

GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS AND REVENUE  
(REVENUE DIVISION)

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Islamabad, the 5th June, 2006.

NOTIFICATION  
(CUSTOMS)

S.R.O. 576(I)/2006.- In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), and clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, and sections 53 and 148 of the Income Tax Ordinance, 2001 (XLIX of 2001), read with the Second Schedule thereof, sub-section (10) of section 7 of the Finance Act, 1989, and in supersession of its Notification No. SRO 447(I)/2004, dated 12th June, 2004, the Federal Government is pleased to exempt vehicles, including motor cars, falling under respective headings of Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), imported into Pakistan free of customs-duty and other taxes by a privileged person, organization, office, agency and the dignitaries of UAE and Qatar listed under PCT 9905 <sup>1</sup>[or allowed to be imported free of customs-duty and sales tax under other applicable headings of Chapter 99 and under Notification No.s.R.O.1199(I)/83, dated the 24<sup>th</sup> December,1983, or under any special exemption order issued by CBR under section 20 of the Customs Act,1969, but excluding those cases in which the transfer by sale or by any other way is specifically governed by any other independent Notification is field] and subsequently sold or otherwise disposed of in the country, from so much of customs-duty and other taxes as is in excess of that leviable thereon as set out below, subject to the following conditions, namely :-

- <sup>2</sup>(a) no such motor vehicle shall be sold, transferred or otherwise disposed of in Pakistan without prior permission of the Customs Wing of Federal Board of Revenue and without payment of duties and taxes leviable thereon at the time of import. The Board, however, may allow such sale, transfer or other disposal without payment of leviable duty and taxes to another person who is also entitled to import the same without payment of duty and taxes.
- (b) a motor vehicle being sold, transferred or otherwise disposed of in Pakistan on payment of customs-duty and other taxes, after approval by Customs Wing of Federal Board of Revenue, shall be subject to the following conditions, namely
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| (i)  | if sold or otherwise disposed of before the expiry of one year from the date of importation.                                | The whole of customs-duty and other taxes shall be payable as were leviable at the prevailing rates of exchange at the time of importation on value determined in foreign currency;  |
| (ii) | if sold or otherwise disposed of after the expiry of one year but before expiry of five years from the date of importation. | So much of the customs-duty and other taxes shall be payable as are in excess of leviable amounts of customs-duty and other taxes at the prevailing rates of exchange and duties and taxes on the value determined in foreign currency at the time of importation, which is arrived at after deduction of 1% per month of duty and taxes calculated from the date of importation subject to a maximum of thirty- five percent deduction; |

- (iii) if sold or otherwise disposed of after the expiry of five years but before the expiry of ten years from the date of importation. So much of the customs-duty and other taxes shall be payable as are in excess of leviable amounts of customs-duty and other taxes at the prevailing rates of exchange and duties and taxes on the value determined in foreign currency at the time of importation, which is arrived at after deduction of 35% plus further deduction of 1% per month of duty and taxes calculated from five years from the date of importation, subject to a maximum of fifty- five percent deduction; and
- (iv) if sold or otherwise disposed of after the expiry of ten years. So much of the customs-duty and other taxes shall be payable as are in excess of leviable amounts of customs-duty and other taxes at the prevailing rates of exchange and duties and taxes on the value determined in foreign currency at the time of importation, which is arrived at after deduction of 55% plus further deduction of 1% per month of duty and taxes calculated from ten years from the date of importation, subject to a maximum of seventy five percent deduction.
- (c) a vehicle imported without payment of duty and taxes under any provision of law or availing the benefit of this notification, may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any customs-duty and other taxes, for further disposal or departmental use. Customs-duties and taxes on such vehicles shall be assessed at appraised value for disposal purposes by the Collector; and
- (d) in case any vehicle is sold, transferred or otherwise disposed of in violation of any of the conditions of this notification, then the whole of customs-duties and taxes leviable at the time of import shall become payable and any other penal action may also be taken under the Customs Act, 1969 (IV of 1969).

Explanation.- For the purposes of this notification the expression “determination of duty and taxes” means customs-duty and sales tax at the rates mentioned above. No other duties and taxes shall be levied on the disposal of vehicles imported for the purpose prescribed in the exemption order.]

2. This notification shall take effect on the 6th June, 2006.

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[C.No.5(1)/92.Cus.Exm(Pt)].

**(Shahid Ahmad)**  
**Additional Secretary**

As amended:

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| 1. | S.R.O.799(I)/2006 | dated | 05.08.2006 |
| 2. | S.R.O.239(I)/2013 | dated | 22.03.2013 |