

Part VIII: SPECIFIC ANNEX G
 (Updated August 2014)

Introduction to Specific Annex G

Specific Annex G has just one chapter. The chapter covers temporary admission and contains 10 standards and 13 recommended practices. Pakistan has not acceded to any aspect of Specific Annex G.

Table 17 summarizes the subject matter and number of standards and recommended practices covered by Specific Annex G.

Table 17: Annex D				
Ch. No.	Subject	Standards	Recommended Practices	Total
1	Temporary Admission	10	13	23
Total		10	13	23

Table 18 summarizes the overall assessments made with respect to the standards and recommended practices of Specific Annex G using the scoring system described in Table 1, which may be found in Table 1 of the Executive Summary.

Table 18								
Ch. No.	Category	Compliant	Substantially Compliant	Partially Compliant	Marginally Compliant	Non-Compliant	NA	Total
1	Standards	5	2			2	1	10
	Recommended Practices	7	2	1		2	1	13
Total		12	4	1		4	2	23

As indicated by Table 18, the gap analysis has determined that Pakistan's customs regime appears to be in full compliance with approximately 55% of the standards and recommended practices of Annex G (without taking into account the one standard for which a compliance rating is not applicable). With respect to a standard that has been identified as presenting compliance issues, recommendations are made in the individual assessment for that standard with respect to measures that may be taken to bring the customs regime into compliance. Many of the recommendations relate to suggested changes in national legislation; and others relate to suggested modifications to customs practice. If any aspect of the customs regime is modified, some type of training will need to be provided to the concerned customs personnel.

Chapter 1: Temporary Admission

Definitions:

Only one defined term is provided at the beginning of Chapter 1 of Specific Annex G, and is to be used to properly understand the meaning of the standards and recommended practices contained in that chapter. As explained in the general discussion of the use of definitions provided under Chapter 2 of the General Annex of this report, there is no explicit requirement in the RKC requiring a Contracting Party to adopt into its national legislation the terms and assigned meanings specified in the RKC. However, we note that in some cases it may be difficult for Pakistan to comply with its obligations under the RKC if certain of the customs-specific terms defined in the RKC are not used in Pakistan's customs legislation, or - if such a term is used – it is assigned a meaning that differs materially from that specified in the RKC, which reflects the generally accepted meaning of the term in international practice.

With regard to many of the other terms defined in the RKC that are not customs-specific (or are unique to the RKC) the question is not whether Pakistan's customs legislation uses the same terminology. The question is whether – when reviewing compliance with a specific standard that uses a term defined in the RKC - Pakistan's customs legislation and practice, as a matter of substance, complies with requirement of such standard, regardless of whether Pakistan's customs legislation and practice uses the same terminology

The following is the defined term and its associated meaning as provided in Chapter 1 of Specific Annex G (along with our notes with respect thereto):

- "temporary admission" means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved totally or partially from payment of import duties and taxes; such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.

Note: The Customs Act does not define the term "temporary admission." However, that term is defined in item (j) of Customs Rule 572(1) as follows:

"Temporary admission" means the Customs procedure under these rules whereby goods are allowed admission into Pakistan, conditionally relieved from the payment of import duties and taxes, subject to the prohibitions and restrictions notified by the Federal Government under the Imports and Exports (Control) Act, (XXXIX of 1950), or any other law for the time being in force, and intended for re-exportation within the stipulated period in accordance with these rules, without undergoing any change except normal depreciation.

The above definition is consistent with the definition provided in Specific Annex G.

1. Standard	Temporary admission shall be governed by the provisions of this Chapter and, insofar as applicable, by the provisions of the General Annex.
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Overall Assessment: Not Applicable

Relevant Law:

- [None]

Discussion:

Standard 1 does not establish a requirement that a national customs regime must comply with. It only provides that the temporary admission is to be governed by Chapter 1 of Annex G and the applicable provisions of the General Annex.

Conclusion: Any compliance issues with respect to Standard 1 will be identified in the individual compliance assessments for the standards and recommended practices of Chapter 1.

Recommendations: Recommendations are provided in the context of the individual assessments for Chapter 1 whenever compliance with Standard 1 is implicated.

2. Standard	National legislation shall enumerate the cases in which temporary admission may be granted.
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Overall Assessment: Substantially Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rules 570 to 591 including Appendices

Discussion:

Law: In the Customs Act there is no specific provision for grant of temporary admission. However, rule 571 of the Customs Rules states the events, occasions and the cases in which 'temporary admission' may be allowed.

The said rule is reproduced below:

571. Scope. These rules shall apply to temporary importation and temporary exportation of goods under an ATA Carnet in or from Pakistan, including broadcasting or cinematographic equipment, and specialized broadcasting vehicles, for display or use at exhibitions, fairs, meetings, or other similar events, but excluding any conveyance, goods restricted or prohibited by the Federal Government from time to time; or goods sent by post, or unaccompanied baggage, or as traffic-in-transit.

The goods eligible for 'temporary admission' are enumerated in rule 573 of the above Rules, which read as follows:

573. Goods eligible for temporary importation: Following goods shall be eligible for temporary admission into the country, namely:

- a) Machinery, apparatus, or any other goods meant for display or exhibition at an event, including items ancillary thereto;
- b) Professional equipment (illustrative lists at Appendix II-IV);
- c) Broadcasting equipment and specially adapted vehicles;
- d) Construction or decoration material for temporary stands, including advertisement material, but excluding gifts or give-aways.

Pakistan is a signatory to the Convention on Temporary admission of goods, generally called the Istanbul Convention, 1990. Therefore, it is important that the provisions of the Istanbul Convention are also kept in mind. The items which are allowed temporary admission, are listed in the convention in the 13 annexes to the convention i.e. annexes A, B.1. to B. 9., C, D and E. This is further discussed under the following standards/recommended practices. In practice, 'temporary admission' is allowed under the rules and Federal Government specifies the goods where the facility of exemption of import duty and taxes is available.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. M. Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Zahid Ali Baig, Additional Collector of Customs, MCC, Islamabad.

Conclusion: Based on the above research, it appears that the law and practice are substantially in compliance with the Standard.

Recommendations: Pakistan may accede to all the 13 annexes of Istanbul Convention and Specific Annex G. This will ensure that the goods which at present are not given the facility of temporary admission duty free will also be covered.

3. Standard	Goods temporarily admitted shall be afforded total conditional relief from import duties and taxes, except for those cases where national legislation specifies that relief may be only partial.
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Overall Assessment: Substantially Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; (clause (j) of sub rule (1) of rule 572

Discussion:

Law: In the context of this standard, clause (j) of sub rule (1) of rule 572 of the Customs Rules is relevant, which reads as follows:

572. Definitions:

- 1) In this Chapter, unless there is anything repugnant in the subject or
- 2) Temporary admission means the Customs procedure under these rules whereby goods are allowed admission into Pakistan, conditionally relieved from the payment of import duties and taxes, subject to the prohibitions and restrictions notified by the Federal Government under the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), or any other law for the time being in force, and intended for re-exportation within the stipulated period in accordance with these rules, without undergoing any change except normal depreciation.

The law allows relief from duties and taxes leviable on such goods which are granted temporary admission.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfikar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are substantially in compliance with the Standard.

Recommendations: As there is no concept of partial relief in the temporary import regime of Customs, Pakistan may accede to all the 13 annexes of Istanbul Convention and Specific Annex G. This will ensure that the goods which at present are not given the facility of temporary admission duty free will also be covered.

4. Standard	Temporary admission shall not be limited to goods imported directly from abroad, but shall also be granted for goods already placed under another Customs procedure.
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Overall Assessment: Non-Compliant

Relevant Law:

- The Customs Act
- The Customs Rules

Discussion:

Introductory Note: This Standard requires that temporary admission shall not be limited to goods imported directly from abroad, but shall also be granted in case of goods already placed under another Customs procedure, such as purchases from a 'Bonded Warehouse'. There is no specific provision in the Act as well as Rules that fulfills the requirement laid down in the standard above. Goods are however allowed to be temporarily imported from a 'Free Zone' (Export Processing Zone). The reason for allowing this is that imports from free zones are treated as normal imports in the tariff area. No separate permission or procedure is required for this purpose. Keeping in view the existing provisions of law and rules, temporary admission is not being granted in case of goods already placed in another Customs procedure except imports from a free zone.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfikar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are not in compliance with the Standard.

Recommendations: The Customs Rules may be modified, providing therein that 'temporary admission' may also be granted in case of goods already placed in another Customs procedure e.g. Customs bonded warehouses.

5. Recommended Practice	Temporary admission should be granted without regard to the country of origin of the goods, the country from which they arrived or their country of destination.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act; Section 16
- The Customs Rules; Rules 572 and 573
- The Imports and Exports (Control) Act

Discussion:

Law: The procedure of temporary admission' is applicable under Pakistan's Customs regime without any discrimination or prejudice against any country or territory recognized by Pakistan. Likewise no goods or machinery or equipment is being discriminated against and no person is refused the facility of temporary admission on any prejudicial or discriminatory grounds. This is, however, subject to the provisions of the other, relevant laws such as the 'Imports and Exports (Control) Act read with section 16 of the Customs Act.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the 'Recommended Practice'.

Recommendations: None

6. Standard	Temporarily admitted goods shall be allowed to undergo operations necessary for their preservation during their stay in the Customs territory.
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Overall Assessment: Non-Compliant

Relevant Law:

- The Customs Act
- The Customs Rules

Discussion:

Introductory Note: The operations for preservation could range from placing 'temporarily admitted' goods in dust or water proof covering or spraying the same with chemicals or to apply paint or varnish thereto to protect the same from insects or atmospheric and environmental hazards or to cover the same in casing of wood, metal or plastic and the like.

The existing Customs regime does not have any provision restricting or prohibiting aforesaid precautions and operations. In practice too, no restriction is placed on operations necessary for the preservation of the admitted goods during their stay in the Customs territory. It is, however, deemed appropriate that the Customs Rules may be modified to add a specific provision allowing such operations.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are not in compliance with the Standard.

Recommendations: The Customs Rules may be modified to provide that goods granted 'temporary admission' may be allowed specifically to undergo operations for their preservation during their stay in the Customs territory.

7. Standard	National legislation shall enumerate the cases in which prior authorization is required for temporary admission and specify the authorities empowered to grant such authorization. Such cases shall be as few as possible.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rules 572 and 574

Discussion:

Introductory Note: The law and the rules for 'Temporary admission' of goods do not require any prior authorization by any authority. Such imports are allowed by the Customs at the point of entry of the goods according to the rules applicable for temporary admission of goods.

Law: The only case where prior authorization is required by some authority is in the case of cinematic or broadcasting equipment including specially adapted vans. 'Temporary admission' of such vans is generally authorized under ATA carnet under the provisions of the Customs Rules.

Rule 574 (2 and 3) the cases wherein prior authorization is required are where importation or exportation of goods is prohibited by an order of the Federal Government under the Customs Act or the Imports and Exports (Control) Act. According to sub-rule (2) of rule 574 of the Customs Rules 'in case of cinematic or broadcasting equipment, including specially adapted vans, temporary admission will be granted subject to approval by the authority and subject to the condition that such equipment will be used solely by or under the personal supervision of the Carnet holder.

Clause (b) of sub-rule (1) of rule 572 *ibid* defines the expression 'authority' as under:

"Authority", in relation to the events specified in these rules, means the concerned Ministry of the Federal Government, as per the Rules of Business and for all other matters, the Federal Board of Revenue;

The above quoted provisions establish that in general, prior authorization is not required for temporary admission and where same is required; the authority for grant thereof is specified.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the Standard.

Recommendations: None

8. Recommended Practice	The Customs should require that the goods be produced at a particular Customs office only where this will facilitate the temporary admission.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rules 578 and 583

Discussion:

Law: There is no requirement that the temporarily imported goods be produced at a particular Customs office in the Customs rules. The operational procedure for temporary admission for the ATA-Carnet holder is provided in rule 578 of the Customs Rules which is reproduced below for ready reference:

578. Procedure for the processing of ATA Carnet.

On arrival at a Customs station, the ATA Carnet holder shall submit the Carnet to Customs. The appropriate officer will tally the particulars of the Carnet with the goods brought into the country for temporary admission and endorse an examination report on the white importation voucher and counterfoil in the light of the exact number of items mentioned in column 1 in the General List.

In case of freight-forwarded goods, the Carnet holder shall file the Carnet in the import section of the Customs station of landing. The procedure given under clauses 'a' to 'c' of this rule shall be observed and the goods released accordingly.

As is obvious, the provisions of rule 578 *ibid* do not restrict production of goods at a particular Customs office for granting 'temporary admission'. In case of termination of the temporary admission, as well, rule 583 does not impose such restriction. It is reproduced for ready reference:

583. Mode and manner of re-exportation: The temporarily admitted goods may be re-exported in one or more consignments. Such goods may also be re-exported through a Customs station other than that through which they were imported.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the 'Recommended Practice'.

Recommendations: None

9. Recommended Practice	The Customs should grant temporary admission without a written Goods declaration when there is no doubt about the subsequent re-exportation of the goods.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 575

Discussion:

Law: Rule 575 of the Customs Rules provides that ATA carnet shall be the only document required for temporary admission. Likewise, rule 578 *ibid* contains detailed procedure for imported goods under claim of temporary admission for carnet holders and it does not require the filing of a GD.

Rule 575 is reproduced below for ready reference:

575. Temporary admission documents:

ATA Carnet shall be the sole document for temporary importation and re-exportation of goods and shall be accepted in lieu of goods declaration required to be filed under the Act.
 The validity of temporary admission papers shall be one year from the date of issue.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law. In practice, no declaration is filed for clearance of goods by carnet holders, under “temporary admission”.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the ‘Recommended Practice’.

Recommendations: None

10. Recommended Practice	Contracting Parties should give careful consideration to the possibility of acceding to international instruments relating to temporary admission that will enable them to accept documents and guarantees issued by international organizations in lieu of national Customs documents and security.
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Overall Assessment: Substantially Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rules 570 to 591

Discussion:

Law: The Customs Regime of Pakistan is substantially compliant to the recommended practice. Pakistan has acceded to the Annexes A, B-1 and B-2 of Convention on Temporary Admission (Istanbul Convention, 1990). However, almost all the goods covered under the remaining Annexes are allowed Temporary admission. The provisions contained in the said Annexes have been reflected in rules 570 to 591 of the Customs Rules the baggage rules etc.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are substantially in compliance with the 'Recommended Practice'.

Recommendations: Pakistan may consider to accede to all the Annexes of Convention on Temporary admission (the Istanbul Convention) 1990. As most of the goods mentioned in the Convention are already allowed temporary admission FBR/Customs may undertake an exercise to ensure that all the goods mentioned under the 14 Annexes of the Convention are allowed temporary import whether or not Pakistan accedes to the Convention.

11. Standard	Temporary admission of goods shall be subject to the condition that the Customs are satisfied that they will be able to identify the goods when the temporary admission is terminated.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 574

Discussion:

Law: The provisions of rule 574 of the Customs Rules provide for the requirements of this Standard in relation to identification of the goods at the time when the temporary admission is to be terminated. Clause (d) of sub-rule (1) of the said rule is particularly relevant.

574. Conditions relating to temporary importation of goods and their use afterwards.

- 1) In order to be eligible for temporary admission, the goods must be
 - a) Imported under a valid ATA Carnet, meant for realization in Pakistan, indicating the name of the issuing organization and the guaranteeing chain;
 - b) Consistent with the material particulars declared in the ATA Carnet, i.e., description, quantity, value etc, as certified by Customs of the country of exportation or exit;
 - c) Imported for one or more events specified in these rules in accordance with the conditions applicable to them under the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), or any other law for the time being in force; and
 - d) Identifiable at the time of admission and re-exportation.
- 2) In case of cinematic or broadcasting equipment, including specially adapted vans, temporary admission will be granted subject to approval by the authority and subject to the condition that such equipment will be used solely by or under the personal supervision of the Carnet holder.
- 3) The goods allowed temporary admission will be used solely for the purpose for which they have been brought, and will not be removed from the place of the event without prior approval of the Collector.

Identification is possible through description and brand name, marks, numbers etc. printed or engraved or embossed on the articles or the description thereof recorded in the ATA Carnet document and also at the time of examination recorded on the relevant portions of the said document. Additionally, lists of such goods may be drawn or photographs may be taken where required for identification. As such, once the goods are considered to be identifiable, the identification would be possible at the time of re-exportation.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the standard.



Recommendations: None

12. Recommended Practice	For the purpose of identifying goods temporarily admitted, the Customs should take their own identification measures only where commercial means of identification are not sufficient.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules

Discussion:

Introductory Note: As mentioned in discussion related to Standard No.11, it has been noted that identification may be possible in the first instance by reference to brand name and description of the goods as appearing on the goods in printed or embossed or engraved form or may be on the packaging and casing of the goods/articles, or the description thereof already given in the Carnet document or in any other manner as per trade practices.

But if the above stated identification devices are deemed insufficient by Customs, they may consider ensuring identification through recording of appropriate description of the goods by examination of the goods and recording the same on the ATA Carnet documents or GD as the case may be. Photographs may also be taken and attached with the requisite documents in soft/hard format and retained on Customs record. The Customs law in Pakistan does not preclude these and similar other measures for identification.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the recommended practice.

Recommendations: None

13. Standard	The Customs shall fix the time limit for temporary admission in each case.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 580

Discussion:

Law: The time limit of six months for “temporary admission” is fixed under rule 580 of the Customs Rules which is reproduced below:

580. Period for re-exportation: the period for re-exportation of temporarily imported goods shall be six months, which can be extended by the Collector for another six months, if so required under the circumstances, while in case of professional equipment; it shall be twelve months from the date of admission into the country:

Provided that the extended period shall in no case exceed the validity period of an ATA Carnet, i.e. one year.

The provisions in the law regarding time limit are strictly adhered-to in practice.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the standard.

Recommendations: None

14. Recommended Practice	At the request of the person concerned, and for reasons deemed valid by the Customs, the latter should extend the period initially fixed.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act; Section 224
- The Customs Rules; Rule 580, Baggage (Import) Rules, SRO 666 (I)/2006, 28th June, 2006

Discussion:

Law: Rule 580 of the Customs Rules empowers the Collector of Customs of jurisdiction to extend initial six months period of temporary admission for another six months in such a way that the extended period does not exceed the one year validity period of an ATA Carnet. The said rule is reproduced below for ready reference:

580. Period for re-exportation: The period for re-exportation of temporarily imported goods shall be six months, which can be extended by the Collector for another six months, if so required under the circumstances, while in case of professional equipment; it shall be twelve months from the date of admission into the country:

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the 'Recommended Practice'.

Recommendations: Keeping in view the recommendations against standard 10 the period of temporary import may be fixed and made extendable by the Collector of Customs in cases where the Temporary admission is not specifically allowed e.g. professional equipment and sports equipment etc. allowed in the baggage rules etc.

15. Recommended Practice	When the goods granted temporary admission cannot be re-exported as a result of a seizure other than a seizure made at the suit of private persons, the requirement of re-exportation should be suspended for the duration of the seizure.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 586

Discussion:

Law: The requirements of this ‘Recommended Practice’ are met by sub-rule (2) of rule 586 of the Customs Rules which reads as follows:

586. Seizure of goods on breach or violation of the rules:

Where an offence is committed by the Carnet holder at the time of admission of goods into the country in terms of fraud or misdeclaration in securing release thereof, or abuse of such facility afterwards in that the goods are loaned, sold, pledged, mortgaged, hired, given away, exchanged or otherwise disposed of or altered, or where such goods are not re-exported within the stipulated period during the validity of an ATA Carnet, the goods shall be liable to confiscation and such penal action as prescribed under the Act or any other law for the time being in force.

- 1) Where the goods are seized for breach or violation of these rules, the requirement of re-exportation shall be suspended for the duration of the seizure and subsequent proceedings.
- 2) The respective Customs authority shall notify the guaranteeing and issuing organizations of the seizure made by it as soon as possible.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the recommended practice.

Recommendations: None

16. Recommended Practice	On request, the Customs should authorize the transfer of the benefit of the temporary admission to any other person, provided that such other person : <ol style="list-style-type: none"> a) Satisfies the conditions laid down; and b) Accepts the obligations of the first beneficiary of the temporary admission.
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Overall Assessment: Non-Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rules 570 to 591

Discussion:

Law: There is no provision authorizing the first beneficiary of temporarily admitted goods to transfer the same to another person. There is however always a possibility that a person who has been granted temporary admission might be constrained to either abandon a project or leave some work unfinished or to hand it over to another person. If the other person is willing to satisfy the conditions laid down by Customs authority and to accept the obligations of the first beneficiary, this facility may be permitted to be transferred to another person. In the latter case, the objective in view for the temporary admission is likely to be achieved without compromising the exchequer's interests relating to duties and taxes. However, for this purpose, an amendment will be required in the Customs Rules.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are not in compliance with the 'Recommended Practice'.

Recommendations: The Customs Rules may be modified to provide that where goods have been temporarily admitted, the first beneficiary may transfer the same to another person, with the approval of the concerned authority, provided the other person undertakes to satisfy the conditions laid down for the first beneficiary of the temporary admission.

17. Standard	Provision shall be made to permit temporarily admitted goods to be re-exported through a Customs office other than that through which they were imported.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 583

Discussion:

Law: Rule 583 of the Customs Rules provides for the requirements of this Standard, as it allows re-export through a Customs station other than that through which the goods had been imported. The said rule is reproduced below:

583. Mode and manner of re-exportation: The temporarily admitted goods may be re-exported in one or more consignments. Such goods may also be re-exported through a Customs station other than that through which they were imported.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the Standard.

Recommendations: None

18. Standard	Provision shall be made to permit temporarily admitted goods to be re-exported in one or more consignments.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 583

Discussion:

Law: The requirements of this Standard are met by rule 583 of the Customs Rules which is reproduced below for convenience of reference:

583. Mode and manner of re-exportation: The temporarily admitted goods may be re-exported in one or more consignments. Such goods may also be re-exported through a Customs station other than that through which they were imported.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the Standard.

Recommendations: None

19. Recommended Practice	Provision should be made for suspending or terminating temporary admission by placing the imported goods under another Customs procedure, subject to compliance with the conditions and formalities applicable in each case.
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Overall Assessment: Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 581 Sub-rule (1)

Discussion:

Law: Clause (b) of sub-rule (1) of rule 581 of the Customs Rules satisfies the requirements of this 'Recommended Practice'. It reads:

581. Termination of temporary admission:

- 1) The temporary admission of goods shall be terminated by one or more of the following eventualities, namely:
 - a) by re-exportation of the goods;
 - b) by consigning the goods to a Customs warehouse for subsequent re-exportation;
 - c) by clearance for home-consumption on payment of leviable import duties and taxes, subject to the conditions enumerated under the Imports and Exports (Control) Act, 1950, (XXXIX of 1950) or any other law for the time being in force;
 - d) when the goods are seriously damaged by accident or force majeure, by recourse to:
 - i. Action stipulated in clause 'c';
 - ii. Relinquishing the goods to Customs, in which case no payment of import duties and taxes shall be required; or
 - iii. Destroying the goods under the supervision of Customs.
- 2) In all these cases, an appropriate officer of Customs will make suitable entries in the ATA Carnet, certifying that the position regarding the goods has been regularized, and the Carnet holder and the guaranteeing and issuing organization will be discharged from their obligation accordingly.

As is evident, goods granted temporary admission are permitted to be consigned to a Customs warehouse for subsequent re-exportation.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are in compliance with the Standard.

Recommendations: None

20. Recommended Practice	If prohibitions or restrictions in force at the time of temporary admission are rescinded during the period of validity of the temporary admission document, the Customs should accept a request for termination by clearance for home use.
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Overall Assessment: Partially Compliant

Relevant Law:

- The Customs Act
- The Customs Rules; Rule 581

Discussion:

Law: Clause (c) of sub-rule (1) of rule 581 of the Customs Rules deals with this requirement of Recommended Practice No. 20. The rule reads as under:

581. Termination of temporary admission:

- (1) The temporary admission of goods shall be terminated by one or more of the following eventualities, namely:
 - a) By clearance for home-consumption on payment of leviable import duties and taxes, subject to the conditions enumerated under the Imports and Exports (Control) Act, 1950, (XXXIX of 1950) or any other law for the time being in force;
 - i. Action stipulated in clause 'c';

Clause (c) of the rule *ibid* refers to import restrictions under the Imports and Exports (Control) Act. If there are no restrictions, the subject goods shall not be prevented to be cleared on payment of duties and taxes and, on request, shall be allowed to be cleared for home use on payment of duties and taxes instead of requiring the same to be re-exported to the country from where they were imported. However, there is no specific procedure for restricted or prohibited goods temporarily admitted, to be allowed clearance for home consumption, if the restriction or prohibition is removed. In practice this is allowed freely.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: Based on the above research, it appears that the law and practice are partially in compliance with the Recommended Practice.

Recommendations: Rule 581 (1-c) may be amended to prescribe a procedure for restricted or prohibited goods temporarily admitted, to be allowed 'clearance for home consumption' by the Customs authorities, if the restriction or prohibition is removed. This is required to make the law transparent and not allow any discretion to the Customs authorities.

21. Recommended Practice	If security has been given in the form of a cash deposit, provision should be made for it to be repaid at the office of re-exportation, even if the goods were not imported through that office.
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Overall Assessment: Not Applicable

Relevant Law: [None]

Discussion:

Introductory note: This recommended practice is identical to that of Recommended Practice 37 in Chapter 1 of Specific Annex J.

Law: There are no provisions in Pakistan Customs Regime dealing with the receipt, handling or repayment of cash security; therefore cash is not taken as security.

Practice: Cash security is not used.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.
- Mr. Javed Iqbal Butt, Former Deputy Collector of Customs (Law), MCC (Appraisalment), Karachi.
- Mr. Saleem Ghani, Manager ATA Carnet, International Chamber of Commerce, V.M. House, West Wharf Road, Karachi, 74000.

Conclusion: At this time the recommended practice is not applicable in Pakistan.

Recommendations: If at some point provision is made for the use cash security, it will be necessary to ensure that it is possible to obtain the repayment of that security at the office of exportation, even if the goods were not entered at that office.

<p>22. Recommended Practice</p>	<p>Temporary admission with total conditional relief from duties and taxes should be granted to the goods referred to in the following Annexes to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990 :</p> <ul style="list-style-type: none"> • "Goods for display or use at exhibitions, fairs, meetings or similar events" referred to in Annex B.1. • "Professional equipment" referred to in Annex B.2. • "Containers, pallets, packings, samples and other goods imported in connection with a commercial operation" referred to in Annex B.3. • "Goods imported for educational, scientific or cultural purposes" referred to in Annex B.5. • "Travellers' personal effects and goods imported for sports purposes" referred to in Annex B.6. • "Tourist publicity material" referred to in Annex B.7. • "Goods imported as frontier traffic" referred to in Annex B.8. • "Goods imported for humanitarian purposes" referred to in Annex B.9. • "Means of transport" referred to in Annex C. • "Animals" referred to in Annex D.
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Overall Assessment: Substantially Compliant

Relevant Law:

- The Customs Act; (99.19 and 99.20)
- The Customs Rules; (rules 570 to 591 and Baggage (Import) Rules SRO 666 (I)/2006, 28th June, 2006

Discussion:

Law: It is evident from provisions of clause (d) of sub-rule (1) of rule 572, titled "Definitions" that the Government of Pakistan has acceded to only Annexes A, B-1 and B-2. This means that with respect to serial number (1) and (2) of the cases enumerated in Recommended Practice No. 22, exemption from the whole of duties and taxes is admissible on temporary admission. In the remaining cases (3 to 10), the rules under reference (i.e. rules 570 to 592 of the Customs Rules, 2001) do not provide for such exemption.

Nevertheless, there are other provisions in Chapter 99 of the First Schedule to the Customs Act which grant exemption from duties and taxes, on temporary importation of certain categories of goods as specified in column (2) of the Table below, subject to such limitations and conditions as mentioned therein:

Sub-Chapter - VI
Temporary Import or Export

E	Description	CD (%)	ST (%)
	(2)	(3)	(4)
99.19	<ol style="list-style-type: none"> 1) Goods mentioned below, imported temporarily for a period not exceeding 6 months into Pakistan with a view to subsequent exportation, subject to furnishing of bank guarantee or other security/guarantee as determined by Federal Board of Revenue equivalent to customs duty chargeable at the rates specified in Chapter 1 to 97 of the 1st. Schedule to the Act for such goods and other taxes leviable thereon. 2) Packing material used or required to be used as external or internal covering of goods, or as holders of goods, or as holders on which goods rolled, wound or attached provided such material do not change their original shape or form. Packing material if imported filled, it may be re-exported empty, and if imported empty it may be re-exported filled. 3) Machinery and equipment for repair imported by manufacturer or authorized agents based in Pakistan, representing foreign manufacturers duly registered with the Sales Tax Authorities, having in house facility for repair, Refurbishment or value addition of machinery. 4) Professional equipment imported by scientists, IT experts, technicians, doctors, engineers, etc. either imported in their own name or in the name of the company in Pakistan for which these are imported. 5) Tubes or cops of metal plastic or other durable material which are imported wrapped with yarn. 6) Goods imported for demonstration, display, test or trial purposes. 7) Dry fruits imported from Afghanistan. 	O	E
99.20	<ol style="list-style-type: none"> 1) Goods mentioned below, imported temporarily into Pakistan with a view to subsequent exportation, subject to furnishing of undertaking/bond by the importers as well as their sponsoring Ministry/Department/ Embassy: 2) Excavation equipment and consumable stores imported by a foreign archaeological mission to whom a license for archaeological excavation has been granted by the Federal Government or a Provincial Government. 3) Scientific and educational equipment imported for Scientific, educational or cultural seminars in Pakistan on the recommendation of the concerned Ministry. 4) Goods imported for display at international or single country exhibition organized by foreign missions or imported by or through the Ministry of Commerce or the Ministry of Foreign Affairs. 5) Machinery imported by the representatives of foreign commercial firms for demonstration purposes imported by or through the Ministry of Commerce or the Ministry of Foreign Affairs. 6) Equipment and materials imported by foreign nationals such as journalists, press photographers, members of television teams, 	O	E

E	Description	CD (%)	ST (%)
	(2)	(3)	(4)
	broadcasting units and film companies subject to endorsement on their passports. The duties shall be charged if such importer fails to prove their re-export at the time of departure. 7) Equipment, materials and special food stuff imported by mountaineering expeditions. In case the equipment and material is not exported the expeditions may donate such equipment and produce a certificate from the Secretary of that club to the effect that the equipment and material so imported has been donated by that expedition to that club. Special food stuff can however, be consumed by them.”		

It is worthwhile to mention here that all the cases falling in the said eight categories are granted exemption from duties and taxes but under procedures which are not similar to the procedure of temporary admission provided in rule 578. For example:

Under the Baggage (Import) Rules, 2006, any person can bring professional tools, equipment, computers, cameras, video camera fitted with VCR or a video camera and VCR without payment of duty by getting an endorsement by Customs or against a bank guarantee for export within 30 days or return of the person whichever is earlier.

Practice: According to interviews with the resource persons specified below, it appears that Customs practice follows the law.

Resource Persons:

- Mr. Muhammad Ibrahim Vighio, Collector of Customs, MCC, Quetta.
- Mr. Zulfiqar Ahmad Kazmi, Collector of Customs, MCC, Peshawar.

Conclusion: Based on the above research, it appears that the law and practice are substantially in compliance with the ‘Recommended practice’.

Recommendations: Pakistan may consider to accede to all the Annexes of Convention on Temporary admission (the Istanbul Convention) 1990. As most of the goods mentioned in the Convention are already allowed temporary admission FBR/Customs may undertake an exercise to ensure that all the goods mentioned under the 14 Annexes of the Convention are allowed temporary import whether or not Pakistan accedes to the Convention. A detailed analysis may also be made to see what additional concessions with regard to goods and procedures may be allowed to comply with this chapter of RKC/ Convention on Temporary Admission (Istanbul Convention, 1990).

23. Recommended Practice	Goods which are not included in Recommended Practice 22 and goods in Recommended Practice 22 which do not meet all the conditions for total conditional relief should be granted temporary admission with at least partial conditional relief from import duties and taxes.
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Overall Assessment: Non-Compliant

Relevant Laws:

- The Customs Act

Discussion:

Law: The Customs Act and the Customs Rules do not have any provision for the application of granting temporary admission by allowing partial conditional relief from duties and taxes where the goods are not covered or the goods do not meet the conditions for total relief on temporary import. In fact there is no mention of partial conditional relief for temporary admission anywhere under the law or the rules.

Practice: There is no provision/rule for such temporary admission with partial relief of duties and taxes. Therefore, there is no such practice.

Resource Persons:

- Mr. Mohammad Ibrahim Vighio, Collector of Customs, MCC Quetta.
- Mr. Shafiq-ur-Rehman, Additional Collector of Customs, Wagha (Preventive) Lahore.

Conclusion: Based on the above research, it appears that the law and practice are not in compliance with the recommended practice.

Recommendations: It is suggested that the Customs Act be amended to reflect the requirements of the recommended practice.