

SALIENT FEATURES

CUSTOMS BUDGETARY MEASURES 2013-14

Objectives:

- Relief to general public.
- Encouraging growth and investment.
- Reducing cost of doing business.
- Improving regulation and enforcement.

RELIEF MEASURES:

- (a) Further reduction in duty & taxes on Hybrid Electric Vehicles (HEVs) ranging from 25% to 100%, according to their engine capacity.
- (b) Duty free import of “bio re-absorbable vascular scaffold” (heart stents) to decrease their cost for heart patients.
- (c) Exemption of duty and sales tax on energy saving tubes presently @ 20% duty to encourage use of energy efficient electrical equipment.
- (d) Streamlining and deregulation of the procedure for exempt import of renewable energy resources compatible equipment to promote their use and incentivize investment in this field.
- (e) Reduction of customs duty on office or school supplies from 25% to 20% to lower their price and reduce classification disputes.
- (f) Duty & sales tax free import of solar submersible pumps presently @ 20% duty to encourage use of energy efficient electrical equipment.
- (g) Reduction of duty on water treatment & purifying machinery and equipment from 20% to 15% to make them accessible to general public.

- (h) Streamlining the procedure for re-import of machinery & equipment sent abroad for repair etc by industrial importers.
- (i) Reduction of customs duty on Medium Density Fiber (MDF) Board.

Streamlining of Tariff Structure to Incentivize Growth and Investment:

- (a) Creation of separate PCT codes of newly indigenized vehicles to incentivize local auto industry.
- (b) Creation of new PCT code for classification of satellite phone and water dispenser to reduce classification disputes and improve import statistics.
- (c) Editorial corrections of description and classification in the Tariff.
- (d) Regulatory control on exempt/concessionary import of agricultural machinery, tourism sector, packaging industry and pharmaceutical sector is being strengthened to ensure that the benefit is availed by bonafide importers only. Editorial changes for simplification of concessionary SROs is also being made to remove duplications, spelling errors or redundant entries.

Revenue Measure:

Increase in duty on betel nuts from 15% to 20% and betel leaves from Rs.200/kg to Rs. 300/kg to discourage their use on account of adverse health effects.

Legislative Changes:

- (a) Amendment in section 2 (1a) of the Customs Act, 1969 will provide legal cover for filing of transshipment goods declaration in Computerized Clearance System.
- (b) Introduction of new section 3DDD in the Customs Act, 1969 to provide legal cover to the Directorate General of Input Output Co-efficient Organization (IOCO).

- (c) Amendment in section 14-A of the Customs Act, 1969 whereby terminal operators/custodian of goods will be bound to entertain the delay and detention certificates issued by customs authorities for waiver of demurrage charges. This measure will mitigate the financial hardship faced on this count by genuine importers.
- (d) Amendment in section 14-A of the Customs Act, 1969 will require the custodian of goods/terminal operator to provide adequate security and residential accommodation to the customs staff.
- (e) Sub-section (4) of section 32 empowers the appropriate officer to determine payable amount. Presently this section does not cover the liability found on account of Post Clearance Audit. Inclusion of sub-section-3A in sub-section 4 will fulfill this legal requirement.
- (f) Amendment in section 81 of the Customs Act, 1969, to delete Post Dated Cheque as an acceptable security against provisional assessment.
- (g) Section 80-A appearing in sub-section 2 of Section 83 is being proposed to be omitted. The reference of section 80-A under section 83 is meaningless since section 80-A is already omitted.
- (h) Amendment in section 179 of the Customs Act, 1969 will fix the adjudication powers in case of exported goods in relation to their FOB value as against duty and taxes in case of imported goods.
- (i) Amendment in section 196 will authorize Director of Customs Valuation to file appeals before the High Court in such cases where he is aggrieved by the orders of the Tribunal.
- (j) Amendment in section 202 B of the Customs Act, 1969 to correct the nomenclature of Customs Service of Pakistan.