

Government of Pakistan
Ministry of Commerce



ORDER

Islamabad, the 1st June, 2023

S.R.O. 642 (I)/2023. — 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 make following Order, namely:-

1. Short title and commencement. — (1) This Order shall be called the Business-to-Business (B2B) Barter Trade Mechanism, 2023.

(2) It shall come into force at once.

2. Definitions. — In this Order, unless there is anything repugnant in the subject or context,—

- (a) “Act” means the Imports and Exports (Control) Act, 1950 (XXXIX of 1950);
- (b) “Annex” means an Annex to this Order;
- (c) “Appendix” means an Appendix to this Order;
- (d) “banned item” means a commodity whose import or export is prohibited under the Import Policy Order (IPO) or Export Policy Order (EPO) in vogue, respectively;
- (e) “barter trade” means exchange of goods by way of import and export without involvement of any currencies for the purpose of this Order;
- (f) “place of origin” or “origin” means the country of supply where goods are produced or manufactured;
- (g) “regulatory Collector” means the Collector of Customs in whose jurisdiction the place of business or manufacturing unit or head office of the applicant, duly registered under the Sales Tax Act, 1990, is located; and
- (h) “restricted items” means a commodity whose import or export is subject to compliance with conditions as contained in IPO or EPO in vogue, respectively.

3. Powers to allow export and import of goods under B2B barter trade. — The regulatory Collector having territorial jurisdiction may allow export and import of goods against an authorization, subject to the conditions stipulated under this Order.

4. Eligibility criteria. — The barter trade facility under this Order may be admissible to the following:—

- (1) state owned enterprises; and
- (2) private entities, subject to following conditions, namely:-
- (i) its name appears on active taxpayers’ list of Federal Board of Revenue;
- (ii) it is subscribed to Pakistan Single Window (PSW) System; and
- (iii) it possesses a valid import and export contract registered by Customs authorities in the Customs computerized system (WeBOC).

5. Authorization process.— (1) Application for authorization of import and export of goods under the B2B barter trade facility shall be submitted online by the trader or

their authorized agent through the online BT Module in WeBOC system to the regulatory Collector. The application shall contain the following information:-

- (i) name and address of importer;
- (ii) name and address of exporter;
- (iii) description, quantity and value of goods to be imported;
- (iv) description, quantity and value of goods to be exported;
- (v) validity and expiry dates of the contract; and
- (vi) declaration that the goods shall originate from the respective countries for which the Barter Trade facility has been allowed.

(2) Copy of the contract duly verified by the Pakistani Mission in the country for which barter trade facility has been authorized, certifying the facts that the subject foreign company, individuals and proposed goods for BT are 'Non-Sanctioned', as notified by Ministry of Foreign Affairs from time to time, shall be uploaded in support of the application.

(3) The application shall be reviewed and examined under the provisions of IPO and EPO in vogue and the conditions set out in this Order. If the application is found in order, an approval (authorization) may be accorded by the regulatory Collectorate of Customs and an approval number shall be generated by the system against the NTN of the applicant.

(4) Ministry of Commerce may impose country or commodity specific conditions or restrictions for imports and exports of goods under this B2B barter trade mechanism. **Export and import under this Order shall be allowed in respect of the commodities and from the countries as specified in Appendix-A to this Order.**

6. Customs procedure. — (1) Trade of goods under a B2B BT arrangement shall be allowed on the principle of "import followed by export". The export would be made to the extent of value of imported goods, subject to the tolerance mechanism provided hereinafter for any exigency. However, a Pakistani trader shall be responsible to net-off value of goods on quarterly basis, i.e. within 90 days after issuance of authorization.

(2) Upon import and export of goods, the importer shall submit single declaration in the PSW system.

(3) The importer and exporter shall tag the relevant approval number to allow for waiver of the financial instrument required for regular imports and exports.

(4) Import and export of goods under a B2B BT arrangement shall be subject to the provisions of Import and Export Policy Orders for the time being in force and shall comply with all relevant regulatory requirements including permits, licences, certificates, quotas, etc. as specified in the IPO and EPO.

(5) The import and export of goods shall be subject to applicable duties, taxes, fee and other charges, etc.

(6) Imports and exports under the B2B barter trade facility shall be admissible to benefits offered under various concessionary and export facilitation schemes, etc.

(7) The 'assessed value' of goods shall be taken for the purpose of calculation of the monetary limit of the authorization.

(8) The value of the goods to be imported and exported under this facility shall not exceed the monetary value of the authorization as entered in the WeBOC system for automatic debiting of the monetary value of imported and exported goods.

(9) A tolerance of twenty percent shall be allowed for assessed import value exceeding the authorization and, in case of further breach of limit, clearance of goods shall be stopped and the regulatory Collectorate may initiate further action under the applicable laws and procedures including the Customs Act, 1969 (IV of 1969).

(10) A tolerance of twenty percent shall be allowed for export value exceeding the import value on a one-off basis, in accordance with the procedure to be notified by FBR.

(11) All imports under an authorization issued under this Order shall be accompanied by a certificate of origin issued by the relevant authority of the exporting country for which the barter trade facility has been allowed.

7. Reconciliation. — (1) The Customs computerized system shall reconcile import and export values automatically against each authorization.

(2) The data for all imports, exports under the barter trade facility shall be available to the regulatory Collectorate for audit purposes.

(3) FBR shall submit a report to Commerce Division on quarterly basis regarding the total number of applications received, authorizations issued and the position of trade balance viz. imports and exports under B2B barter trade authorizations so issued.

8. Other terms and conditions.—(1) An authorization shall be valid for one year from the date of issuance and there shall be no extension or carry forward for the authorized value.

(2) The regulatory Collector reserves the right to curtail the authorized limit or to stop further transactions in case of unsatisfactory performance of non-reconciliation of trade balance.

(3) For the acts or omissions of the parties arising out of a B2B barter trade transaction, there shall be no liability on the Government of Pakistan.


(4) Commerce Division reserves the right to amend, modify, rescind or withdraw whole or any part of this B2B barter trade mechanism through a notification.

(5) Any dispute or clarification regarding any provision of this mechanism or any transaction held under this mechanism shall be referred to Commerce Division for final decision.

9. Penalties. — Subject to provisions of the Act, failure to comply with any of the conditions laid down in this mechanism or the conditions contained in an authorization issued under this Order shall lead to cancelation of authorization, award of penalty or blacklisting of the applicant company for future business under relevant provisions of the law.

10. Provisions to be in addition and not in derogation. — The provisions of this Order shall be in addition to and not in derogation of the provisions of the Export Policy Order and Import Policy Order made under the Act.

[F. No. 2(4)/2021-Imp-III]


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Section Officer (Imports-III)
01.06.2023

Appendix- A

[See para -5(4)]

List of Commodities for Barter Trade with Afghanistan, Iran and Russia

Part-I

Export of following products shall be allowed to Afghanistan, Iran and Russia:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Milk, Cream, Eggs and Cereals	0401, 0407, 1103, 1104, & 1108
2	Meat and Fish products	Ch. 02, 03 and 16
3	Fruits and Vegetable	Ch. 07 (except 0713), 08
4	Rice	1006
5	Confectionary and Bakery items	1702, 1703, 1704, 1806, 1901, 1902, 1904, 1905
6	Salt	2501
7	Pharmaceutical products	Ch. 30
8	Essential Oils, Perfumes, Cosmetics, Toiletries, Soaps, Lubricants, Waxes and Matches	Ch. 33, 34 and 3605
9	Tanning, Dying Extracts and Misc. Chemicals products	Ch. 32 and 38
10	Plastics and Rubber Articles	Ch. 39, and 4011 - 4015
11	Finished Leather & Leather Apparel	4112, 4113, 4114, 4115 and Ch. 42
12	Articles of Wood	4409-20, 4601, 4602, 4703
13	Articles of Paper & Paper Board	4703, 4707, and Ch. 48 and 49
14	Textiles (Intermediates)	5208, 5209, 5210, 5212, 5310, 5407, 5513, 5514, 5903, 5910, & 6006
15	Readymade Garments, Textile's Made-ups and Carpets	Ch. 61, 62, 63 & 57
16	Footwear	Ch. 64
17	Iron and Steel	Ch. 72 and 73
18	Copper and Articles thereof	Ch. 74
19	Aluminium and articles thereof	7612 & 7615
20	Tool and Cutlery	8205-15
21	Electric Fans and Home Appliances	8414, 8415, 8418, 8422, 8450
22	Electrical equipment	Ch. 85
23	Motorcycles and Tractors- excluding components.	8711 & 8701
24	Surgical Instruments	9018
25	Furniture Items	9401, 9403
26	Sports Goods	9506, 9507

Part-II

Import of following products shall be allowed from Afghanistan:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Fruits and Nuts	Ch. 08
2	Vegetables and Pulses	Ch. 07 & 2009 (except 07139090)
3	Spices	0904 & 0909
4	Oil Seeds	Ch. 12 (except 1209.2900, 1214.9000, 1211.3000, 1211.4000, 1211.9000)
5	Minerals and Metals	25030000, 25261010, 25151100, 25151200, 25292100, 25309090, 25221000, 25169000, 25111000, 25161100, 25171000, 25291000, 26100000, 26080000, 26070000, 26190000, 26180000, 26011100, 74040010, 74040090, 76011000, 76020090
6	Coal and its products	2701
7	Raw Rubber Items	4001, 4002, 4003, 4004, 4005
8	Raw Hides and Skins	4101, 4102, 4103, 4104, 4105
9	Cotton	5201
10	Iron & Steel	72043000, 72044100, 72044910 72044990

Part-III

Import of following products shall be allowed from Iran:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Fruits, Nuts and Vegetables	Ch. 07 & 08 (except 07139090)
2	Spices	0909
3	Minerals & Metals	25030000, 25070000, 25081000, 25131000, 25151100, 25151200, 25231000, 25232100, 25232900, 74091100, 74092100, 74092900, 76042100, 76061100, 79011100
4	Coal and its Products, Petroleum Crude Oil, LNG and LPG	2701, 2702, 2703, 2704, 2705, 2706, 2707, 2709, 2711, 2713
5	Misc. Chemical Products	28030010, 28141000, 28151100, 28211010, 28271000, 28299000, 28301010, 28331100, 28362000, 28363000, 28369930, 28391910, 28421000, 29051100, 29053100, 29159000, 29161400, 29171400, 29173500, 29232000, 29336100, 29336990, 33012990, 33029090, 35079000, 38099300, 38160000, 38170000, 38210000, 38231990, 38249980, 38249999
6	Fertilizers	3102

7	Article of Plastics and Rubber (in primary form)	3901, 3902, 3903, 3904, 3905, 3905, 3906, 3907, 3912, 4001, 4002, 4003, 4004,
8	Raw Hides and Skins	4101, 4102, 4103, 4104
9	Raw Wool	5101, 5102, 5103
10	Articles of Iron & Steel	72011000, 72022900, 72041010, 72044100, 72044910, 72044990, 89080000

Part-IV

Import of following products shall be allowed from Russia:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Pulses	0713 (except 07139090)
2	Wheat	1001
3	Coal & its Products, Petroleum Oils (including Crude), LNG and LPG	2701, 2702, 2703, 2704, 2705, 2706, 2707, 2709, 2710, 2711, 2713, (except used Oils under 2710.1951, 2710.1953, 2710.1994, 2710.1997, 2710.1999, 2710.9100, 2710.1952 2710.1991 2710.1996 2710.1998 2710.2000 2710.9900)
4	Fertilizers	3101, 3102, 3103, 3104, 3105
5	Tanning and Dying Extracts	3202
6	Article of Plastics and Rubber (In primary form)	3901, 3902, 3903, 3904, 3905, 3905, 3906, 3907, 3912, 4001, 4002, 4003, 4004,
7	Minerals and Metals	25030000, 25081000, 25151100, 25199010, 25199090, 25249000, 76042990, 76052900, 76109000, 78011000, 79011100, 79039000
8	Articles of Wood & Paper	44039900, 44071100, 44071200, 44071900, 44072900, 44079500, 44079900, 44119390, 44123300, 44129900
9	Chemicals Products	28013000, 28030010, 28152000, 28191000, 28252000, 28275900, 28276000, 28332500, 28341010, 28353100, 28364000, 28413000, 28415090, 28444000, 28459000, 28469000, 29031200, 29031300, 29051300, 29051400, 29071100, 29071900, 29141100, 29161100, 29161200, 29173500, 29181300, 29214200, 29313999, 29336990, 29339990, 33012990, 38021000, 38040000, 38089400, 38111900, 38112100, 38119000, 38140000, 38244000, 38249999
10	Articles of Iron and Steel	7201, 7202, 7023, 7204, 72081010, 72081090, 72082610, 72082790, 72083610, 72083690, 72083710, 72083790, 72083810, 72083890, 72083910, 72083990, 72085110, 72089010, 72089090, 72091510, 72091610, 72091690, 72091710, 72091790, 72099010, 72101210, 72104910, 72124090, 72251100, 72286000, 73042900, 73045900, 73049000, 73143900, 89080000
11	Items of Textile Industrial Machinery	84431910, 84431990, 84439990, 84452000, 84463000,

Note: - In case of any discrepancy between EPO/IPO in vogue and above listed commodities, the provisions of the EPO/IPO shall prevail.

M. Green
02.06.2023