

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

PAKISTAN

Revision

Information on import licensing procedures of Pakistan, submitted in response to the questionnaire annexed to document L/5106/Rev.2 has been made available to contracting parties. The following notification, describing the present import licensing system, replaces the data previously submitted by Pakistan as notified in L/5250.

Outline of system

1. In the new Import Policy Order 1983, the Government has switched over from the Positive List system to a Negative List system. The Negative List system envisages notification of items which are banned for import in the country. The Negative List is comprised of the following:

- (i) items banned for religious and security reasons;
- (ii) luxury consumer goods; and
- (iii) items banned for protective reasons.

The items not included in the Negative List are either freely importable by registered importers or are importable under the Restricted List subject to the following restrictions:

- (i) items import of which is restricted to public sector;
- (ii) items importable exclusively from the tied sources under credit, loan and barter; and
- (iii) a list of consumer goods subject to quantitative restrictions.

The Positive List has been included in the Import Policy (1983)¹ for the purpose of convenience and to familiarize the government functionaries with the new system.

¹A copy of this document is available for reference in the GATT secretariat, Centre William Rappard, Office No. 1059.

Purpose and coverage

2. The Positive List is comprised of the following four Sections:

Section-I: Consumer goods

Section-II: Raw material for consumer goods

Section-III: Raw material for capital goods, and

Section-IV: Capital goods

3. Import licences are valid for imports from all countries excepting Israel and South Africa. Importers can obtain licences for any value according to their requirement.

4. Import of items mentioned under Part A of Restricted List is subject to quantitative restrictions, i.e. linked with past import or with actual capacity of the individual industrial consumers. This has been done to keep the import of these items on a level commensurate with the demand within the country. Import of items mentioned in Part B is subject to specified sources under credit, loan and barter or US PL.480 subject to availability of funds. The items mentioned in Part C of the Restricted List are importable through public-sector agencies only.

5. Import is regulated/governed by the Imports and Exports (Control) Act 1950, and annual Import Policy Order, which is a statutory notification issued by administration under the said Act.

Description of importable goods mentioned in individual import licences is in accordance with the description given in the Import Policy Order, Positive List or Restricted List. However, the scope of the description is defined in terms of Import Trade Control Classification (based on CCCN).

Procedures

6. (a) As explained against reply No. 4 above.

(b) Where restrictions apply, licences are allowed on a yearly basis.

(c) There are no provisions for linking the licensing of any goods with the domestic producers of like goods. Most of the licensable items can be imported by all registered importers. For this purpose they can obtain import licences for any value.

In the case item, the licensing of which is restricted in one way or the other, the share of the entitled importers would lapse if a licence has not been obtained or if the obtained licence is not utilized for effecting imports.

Realization of licence fee of 2 per cent of the value of the licence is the factor which ensures that import licences are obtained only when the importer has decided to effect imports.

Names of the importers to whom licences are issued need not be made known to governments of the countries from which goods are to be imported due to reasons given as under:

Import licences issued under Free List are valid for import from all countries with a few exceptions and the issuing authority does not care to know the name of the country from which the entitled importers intend to effect imports.

(d) Import licences can be obtained during the currency of Import Policy, i.e. from 1 July to 30 June of every year excepting loan/credit/barter where licences are issued according to the agreements with loan/credit-giving countries.

(e) With effect from the commencement of Import Policy period on 1 July, application for issue of import licence can be presented. These applications are made on blank forms of import licences. After authentication and registration with the State Bank of Pakistan these are returned to the applicants through their bankers in the form of import licences. Normally this procedure takes forty-eight hours. This process goes on throughout the year which ends on 30 June.

(f) Import licences are valid for opening of letter of credit within sixty days from issue. Shipment of goods is required to be made within one year of the issue of the licence. On demands of importers, import licences can be made valid for shipment up to two years in case of machinery.

In the case of import licences issued against loans, credits and barter arrangements, the validity period of licences can be reduced in accordance with the validity period of the loans/credits and barter, etc.

(g) The importers are required to approach only one organization viz. Imports and Exports Control Organization for issue of licence. All licences issued under cash are required to be registered with the State Bank of Pakistan in respect of Foreign Exchange Allocation. This registration is done by a representative of the State Bank of Pakistan, sitting in the Imports and Exports Control Organization, across the counter.

(h) For items covered by Restricted List (Part A) import licences are issued on restricted basis. Licensing is linked with the past licensing of individual importers. New-comers are not admitted for these items.

As regards issue of licences under barter arrangements, these are authenticated according to availability of funds only. As regards items covered by Part C of the Restricted List, the import is open for concerned public-sector agencies.

- (i) In case of barter arrangements, import licences are issued for the amount actually agreed upon between the governments. Individual import licences are not linked with export permits issued by the contracting foreign government.
 - (j) As (i) above.
 - (k) No.
7. (a) Import licences are required to be obtained before shipment of goods. In case goods are shipped without licence, their importation constitutes contravention of rules.
- (b) Licences are granted within twenty-four hours.
 - (c) No.
 - (d) See 6(g).
8. (i) Nil.
- (ii) Yes.
 - (iii) Yes - the applicant has a right to file application for review with the same authority who rejected application for issue of import licence. The concerned authority means regional controllers of imports and exports. In case of dissatisfaction with the result of review, the applicant can file an appeal with the higher authority viz. Chief Controller of Imports and Exports. There is further provision for approaching the Ministry of Commerce (Additional Secretary), for revision of the orders passed in appeal. These remedial provisions are contained in Review, Appeal and Revision Orders, 1957, based on Imports and Exports Control Act, 1950.

Eligibility of importers to apply for licence

9. Under the Registration (Importers and Exporters) Order, 1952, all intending importers are required to get themselves registered as importers with the Office of the Chief Controller of Imports and Exports before making application for issue of import licence. All firms and persons are eligible for the said registration. Applicants for registration as importers are required to pay a fee of PRs 1,000. In addition an annual fee of PRs 100 is payable.

There is no published list of registered importers.

Registered importers are divided into two categories, viz. commercial importers and industrial consumers. Their eligibility for obtaining import licences is explained below:

- (1) All registered importers are entitled to obtain import licences for items covered by Part A of Free List. Licences can be issued for any value except in case of certain items where licensing is restricted as explained in Section No. 1.
- (2) Industrial consumers can obtain licences for items covered by Part B of the Free List as well.

Documentational and other requirements for application of licence

10. An applicant for an import licence is required to give the following information in the application form:

- (1) description of the goods desired to be imported. This description conforms to the description mentioned in the Import Policy Order;
- (2) value of the goods desired to be imported;
- (3) Import Trade Control (CCCN classification) of the item desired to be imported; and
- (4) import registration number of the applicant.

The importer is required to submit with the application form the following documents:

- (a) receipt showing deposit of licence fee in the Government treasury;
- (b) a certificate of membership of a recognized trade organization; and
- (c) category pass book (containing information in respect of past licensing to applicant).

11. Before effecting imports, the importers are required to open a letter of credit through a scheduled bank. At the time of clearance of goods from customs, a copy of the import licence, bill of entry, bill of lading, invoice, etc., are required to be submitted to the customs authorities.

12. The licence fee of 2 per cent on the c.i.f. value of the import licence applied for is levied. This is required to be paid before an import licence is issued.

13. No.

Condition of licensing

14. See 6(f).

The valid period of shipment of goods can be extended where the shipment of goods is delayed due to reasons which are beyond the control of the importer.

15. No.

16. No.

17. Where import licences are obtained by industrial consumers by virtue of their industrial status, the imported items are required to be consumed by them for their own industry. The imported items cannot be transferred by them to any other party.

Other procedural requirements

18. No.

19. Yes. Foreign exchange is automatically provided by the State Bank of Pakistan against import licences. See 6(g).