act, 1969.
- iii. Principal appraiser (KEPZ) shall retain the first copy of the assessment slip. Four copies of the assessment slip shall be detached and handed over to the Investor for payment of duty and taxes as worked out by the concerned appraising officer. The bank shall make endorsement of the payment on each of the four copies of the assessment slip. The duplicate copy shall be handed over to Customs Preventive Staff posted at the gate at the time of removal of goods from KEPZ to tariff area. The investor shall deliver the triplicate copy to KEPZ authorities for issuance of gate pass.. The Investor shall retain the quadruplicate copy for his record.

- iv. Removal of the goods shall be allowed in the presence of the “Examining Officer of Customs (KEPZ). The Customs Staff posted at the gate shall endorse the vehicle number and the number of packages on the duplicate copy of the application.

**8. RELEASE OF INDEMNITY BOND/POST-DATED CHEQUE:**

After removal of goods, the Investor shall apply to Assistant/Deputy Collector (KEPZ) for release of the Indemnity Bond and Post-dated Cheque submitted at the time of admission of the material into Zone. On being satisfied that all material brought into the Zone has been utilized and there after cleared on payment of duties and taxes in accordance with the procedure prescribed in this regard, he shall release the post-dated cheque and Indemnity Bond within three days of the receipt of application.

**9. ACTION AGAINST THE INVESTOR:**

In case the investor fails to complete the sub-contracting or contravenes any provisions of law for the time being in force, the, the Assistant / Deputy Collector of Customs (KEPZ) shall proceed against the investor in terms of the Indemnity Bond submitted by him and the relevant penal provisions of the Customs Act, 1969 and the Rules made there under.

**(AFTAB ANWAR BALOCH)**  
**Collector**

**Note: The declaration in point 4 & 6 must be compared with units, their form and shape actually brought as given against Serial Nos. 13 & 14 and discrepancies noted.**

**Signature and Seal of Customs Officer  
Export Processing Zone, Karachi**

**Annexure**

**P A R T - 1**

Form No. EPZA 19 addition October, 1983

EPZA REGISTRATION NO. \_\_\_\_\_

DATED \_\_\_\_\_

The Assistant Collector of Customs,  
Export processing Zone.  
Karachi.

**SUBJECT:- APPLICATION FOR PERMISSION OF SUB-CONTRACTING**

Kindly permit our firm to transfer raw-material/semi-finished goods to Tariff Area for further processing. Necessary Particulars are given below:-

1. Name of the firm/Enterprise in the Tariff Area to whom the sub-contract is awarded. \_\_\_\_\_  
\_\_\_\_\_
2. Nature of sub-contract work \_\_\_\_\_  
(use separate sheet to give the details)
3. Material to be transferred \_\_\_\_\_
4. Form & Shape of end-product \_\_\_\_\_
5. Material used/unit of end Product \_\_\_\_\_  
(use separate sheet to given the details)
6. Value added in the Tariff Area that will be surrendered to State Bank of Pakistan (Attach the terms & conditions of sub-contract in support of it) \_\_\_\_\_
7. Units of end-product that will be brought back to the Zone. \_\_\_\_\_
8. Expected date of return of goods back to the Zone. \_\_\_\_\_
9. Description of Security attached \_\_\_\_\_

It is certified that the above mentioned particulars given in this application are true and correct and we undertake that goods shall be brought back to the zone as per declaration given above.

Name, Signature and seal of the  
Authorized person of the investor

## PART-II

### CERTIFICATE FOR TRANSFER OF GOODS TO TARIFF AREA/KEPZ

10. Permission is hereby granted to transfer the raw material/semi processed material/goods to Tariff Area that will eventually return to KEPZ after partial processing in the form, shape and quantity as stated above.

Name, signature and seal of  
Authorized officer of Karachi  
Export Processing Zone

Forwarded to  
Assistant Collector  
Of Customs, Incharge,  
EPZ.

**NOTE:** Issuance of this certificate of transfer of goods is based on the statement & representations contained in this application. Any false statement or mis-representation in this application will render the applicant liable to such action as may be considered appropriate by EPZA and Customs.

## PART-III

11. Goods as per declaration against serial number 3 above are allowed to be removed from the zone to Tariff Area.

---

Seal of Custom Officer at EPZ

**Note:** (Any discrepancy in the quantity actually removed and those declared must be recorded below).



**PART-IV**

12. I/We hereby certify that an amount of \_\_\_\_\_ has been paid to Messrs.....  
(Name of firm)  
With the details of work and payment in respect thereof vide Bank Draft No./Pay Order/Cheque No.....

\_\_\_\_\_

Signature & Seal of Investor/or his  
Authorized representative.

**PART-V**

13. Units of End Product actually brought back into the Zone. \_\_\_\_\_

14. Form and shape of End product units. \_\_\_\_\_

**Annexure-“A”**

CUSTOMS MACHINE NO. \_\_\_\_\_

DATED: \_\_\_\_\_

NAME OF UNIT: \_\_\_\_\_

EPZA REGISTRATION NO. \_\_\_\_\_

DATED: \_\_\_\_\_

The Assistant/Deputy Collector of Customs,  
Export Processing Zone,  
Karachi.

SUBJECT: APPLICATION FOR PERMISSION OF SUB-CONTRACTING AT KEPZ.

Kindly permit our firm to transfer raw material/semi-finished goods from tariff area to EPZ for further processing Necessary particulars are given below:

1.

NAME OF THE FIRM/ENTERPRISE IN \_\_\_\_\_  
THE TARIFF AREA WITH WHICH THE \_\_\_\_\_  
SUB-CONTRACT HAS BEEN MADE \_\_\_\_\_

2. **MATERIAL TO BE TRANSFERRED TO ZONE**

Material \_\_\_\_\_  
Quantity \_\_\_\_\_  
Unit Value (Foreign Currency) \_\_\_\_\_  
Total Value (Foreign Currency) \_\_\_\_\_

3. **DUTY FREE IMPORTED MATERIAL TO USE BY THE INVESTOR.**

4. **PROCESS TO BE CARRIED OUT:**

i). \_\_\_\_\_  
ii) \_\_\_\_\_  
iii) \_\_\_\_\_  
iv) \_\_\_\_\_

5. **MANUFACTURED/PROCESSED GOODS ULTIMATELY TO BE CLEARED FOR TARIFF AREA:**

Material \_\_\_\_\_  
Quantity \_\_\_\_\_  
Unit Value \_\_\_\_\_  
Total Value \_\_\_\_\_

6. **VALUE ADDITION AS PER TERMS OF CONTRACT (No-----2).**

7. **DUTY AND TAXES LEVIABLE**

Customs Duty \_\_\_\_\_  
Sales Tax \_\_\_\_\_  
Income Tax \_\_\_\_\_

8. i) Indemnity Bond Number & Date \_\_\_\_\_  
ii) PDC Number & Date \_\_\_\_\_  
iii) Others \_\_\_\_\_

It is certified that the above mentioned particulars given in this application are true and correct and we undertake that the goods shall be brought back to the Zone as per declaration given above.

Name Signatures and seal of the  
Authorized person of the investor

**PART-II**

**PERMISSION FOR TRANSFER OF GOODS FROM TARIFF AREA TO KEPZ**

This is to certify that the above referred particulars have been verified and found correct. It is therefore recommended that permission may please be granted to the above material to be transferred to K.E.P.Z from Tariff area.

1 Name, Signatures and seal of \_\_\_\_\_  
Authorized Officer of Karachi] \_\_\_\_\_  
Export Processing Zone \_\_\_\_\_

Forwarded to Assistant/Deputy  
Collector of Customs, Incharge EPZ

**Annexure-“B”**

**ON APPROPRIATE NONJUDICIAL STAMPED PAPER  
Indemnity Bond:**

Date of Issue \_\_\_\_\_  
Date of Expiry \_\_\_\_\_  
Amount Rs. \_\_\_\_\_

This indemnity is made on the \_\_\_\_\_ day of 2 year  
between the M/s. \_\_\_\_\_ (Manufactures/Investors in  
EPZ). Through Deputy Collector/Assistant Collector of Customs Exports.

Whereas, the Assistant/Deputy Collector of Customs has in accordance with  
terms of Standing Order \_\_\_\_\_ dated \_\_\_\_\_  
has allowed us to release the consignment for transfer of goods from Tariff Area to  
Karachi Export Processing Zone for sub-contracting under the conditions that we shall:

- i. Observe rules, procedure and instructions that may be prescribed in respect of sub-contracting in terms of aforesaid Standing order.
- ii. Pay on demand a sum of Rupees \_\_\_\_\_ that becomes the double the value of the goods in question as penalty imposed by the Collector of Customs/Adjudicating Officer for violation of rules and act.
- iii. Maintain record of input goods and output goods.
- iv. Abide by such further conditions imposed by the Collector of Customs a may be necessary for the purposes of identification and accounting of input goods used in the sub-contracting of the goods.
- v. We shall complete the sub-contracting work within the time period allowed by Deputy/Assistant Collector (KEPZ).
- vi. Take away the input goods which have not undergone sub-contracting within the stipulated period. If not so, abide by the decision of Collector of Customs/Adjudicating Officer, regarding imposition of penalties and other action.

Now therefore in pursuance of this Bond the Manufactures M/s. \_\_\_\_\_ hereby agrees to indemnify if the said Collector of Customs (Exports) to the extent of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) and also against costs and expenses which may be incurred by the Collector of Customs in recovery of the above amount.

It is further agreed that the above amount may be recovered by Customs as an arrears of Land Revenue under sub-Section (2) of section 202 of Customs Act 1969 (IV of 1969), if the Manufactures fail to abide by any condition laid down in rules and aforesaid Standing Order.

In witness of the parties hereto have hereon put their hands and seals the day above mentioned.

1. M/S. \_\_\_\_\_  
Name \_\_\_\_\_  
Position in the Firms \_\_\_\_\_  
Zone Registration No. \_\_\_\_\_  
NIC No. \_\_\_\_\_
  
2. Deputy/Assistant Collector of Customs  
Exports for and on behalf of the  
Collector of Customs (Exports).

**Annexure "C"**

Machine No. of \_\_\_\_\_ Application

CUSTOMS MCHINE NO. \_\_\_\_\_

DATE \_\_\_\_\_

NAME OF UNIT \_\_\_\_\_

EPZA REGISTRATION NO. \_\_\_\_\_

DATED \_\_\_\_\_

**Annexure "C"**

Machine No. of \_\_\_\_\_ Application

CUSTOMS MCHINE NO. \_\_\_\_\_

DATE \_\_\_\_\_

NAME OF UNIT \_\_\_\_\_

EPZA REGISTRATION NO. \_\_\_\_\_

DATED \_\_\_\_\_

The Assistant/Deputy Collector of Customs,  
Export Processing Zone,,  
Karachi

SUBJECT:- APPLICATION FOR PERMISSION FOR TRANSFER OF GOODS FROM  
KEPZ TO TARIFF AREA ON COMPLETION OF SUB-CONTRACTING.

Kindly permit our firm to transfer finished goods from EPZ to tariff area on  
completion of sub-contracting work necessary particulars are given below:-

1. NAME OF THE FIRM/ENTERPRISE IN THE TRIFF AREA WITH WHICH THE  
SUB-CONTRACT HAS BEEN MDE \_\_\_\_\_  
\_\_\_\_\_

2. MATERIAL TO BE TRANSFERRED TO ZONE.  
Material \_\_\_\_\_  
Quantity \_\_\_\_\_  
Unit Value \_\_\_\_\_  
Total Value \_\_\_\_\_

3. DUTY FREE IMPORTED MATERIAL USED BY THE INVESTOR.

4. PROCESS CARRIED OUT:  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_  
(iii) \_\_\_\_\_  
(iv) \_\_\_\_\_

5. INPUT OUTPUT RATIO OF MATERIAL USED & ANALYSES CARD NO &  
DATE  
Material \_\_\_\_\_  
Quantity \_\_\_\_\_  
Unit Value \_\_\_\_\_  
Total Value \_\_\_\_\_

6. VALUE ADDITION AS PER TERMS OF CONTRACT (No—2)

7. DUTY & TAXES LEVIABLE:  
Customs Duty (only value addition) \_\_\_\_\_  
Sales Tax \_\_\_\_\_  
Income Tax \_\_\_\_\_

8. i) Indemnity Bond Number & Date \_\_\_\_\_  
ii) PDC Number & Date \_\_\_\_\_  
iii) Others \_\_\_\_\_

It is certificated that the above mentioned particulars given in this application are true and correct and we under take that the goods shall be brought back to the zone as per declaration given above.

Name, Signatures and seal of the  
Authorized person of the investor

Permission is hereby granted to transfer the processed goods/material to tariff area after processing in the form, shape and quantity stated above.

PRINCIPAL APRAISER  
Export Processing Zone

Forwarded to Assistant/Deputy  
Collector of Customs, Incharge EPZ

Note:- Issuance of this certificate of transfer of goods is based on the statement & representation in this application will render the applicant liable to such action as may be considered appropriate by EPZA and customs.

Annex - D

**ASSESSMENT SLIP FOR PROCESSED GOODS  
UNDER REVERSE SUB-CONTRACTING**

Machine No. of Inward Application: _____		Name & Address of unit _____ Unit in Tariff Area _____
Date: _____		Name of Unit in EPZ to _____ Which sub-contracting _____ Was allowed _____
Machine No. of Outward Application: _____		EPZA Registration No. _____
Date: _____		Date of Registration: _____
1.	Description of goods	
2.	Tariff Heading	
3.	Quantity	
4.	Unit Value	
5.	Total Value	
6.	Value Addition in EPZ	
7.	Duties & Taxes payable	
(a)	Custom Duty	
(b)	Sales Tax	
©	Income Tax	
(d)	Others	
(e)	Total	

Examiner

Appraiser

Principal Appraiser

**GOVERNMENT OF PAKISTAN**  
**NAME CUSTOM HOUSE**  
**Karachi dated 06.02.1987**

**STANDING ORDER NO. 2/86 (P).**

SUBJECT:- PROCEDURE OF TRANSFER OF GOODS FROM EXPORT PROCESSING ZONE TO TARIFF AREA FOR PARTIAL PROCESSING FACILITY OF SUB-CONTRACTING REGARDING.

In pursuance of Para 10 of SRO.249 (1)/81 dated 25.03.81, the following procedure is laid down to avail the facility of sub-contracting in the Tariff Area by the Investors of Export Processing Zone, Karachi:-

1. The facility of sub-contracting shall be restricted to only such type of goods which are capable of identification before leaving the EPZ area, and re-entry in to the EPZ after the goods have been processed, embellished, decorated, worked and further manufactured.
2. The investor in the EPZ area shall make out an application in triplicate in the name of Assistant Collector of Customs<sup>2</sup> by declaring the particulars like the name of the enterprises whom the sub-contract has been granted, the nature of sub-contract, the material to be transferred, value and its quantity, form/shape of end product, material used in it of end-product, Customs duty and taxes involved, particulars of bank guarantee, name of the bank etc. for processing in the Tariff Area in the form given in part-1 of the Annexure.
3. <sup>3</sup> Deleted
4. The processing staff in the EPZ would examine the consignment in the place within the zone approved ed for the purpose and tally particulars given already in the application made by the investors and would calculate the amount of duty and taxes involved on the goods in the light of para. 6 of SRO No.249(1)/81 dated 25.03.81.
5. The investor would then furnished a bank guarantee equivalent to the amount of duty and taxes involved from a scheduled bank of Pakistan in case the goods are otherwise importable in the import tariff area of the country and if the goods are not importable then in addition to the amount of duty and taxes laviable equal to the value of the goods. After a certificates in the form set out in Part-III of the Annex. Issued by the EPZA is produced and the bank guarantee is furnished, the Assistant Collector of Customs Incharge EPZ would then allow the removal of the goods to the Tariff Area for the purpose of processing by another party by way of sub-contracting.

- 
- 2 In para-2 line 3 the words “and submit it through EPZ Authority” deleted by letter No. SI/Misc/216/98-Cus/EPZ dated May 05, 2005
  3. Para -3 wholly deleted vide letter No. SI/Misc/216/98-Cus/EPZ dated May 05, 2005



6. No. Customs escort would be provided as it would be the responsibility of the investor to safely transfer the goods to the destination and bringing it back to zone. The investor will then take the goods outside the Zone at his own risk and cost for purpose of further processing and would be responsible to return the goods back to the zone within the specified time for the purpose. On the basis of these documents, the Customs Officer at the gate will issue a gate pass bearing these particulars.
7. After the completion of the processing, the goods shall be brought back to the EPZ and would be examined and verified by the gate staff as well as the appraising staff in the form given in Part-V of the annex. On satisfying the same, the Assistant Collector of Customs will release the bank guarantee to the investor, after a certificate in the form set out in Part-IV of the Annex. Has been given by him.
8. Where the investor thinks that the job of further processing is not expected to be completed within the specified time due to certain reasons beyond the control of the other party to whom the job of the sub-contracting has been given, he may apply to the Assistant Collector before the expiry of the said period for granting extension in the time limit. The Assistant Collector after satisfying himself would allow the extension in the time period upto a maximum limit of two months.
9. In case the investor fails to bring back the goods to the EPZ, the Assistant Collector of Customs shall forthwith encash the bank guarantee lying already with the Customs under Rule 8 of SRO.249(1)/81 dated 25.03.81 and the importer shall for such violation also be liable to pay penalty laid down in the Act & the Rules made thereunder.

Sd/-  
(MAHMOOD AHMED)  
COLLECTOR OF CUSTOMS  
(Preventive)

Copy to all concerned as per Distribution list.

(SHAHID BASHIR)  
for COLLECTOR OF CUSTOMS  
(Preventive)

**Note:** The declaration in point 4&6 must be compared with units, their form and shape actually brought as given against Serial Nos. 13 & 14 and discrepancies noted.

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Signature and Seal of Custom Officer  
Export Processing Zone Karachi.

**PART-1**

Form No.EPZA 19 addition October, 1983

EPZA REGISTRATION NO. \_\_\_\_\_  
DATED \_\_\_\_\_

The Assistant Collector of Customs,  
Export processing Zone.  
Karachi.

**SUBJECT:- APPLICATION FOR PERMISSION OF SUB-CONTRACTING**

Kindly permit our firm to transfer raw-material/semi-finished goods to Tariff Area for further processing. Necessary Particulars are given below:-

1. Name of the firm/Enterprise in the Tariff Area to whom the sub-contract is awarded. \_\_\_\_\_  
\_\_\_\_\_
2. Nature of sub-contract work \_\_\_\_\_  
(use separate sheet to give the details)
3. Material to be transferred a. Quantity \_\_\_\_\_  
b. Value \_\_\_\_\_
4. Form & Shape of end-product \_\_\_\_\_
5. Material used/unit of end Product \_\_\_\_\_  
(use separate sheet to given the details)
6. Value added in the Tariff Area that will be surrendered to State Bank of Pakistan (Attach the terms & conditions of sub-contract in support of it) \_\_\_\_\_
7. Units of end-product that will be brought back to the Zone. \_\_\_\_\_
8. Expected date of return of goods back to the Zone. \_\_\_\_\_
9. Description of Security attached \_\_\_\_\_

It is certified that the above mentioned particulars given in this application are true and correct and we undertake that goods shall be brought back to the zone as per declaration given above.

Name, Signature and seal of the  
Authorized person of the investor

**PART-II**

**CERTIFICATE FOR TRANSFER OF GOODS TO TARIFF AREA/KEPZ**

10. Permission is hereby granted to transfer the raw material/semi processed material/goods to Tariff Area that will eventually return to KEPZ after partial processing in the form, shape and quantity as stated above.

Name, signature and seal of  
Authorized officer of Karachi  
Export Processing Zone

Forwarded to  
Assistant Collector  
Of Customs, Incharge,  
EPZ.

**NOTE:** Issuance of this certificate of transfer of goods is based on the statement & representations contained in this application. Any false statement or mis-representation in this application will render the applicant liable to such action as may be considered appropriate to by EPZA and Customs.

**PART-III**

11. Goods as per declaration against serial number 3 above are allowed to be removed from the zone to Tariff Area.

\_\_\_\_\_  
Seal of Custom Officer at EPZ

**Note:** (Any discrepancy in the quantity actually removed and those declared must be recorded below).

**PART-IV**

12. I/We hereby certify that an amount of \_\_\_\_\_ has been paid to Messrs.....  
(Name of firm)  
With the details of work and payment in respect thereof vide Bank Draft No./Pay Order/Cheque No.....

\_\_\_\_\_

Signature & Seal of Investor/or his  
Authorized representative.

**PART-V**

13. Units of End Product actually brought back into the Zone. \_\_\_\_\_

14. Form and shape of End product units. \_\_\_\_\_

**GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS (EXPORTS)  
CUSTOM HOUSE, KARACHI**

No. SI/MISC/170/07-Cus-EPZ

9<sup>th</sup> July, 2007

**STANDING ORDER NO. 02/2007-EXP**

SUBJECT: **PROCEDURE FOR REPAIRING OF GOODS BY THE INVESTORS OF  
KEPZ IN TARIFF AREA.**

It has been observed that the goods other than raw material and finished goods having value less than US\$ 500/- are brought into / out from Export Processing Zone Karachi to tariff area for the purpose of repair of goods and there is no customs procedure to regulate it. The issue was discussed in a meeting with Export Processing Zone Authorities on 25-06-2007 and the following procedure has been worked out to regulate the movement of goods for the purpose of repairs;

- i. For the goods having value less than US \$ 500/-, the Investor shall apply on its letterhead (in triplicate) to the Principal Appraiser (Export Processing Zone Karachi), stating the value, purpose and duration of time for which they need to be taken in /out from the Zone. The Appraising staff after examining the case, shall grant the permission for the period as considered necessary for the same. After the grant of permission by Appraising staff, the Export Processing Zone Authority shall issue gate pass and the Preventive staff at gate shall allow it accordingly by recording the particulars in their register and detaining a copy of the application.
- ii. The goods having value more than US \$ 500/- shall be regulated as per procedure laid down in Standing Order No. 2/87 (P) dated 5-2-1987 amended vide Standing Order No. 4 / 1999 (Exports) dated 22-07-1999.

**(KHALID MAHMOOD)  
Collector**

**GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS (EXPORTS)  
CUSTOM HOUSE, KARACHI**

**No. SI/MISC/635/CUS-EPZ/2001**

**June 19, 2001**

**PUBLIC NOTICE NO. 4/2001-EXP**

Subject: CLEARANCE OF WASTE/USED PACKING MATERIAL, ETC FROM  
KARACHI EXPORT PROCESSING ZONE

With a view to streamline the removal/export of waste materials from the EPZ and to meet the demand of stake-holder, legal provision have been made. In addition to the custom formalities as required under the existing procedure, these provisions shall apply mutatis mutandis. The following instructions are issued for compliance by all concerned:

- i. An investor who intends to clear any or all such materials to tariff area on payment of duty and taxes, shall apply on the prescribed proforma in triplicate as per annex – A to Export Processing Zones Authority with complete details of all items and value of exports so that the limit of 3% of the total value of their annual exports can be monitored. Export Processing Zones Authority alongwith customs shall verify and certify the contents of all information contained in the application form and affix signature and stamp of the authorized person in the relevant column. Duplicate copy shall be retained by EPZA for its record. Original and triplicate copy shall be handed over to the investor. Original copy shall be attached with Bill of Entry and triplicate copy shall be retained by the investor for its record.
  - ii. With a view to smoothen the removal of waste and difficulties in the clearance of such waste, value of aforesaid goods have also been assessed and given at Annexure – B to ensure its transparent clearance. In case, any item is not listed in annex-B the investor may approach in advance Export Processing Zone Authority and Customs for taking necessary action.
- 2.** The investors of Karachi Export Processing Zone can remove the following materials up to 3% of the value of their annual exports to tariff area, on payment of duty and taxes:-
- i. Defective or 'B' grade goods
  - ii. Waste
  - iii. Used packing materials
  - iv. Empty drums
  - v. Empty cartons

**3.** The information contained in annex – 'B' is being circulated for the sake of reference, transparency and guidance of the investors. The same may change from time to time.

**(Munir Qureshi)  
Collector**

**Encl: As above.**

**Annexure-B to the Public Notice No. 4/2001/Exp. dated 19-06-2001**  
**MINIMUM ASSESSABLE VALUES OF WASTE AND SCRAP**  
**FOR KARACHI EXPORT PROCESSING ZONE**

S. No.	Description of Waste	PCT Heading	Assessable Value
1.	Cotton Yarn Waste	5202.9900	\$ 410/ Bale
2.	Blended/Cotton Fabrics Waste upto 9" (Cutting of Curtain and Bed Sheets)	6310.9000 6309.0000	\$0.17 Per Kg \$0.12 Per Kg
3.	Blended/Cotton Fabrics Waste from 9" to 2 meters (Cutting of Curtain and Bed Sheets)	6310.9000	\$0.50 Per Kg
4.	Cotton/Blended Fabrics Waste Garment Cutting (Tailoring Cutting) up to 5" in irregular shape.	6310.9000	\$ 0.03 Per Kg
5.	Nylon Fabric Waste with Wadding (Tailoring Cutting) ----- do ----- -(Lace Curtain)	6310.9000 6309.0000	\$ 0.04 Per Kg \$ 0.31 Per Kg
6	Scrape of GI Pipe & Steel Bar	7204.4190	\$550/MT
7.	Paper Role Bobbin/Card Board Waste	4707.9000	\$110/MT
8.	Empty Plastic Tanks with Metal Fencing (1000) Liters	3915.9000	\$15/- Per Piece
9	Acrylic Sheet Cutting Waste	3915.9000	\$400/- MT
10	Empty Plastic Drum/Can (Serviceable) (Capacity 205 Kg) (Capacity 100 Kg) (Capacity 25 Kg)	3915.9000	Rs.250 p/d Amen: PN: 02/02 (Exp) Rs.100 p/d Rs. 20 p/d
11	Empty Iron Drum 200/205 Ltr. Empty Used Iron Drum Capacity 100 Ltr Empty Used Iron Drum 25 Kg ----- do -----21 Kg	7310.2900	Rs. 105 p/d Rs. 100 p/d \$1.00 /PC
12	Scrape of Plastic Drum	3915.9000	\$320/ MT
13	Scrape of Polyester Film/Video Pancake Cutting	3915.9000	\$250/ MT
14	Empty Edible Oil Canes Capacity 5 Liters -----do----- 10 Ltrs (of tin)	3923.9000	\$0.50/PC 1.00/PC

**Annexure-A to the Public Notice No. 4/2001/Exp. Dated 19-06-2001**

**APPLICATION FOR REMOVAL OF WASTE, USED PACKING MATERIALS AND DEFECTIVE OR 'B' GRADE GOODS ETC.**

Name & Address of the investor : M/s. \_\_\_\_\_

Description of goods manufactured : \_\_\_\_\_

Description of raw material imported : \_\_\_\_\_

Total value of exports for the year\_\_\_\_ : \_\_\_\_\_

Description & value of material intended to be cleared

<u>Quantity</u>	<u>Value</u>		
Defective Goods.	_____	_____	_____
'B' grade goods	_____	_____	_____
Waste	_____	_____	_____
Used packing material	_____	_____	_____
Empty drums	_____	_____	_____
Carton	_____	_____	_____
Total	_____	_____	_____

Percentage in terms of total value of exports \_\_\_\_\_%

---

**for use by Export Processing Zone Authority**

Total value of exports US\$ \_\_\_\_\_

Items allowed to be cleared \_\_\_\_\_

Value & quantity of items allowed to be cleared. US\$. \_\_\_\_\_

Signature & stamp of  
authorized person.

Remarks, if any. \_\_\_\_\_

---

**for use by Customs**

Import permit No. \_\_\_\_\_

Quantity allowed by Export Processing Zone Authority \_\_\_\_\_

Quantity cleared vide Bill of Entry No. \_\_\_\_\_ dated \_\_\_\_\_

Signature of  
Examiner

Signature of  
Appraiser

Signature of  
Principal Appraiser



**GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS (EXPORTS)  
CUSTOM HOUSE, KARACHI**

**No. SI/MISC/19/99-CUS/EPZ**

**Dated: 18-07-2001**

**PUBLIC NOTICE NO. 5/2001 - EXP**

It has been observed that presently there is no prescribed procedure governing the incoming and outgoing of the machinery/equipment brought into the Export Processing Zone Karachi, on rental basis for a limited period, against a fixed and agreed amount of rent, between the investor in EPZ and the lender in the tariff area. To facilitate the investors in EPZ and to streamline the system, the following procedure is laid down:

- i. Any investor desirous of temporary import of machinery/equipment into EPZ, on rental basis, shall approach the Export Processing Zones Authority with the following documents:
    - a) Agreement signed between the lender of the machinery/equipment and the investor showing the value of machinery in Pak rupees or US\$ (as is conveniently available) and agreed rental amount in US\$ alongwith the period agreed.
    - b) Complete description of the machinery/equipment, machine number/marks, model, brand, type etc. if the machinery is locally made with no proper identification marks etc, then the investor shall attach photographs for the same.
    - c) Evidence of payment of rental charges in foreign exchange (US Dollars) through an encashment certificate issued by EPZ-Offshore Banking Units.
  - ii. EPZA shall issue an authorization letter/permission to the investor to ring the machinery/equipment.
  - iii. Then the investor shall approach Customs Staff with an undertaking binding himself that in case of default in return (export) of the rental machinery within agreed/allowed or extended period, the investor shall pay the amount equal to the value of the rental machinery in foreign exchange (US\$) to the lender in tariff area.
  - iv. Assistant Collector of Customs shall allow the entry of machinery/equipment after the examination proves that there is no discrepancy between the description given in the documents and its physical being.
  - v. On the expiry of initially agreed period, the Authority can extend the same as long as it is satisfied that machinery/equipment in use is contributing to the export of goods.
  - vi. At the end of agreed or extended period, on the application of the investors, the Authority shall allow return of the said machinery/equipment.
  - vii. At the time of exit, the Customs shall carry out the examination to verify that the same machinery/equipment is being returned/removed to tariff area.
2. The above procedure is applicable from the date of issuance of this Public Notice and all the previous cases shall be dealt as per past practice.

(Munir Qureshi)  
Collector

**GOVERNMENT OF PAKISTAN  
MODEL COLLECTORATE OF CUSTOM EXPORTS  
CUSTOM HOUSE  
KARACHI**

NO. SI/MISC/96/2009/CUS/EPZ

September 28, 2009

**OFFICE ORDER NO. 04/09/EXP/EPZ**

Subject:- PROCEDURE FOR THE EXCHANGE OF FAULTY/DEFECTIVE GOODS

To streamline the exchange of faulty goods exported to Tariff Area, following procedure is laid down.

- i. Importers in Tariff Area will make a written request to the investor in EPZ for the exchange of faulty goods along-with the relevant documents i.e. GD, Invoice, Packing list.
  - ii. The concerned investor will approach customs authority for seeking permission to bring back the faulty goods in Zone. After procuring permission to bring back the faulty goods to the examination area adjacent to the Customs EPZ by getting incoming gate pass from the EPZ Authority.
  - iii. The custom examination staff will endorse the examination report on the request of the investor after satisfying himself to the effect that the goods brought in are identified as the same goods as were earlier exported from the Zone and are faulty/defective.
  - iv. The custom staff posted at check post will examine the goods being replaced and after verifying the quantity etc. will endorse his report on the reverse of the request of the investor, on the basis of which the zone authority will issue an outgoing gate pass and the goods will be replaced.
  - v. A master register shall be maintained by the customs office in EPZ to account for such transactions in the format given in Annexure "A".
  - vi. The EPZ Authority shall also maintain a register on the for referred to as "Annexure-A" as a permanent record.
2. The facility will only be available to the exporters when the request for the exchange of faulty goods is furnished within 07 days from the export of their consignment to Tariff Area.

(Amer Rashid)  
**Collector**

**GOVERNMENT OF PAKISTAN  
MODEL COLLECTORATE OF CUSTOM EXPORTS  
CUSTOM HOUSE  
KARACHI**

NO.SI/MISC/96/2009/CUS/EPZ

September 28, 2009

**OFFICE ORDER NO. 05/09/EXP/EPZ**

Subject: PROCEDURE REGARDING SHORT SHIPMENT OF GOODS IN CASE OF EXPORT TO TARIFF AREA.

It has come to the notice of undersigned that some investors of KEPZ are facing hardships as there is no laid down procedure for short shipment. It often happens that the investor is not able to export complete shipment i.e. as per the quantity mentioned in GD and NOC. In such cases, in order to facilitate the investors of KEPZ, and to streamline the working, the following procedure for short shipment is prescribed:

- i. The Investor who intends to avail the short shipment will endorse on the reverse of GD the details of short shipped goods in the following manner:

Short shipped	No. of cartons
Short shipped	Weight
Short shipped	Value
Short shipped	Quantity

- ii. The Examining Officer upon receipt of such information will examine the goods and will physically endorse the short shipment statement examination report.
  - iii. The Zone will make the necessary changes in their record regarding short shipment of goods before issuing gate pass.
02. No remission of custom duty and other taxes on account of short shipment will be admissible to the importers.

(Amer Rashid)  
**Deputy Collector**

## Annex - A

S.No	GD No & Date	IGM No.	Index No	Importer Name	Exporter /Investor	Description of Goods	Total Quantity	Date of Pass out	Defective /Rejected Quantity	Value of Defective/ Rejected Goods	Date of pass in Defective/R ejecte	Re ma rks .
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

**INTERNAL SALE**

GOODS IMPORTED BY SELLER:
GOOD SOLD TO: M/S,
IMPORT DETAILS:

S.No.	G.D. No.	DESCRIPTION OF GOODS	QUANTITY	VALUE US\$	E' FORM NO. & DATE
1.					
2.					
3.					
		TOTAL			

DETAILS OF GOODS/PURCHASED:						
SALE INVOICE NO.	SALES INVOICE DATE	COMPLETE DESCRIPTION OF GOODS	PURCHASE ORDER NO.	PURCHASE ORDER DATED	VALUE (US\$)	QUANTITY

SIGNATURE OF SELLER

SIGNATURE OF PURCHASER

**FOR OFFICE USE**

PERMISSION FOR SALES / TRANSFER OF GOODS IS GRANTED VIDE RULE 235 OF S.R.O 450(1)/2001, Dated: 18<sup>th</sup> June, 2001 AFTER RECORDING OF GOODS INTO KEPZ COMPUTER SYSTEM.

CASE NO. \_\_\_\_\_

Dy. Manager (FAC)

Manager (FAC)

Dy. General Manager (FAC)

COPY TO:

- 1. AC Customs KEPZ.
- 2. Manager Security KEPZ.

D.O.No:1(13)/2000-INV.V  
Government of Pakistan  
Ministry of industries & production  
Islamabad

Islamabad, the 5<sup>th</sup> September,2000

Mr.Maqsood ISMAIL  
Chairman,  
Export processing zones authority,  
Karachi

**Subject:-** EXPORT IN SAME STATE OF IMPORTED MERCHNDISE TO  
TARIF AREA ON PAYMENT OF DUTIES AND TAXES

Dear Sir,

Kindly refer to your letter No.INV-091(A), dated 16<sup>th</sup> August, 2000 on the subject noted above.

The Minister for Commerce, Industries and Production has been pleased to approve the following list of raw materials to be allowed to tariff area as per decision of the ECC 14<sup>th</sup> July, 2000:-

- i. Raw cotton
- ii. Dyes
- iii. Aluminum ingots
- iv. Hides and skins
- v. Iron sheet
- vi. Aluminum foil
- vii. Unblended tea
- viii. Supari
- ix. Newsprints
- x. Spices in raw form
- xi. Raw material for pesticide &insecticide

The export processing zones authority is required to kindly take further necessary action in the matter ,under intimation to this ministry.

Yours faithfully

(Muhammad Hafiz)  
Deputy chief

**State Bank of Pakistan  
Exchange Control Department  
Karachi**

**F.E circular NO.13**

**1<sup>st</sup> February, 1984**

All authorized dealers  
in foreign exchange

Dear Sir,

**CODE LIST NO.3 PROVIDING REGION  
AND COUNTRY /TERRITORY CODES.**

Attention is invited to the Code List No.3 circulated vide F.E circular no.72 dated the 5<sup>th</sup> July, 1972 last amended vide F.E circular no.32 dated the 17<sup>th</sup> June 1980.

2. It is advised that country code no.2557 has been allotted to "export processing zones authority" which may please be added to the above code list no.3.

**Att:**  
EXPORT PROCESSING ZONE  
KARACHI

Yours faithfully,

SD/-

(Muhammad Karim)  
Senior Deputy Director

**State Bank of Pakistan  
Exchange Control Department  
Karachi.**

**F.E. Circular No. 12**

**September 01, 2001**

All Authorized Dealers  
in Foreign Exchange.

Dear Sirs,

**INVESTMENT ABROAD BY RESIDENTS OF PAKISTAN**

In supersession of the instructions contained in F.E. Circular No.11 of 1995, it has been decided to allow residents of Pakistan including firms and companies to make equity based investment (other than portfolio investment) in companies (whether incorporated or not)/Joint Ventures abroad on Repatriable basis, with prior permission of State Bank of Pakistan and subject to the following guideline:

**Criteria for Permission to Allow Investment Abroad by Residents.**

- i. Investment abroad is allowed only for those countries that allow repatriation of profits, dividends and capital.
- ii. Only companies incorporated in Pakistan including foreign controlled companies and firms owned by Pakistani Nationals resident in Pakistan will be allowed investment under the scheme.
- iii. The business activity of the company, firm, joint venture in which investment is desired to be made should ordinarily be of the same nature as that in which the investor is already engaged in Pakistan, or in which the investor has the potential to acquire sufficient expertise from the market for running the business.
- iv. The investor should be financially sound as shown by its audited accounts for the last three years. In the case of a company in the I.T. business, however, the condition of three years may be reduced to one year.
- v. The proposal should be economically viable as evidenced from a feasibility report. It should have the potential for future earnings of foreign exchange coupled with other advantages to the country such as employment opportunities for Pakistani nationals and improvement in national human resources.
- vi. The funds proposed for investment should be legitimate and tax paid, and the investor should have a clean record of loan repayments.
- vii. Funding for the proposed investment abroad would be allowed only from the inter-bank market or from funds available in the foreign currency accounts of investors opened in terms of FE 25 of 1998, or out of funds available in the incremental deposits of frozen foreign currency accounts, or from Foreign Currency accounts maintained by exporters in terms of Para 29 Chapter XII of Foreign Exchange Manual/FE 25 of 2000 (net of amount paid to foreign importers/agents).
- viii. Small investments by individuals in a few shares of listed companies abroad including participation by Pakistani employees of subsidiaries of foreign companies in Pakistan in their share option plans would, however, be permitted without the detailed scrutiny outlined above.
- ix. The State Bank under the aforesaid guideline would also deal with the proposals emanating from the Public Sector Organizations providing financial services whereas the concerned ministry would deal with the investment proposals from all other public sector organizations.



2. After making investment with the approval of State Bank of Pakistan, the investor would be required to:
  - i. Make a return to State Bank on the prescribed form V-97 through their banker within one month of making the investment;
  - ii. To provide a copy of Certificate of Incorporation and Certificate of Commencement of Business in the country where investment will take place to the Authorized Dealer along with copies of the share certificates so invested and bonus issues, if any.
  - iii. To repatriate the dividend/disinvestments proceeds of the shares (including capital gains) to Pakistan through normal banking channels. The amounts so received would be converted to local currency by the bank concerned and a Proceeds Realization Certificate in original evidencing the same shall be filed by the owner with the State Bank. Such amounts shall not be allowed for credit to a Foreign Currency Account or for purchase of Pakistani securities on Repatriable basis.

Detailed applications for the purpose along with audited accounts, particulars of Directors/Partners of the investor company/firm (not required in case of individuals), name and address of the foreign company/firm in which investment is desired to be made, it's line of business and particulars of it's Directors/Partners, should be forwarded to Joint Director (Investment) Exchange Policy Department, State Bank of Pakistan, Central Directorate, Karachi.

Please bring the above to the notice of your constituents concerned.

Yours faithfully,

(M.R. MEHKARI)  
DIRECTOR

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 13<sup>th</sup> September,1981**

**S.R.O.1018(I)/81:-** In exercise of the powers conferred by clause(K) of section 2 of the Export Processing Zones Authority Ordinance (IV of 1980),the Federal Government is pleased to declare the area of L and measuring about three hundred acres situated near Landhi-4, Industrial Area, Karachi, duly demarcated and fenced and bounded as under, to be a Zone for the purposes of the said Ordinance:-

On the north	Landhi Metroville Block-2.
On the south	Sind Alkalis.
On the east	Cattle Colony.
On the west	Muzzafarabad Colony

**HASINUDDIN AQUIL,**  
Deputy Secretary

## MINISTRY OF INDUSTRIES AND PRODUCTION

Islamabad, the 23<sup>rd</sup> February, 1998

**S.R.O.151(I)/98:-** In exercise of the power conferred by clause (k) of section 2 of Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is please to declare the area measuring about two hundred acres situated in Risalpur Tehsil and District Nowshera duly demarcated, fenced and bounded as under to be a Zone for the purpose of the said Ordinance:-

On the north	Private Agricultural Land of village Kutar Panr
On the South	Special Industrial Zone/Nowshera Industrial Estate.
On the East	Nowshera Industrial Estate/Special Industrial Zone
On the West	Private Agricultural Land of village Maira Kandan

MUHAMMAD BASHIR CHAUDHRY,  
Deputy Secretary

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 2<sup>nd</sup> April 2001**

**S.R.O.212(I)/2001:-** In exercise of the power conferred by clause (k) of section 2 of Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is please to declare the area measuring about one hundred and nine acres situated in Village Jathike, Tehsil Daska, District Sialkot duly demarcated, fenced and bounded as under to be a Zone for the purpose of the said Ordinance:-

On the north	Private Agricultural Land of village Jathike
On the South	Sialkot – Wazirabad Road
On the East	WAPDA Grid Station, Sambrial
On the West	Export Processing Zone, Sialkot, declared under the Industries Division’s Notification No. S.R.O. 1239(1)/96, dated the 21 <sup>st</sup> October, 1996

MUHAMMAD HAFIZ,  
Deputy Secretary

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 13<sup>th</sup> October 2001**

**S.R.O.718 (1)/2001:-** In exercise of the powers conferred by clause (k) of section 2 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to declare the Saindak Copper-Gold Project , Saindak measuring about one thousand two hundred and eighty four acres located within following coordinates in Survey of Pakistan Toposheet Nos. 30 G/11 and 12 in Chagai District., Baluchistan, duly demarcated , fenced and bounded as under to be a Zone for the purposes of the said Ordinance:-

***Mining Area***

<b>Points</b>	<b>Easting in Meters</b>	<b>Northing in Meters</b>
A-1	2,124100	572,551
B-1	2,121898	572,551
C-1	2,121898	573,844
D-1	2,122093	573,844
E-1	2,122093	575,625
F-1	2,123233	575,625
G-1	2,123233	574,399
H-1	2,124100	573,445

[3918 (2001)/Ex. Gaz.]

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 13<sup>th</sup> March 2002**

**S.R.O.43 (KE)/2002:**

In exercise of the powers conferred by clause (k) of section 2 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to declare H4 Copper Project , Reko Diq, measuring about 15 sq.km, located within the following co-ordinators in Survey of Pakistan Toposheet Nos. 30K and 30-G in Chagai District, Baluchistan, duly demarcated, fenced and bounded as under to be a Zone for the purpose of the said Ordinance:

**Mining and Processing Plants Area:**

Points	Easting in Meters	LAMBERT CO-ORDINATES
		Northing in Meters
I	2,168,039.87	555,366.40
II	2,173,039.87	555,366.40
III	2,173,039.87	555,366.40
IV	2,168,039.87	555,366.40

**2434 THE GAZETTE OF PAKISTAN, EXTRA, OCT,19, 2001 [PART II]**

***Industrial Area***

A	2,122,841	571,623
B	2,122,258	571,019
C	2,121,400	571,400
D	2,121,250	571,623
E	2,121,550	572,700
F	2,121,650	572,700
G	2,122,046	571,655
H	2,122,415	572,038

2. The subject project shall be an Export Processing Zone for the lease period of ten years subject to the following conditions, namely:-

- a. the mining and project area specified will be walled and fenced by the respective company and will not be used for residential purposes;
- b. the Export Processing Zone Authority will not provide any infrastructure facility in the area declared as Export Processing Zone;
- c. the Export Processing Zone Authority development surcharge and the presumptive tax will be leviable on the exports from the mining areas at the prevailing rate and rules;
- d. the Zone will be zero rated for the imports into the project as specified above;
- e. all transactions in the Export Processing Zone will be in foreign exchange; and
- f. all other rules and regulations of Export Processing Zone Authority shall also be applicable.

[No. (20)/2001-INV-III.]

**MUHAMMAD HAFIZ,**  
Deputy Secretary

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 12<sup>th</sup> May 2004**

**S.R.O. 307(1)/2004:-** In exercise of the powers conferred by clause (k) of section 2 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to declare H4 Copper Project , Reko Diq, measuring about fifteen hundred acres located within the following coordinates in Survey of Pakistan Toposheet Nos. 353/16 in Lasbella District, Balochistan, dully demarcated, fenced and bounded as under to be a Zone for the purpose of the said Ordinance, for the ~~lease period of ten years beside construction period of two years, namely :-~~

Points	Easting	Northing
A	2215750 Yards 2026081.800 Meters	1033665 Yards 945183.276 Meters
B	2218465 Yards 2028564.396 Meters	1033665 Yards 945183.276 Meters
C	2219325 Yards 2029350.780 Meters	1031000 Yards 942746.400 Meters
D	2216590 Yards 2026849.896 Meters	1031000 Yards 9242746.400 Meters

[No. 1(13)/2002-FAC]

[390 (2004)/Ex. Gaz]

**IQBAL AHMED,**  
Section Officer

**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 12<sup>th</sup> May 2004**

**S.R.O. 308(1)/2004:-** In exercise of the power conferred by clause (k) of section 2 of the Export Processing Zones Authority Ordinance 1980 (IV of 1980) the Federal Government is pleased to declare one hundred and thirteen acres of land of Gujranwala Industrial Estate-II, located about three kilometers short of Gujranwal on Lahore-Gujranwala main G.T. Road, duly demarcated, fenced and bounded as under to be a Zone for the purposes of the said Ordinance namely:-

On the North	Mouza Qila Chand
On the South	Mouza Attawa
On the East	G.T. Road, Lahore- Gujranwala
On the West	Canal Upper Chanab

[No. 1(21)/2001-FAC]

**IQBAL AHMED,**  
Section Officer



**GOVERNMENT OF PAKISTAN  
MINISTRY OF INDUSTRIES AND PRODUCTION  
NOTIFICATION**

**Islamabad, the 15<sup>th</sup> October, 2005**

**S.R.O. 130 (KE)/2005:-** In exercise of the power conferred by clause (k) of section 2 of the Export Processing Zones Authority Ordinance 1980 (IV of 1980) the Federal Government is pleased to declare [ two hundred and twenty point two one (220.21)] acres of land leased out by Pakistan Steel Mills Limited at Bin Qasim, Karachi, to M/s. Tuwairqi Steel Mills Limited, demarcated, fenced and bounded as under to be a zone for the purposes of the said Ordinance namely:-

- i. On the North East, Seawater intake channel;
- ii. On the North West, Seawater disposal channel;
- iii. On the South West, 220 KV transmission line of Karachi Electric Supply Corporation ; and
- iv. On the West (tip of triangle) Railway track transmission line.

[No. 1(44)/2003-FAC]

JEHANZEB AHMED  
Section Officer