

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. 577(I)/2006.- In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), 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, subsection (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 diplomatic representatives or missions of foreign governments in Pakistan and subsequently sold or otherwise disposed of in the country to a person entitled to import the same without payment of customs duty and other taxes under this notification, 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 :-

- (a) no such motor vehicle shall be sold, transferred or otherwise disposed of in Pakistan except with the prior permission of the Ministry of Foreign Affairs for which Ministry of Foreign Affairs issues the sale permission, with a copy of sale permission of each vehicle provided to Central Board of Revenue; and
- (b) the Ministry of Foreign Affairs will issue authorization for local sale on payment of customs-duties and taxes as per the following Schedule depending upon the category of country of origin of the diplomat based on reciprocity as determined by the Ministry of Foreign Affairs and approved by the Foreign Secretary with copy of each to the Central Board of Revenue:

<sup>1</sup>[Provided that in case of used vehicles following rates of duty and other taxes shall be applicable, namely:-

(i) Vehicles 5 years old at the time of import	50% reduction in duty and other taxes worked out according to the following Schedule
(ii) Vehicles over 10 years old at the time of import.	75% reduction in duty and other taxes worked out according to the following Schedule.]

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

**SCHEDULE**  
[See paragraph (b)]

(1)

(2)

**Category-I.**

- (i) If sold or otherwise disposed of before the expiration of five years from the date of importation; and
- 100% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.

- (ii) If sold or otherwise disposed of after the expiration of five years from the date of importation. 50% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.

**Category-II**

- (i) If sold or otherwise disposed of after the expiration of three years from the date of importation; 45% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.
- (ii) If sold or otherwise disposed of after the expiration of five years from the date of importation; and 35% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.
- (iii) If sold or otherwise disposed of after the expiration of ten years from the date of importation. 25% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.

**Category-III**

- (i) If sold or otherwise disposed of before the expiration of three years from the date of importation; and 100% of duty and taxes shall be leviable at the prevailing rates of exchange and duties/taxes on value determined in foreign currency at the time of importation.
- (ii) If sold or otherwise disposed of after the expiration of three years from the date of importation. No duty and taxes shall be leviable.

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

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

**As amended:**

1. S.R.O.342(I)/2007 - dated 25.04.2007