

Islamabad, the 7th May, 2001.

ORDER

S. R. O. 266(I)/2001.- In exercise of the powers conferred by sub-section (1) of section 3 of the Import and Exports (Control) Act, 1950 (XXXIX of 1950), and in supersession of all previous Notifications governing the following procedures for regulating the export of gold jewellery and gemstones and for import of gold and gemstones and other raw materials, the Federal Government is pleased to make the following Order, namely:-

1. Short title and commencement.- (1) This Order may be called the Import and Export of Gold, Gold Jewellery and Gemstones Order, 2001.

(2) It shall come into force at once.

2. Definitions.- Unless there is anything repugnant in the subject or context,-

(a) "Annexure" means the Annexure to this Order;

(b) "Association" means the All Pakistan Gem Merchants and Jewellers Association, Karachi, or the All Pakistan Commercial Exporters of Rough and Unpolished Precious and Semi-precious Stones Association, Peshawar, or any other Association for jewellery and gemstones as may be recognized by the Federal Government;

(c) "gemstones" include precious or semi-precious stones, rough, uncut or cut and polished or unpolished stones, pearls, diamonds and corals;

(d) "gold jewellery" means jewellery made of gold and includes gold jewellery embedded or studded with precious or semi-precious stones; and

(e) "import entitlement" includes import of gold, gemstones, raw materials, tools, machinery and equipment for making jewellery.

3. General.- (1) Export of gold jewellery shall be allowed by air, parcel post, courier service and by sea, as accompanied or unaccompanied baggage.

(2) Export of gold jewellery shall be against advance payment, irrevocable letter of credit, firm order or contract, delivery or payment or delivery on acceptance (DP/DA), or consignment sale, as well as on self-consignment basis through authorized representative.

(3) In addition to registration under the Registration (Importers and Exporters) Order, 1993, exporters of jewellery and gemstones shall also be registered with the Export Promotion Bureau as exporters for jewellery and gemstones on application in the form as set out in Annexure A.

(4) Exporters of jewellery and gemstones shall be required to be members of one of the recognized Associations such as the All Pakistan Gem Merchants and Jewellers Association, Karachi, or the All Pakistan Commercial Exporters of Rough and Unpolished Precious and Semi Precious Stones Association, Peshawar, or any other Association for jewellery and gemstones recognised by the Ministry of Commerce under the Trade Organizations Ordinance, 1961 (XLV of 1961).

(5) Exporters of jewellery and gemstones shall maintain a Jewellery Pass Book as set out in the form in Annexure H, duly authenticated by the Export Promotion Bureau and all export and import transactions, as well as import entitlements and actual imports, shall be entered in the Jewellery Pass Book and authenticated by the Export Promotion Bureau.

4. Export procedure.- (1) Export of gold jewellery shall be made according to the usual Form E procedure of the State Bank of Pakistan.

(2) The sale proceeds of gold jewellery and gemstones exported under any provision of this notification shall be repatriated either wholly in foreign exchange through normal banking channels or partly in the form of gold up to one hundred per cent weight of gold content of jewellery exported including wastage, and gemstones, and partly in foreign exchange for value addition as specified in para 14 of this Order.

(3) Export of gold jewellery and gemstones and import of gold and gemstones shall be provided preferred handling by the Customs authorities for clearance of related goods, and, in the weighment of gold, variation of one per cent shall be allowed.

(4) The exporter or his authorized representative shall produce the parcels or boxes containing gold jewellery or gemstones along with export documents to the Customs authorities for weighment and examination under strict security and privacy.

(5) The Customs authorities shall verify the weight of gold as per exporter's declaration, and shall assess the minimum value addition norms as specified in para 14 of this notification.

(6) The export documents shall clearly indicate the type of gold jewellery, whether plain or studded or embedded, and purity and karatage of gold used in making the gold jewellery.

(7) For gold jewellery studded or embedded with gemstones, the value of gemstones shall be shown separately in the export documents including Form E, clearly indicating therein the kind, value and weight of gemstones of each article.

5. Entrustment scheme.- (1) The Entrustment Scheme provides for export of gold jewellery and articles against import of gold supplied as partial advance payment, by the foreign buyer, to the extent of the quantity of gold to be used including wastage, in the manufacture of the items to be exported.

(2) The exporter shall supply gold jewellery of contracted quantity of gold content within ninety days from the date of import of gold into Pakistan, or as may be contracted.

(3) The foreign buyer, exporter or authorized representative shall be allowed to send by air or sea cargo or bring gold into Pakistan personally according to the following procedure, namely:-

- (i) The exporter shall inform the Customs authorities as per Annexure B about arrival of gold or the identity of the person bringing gold, and flight number by which he is scheduled to arrive;
- (ii) on arrival at the airport, any gold imported or brought in shall be declared to the Customs authorities indicating therein the declaration quantity and weight, or at the counter specially made for the incoming passengers with accompanied gold;
- (iii) the consignment of gold shall be cleared immediately after the weighment and examination under strict security and privacy according to import entitlement as per Jewellery Pass Book in which entries shall be made by the Customs authorities about such import;
- (iv) in case the verification of import entitlement is not possible at the time of arrival, due to any reason, the consignment of gold shall be deposited with Customs authorities for safe custody, against a receipt, and subsequent release on verification of import entitlement;
- (v) for the purpose of import of gold, the exporter shall deposit with his bank a cash margin equal to one per cent of the value of gold to be imported and obtain from his bank a certificate as per Annexure C: Provided that an exporter of gold jewellery, within average annual export performance of

fifty million rupees in the last three fiscal years, shall be exempt from the one per cent cash margin requirement;

- (vi) the exporter shall, within thirty days from the date of export, submit to the bank an application to release the one per cent cash margin and attach thereto the invoice, shipping bill duly authenticated by Customs authorities and the bank certificate in original evidencing the negotiation of documents; and
- (vii) the bank shall maintain complete account consignment-wise of gold imported for execution of each export order, the exports effected and quantity of gold released against such exports and at the end of each quarter, the bank shall submit a report to the Export Promotion Bureau in the form as set out in Annexure D.

(4) The exporter shall also be allowed, under the Entrustment Scheme, to import gold jewellery for repair or remaking and re-export and all the procedures under the Entrustment Scheme shall, mutatis mutandis, apply.

6. Export of gold jewellery and gemstones on self consignment basis.- In case of export of gold jewellery and gemstones taken out by authorized representative of an exporter on self-consignment basis, the following procedure shall be followed, namely:-

- (i) The exporter shall submit to the Export Promotion Bureau, an application in the form as set out in Annexure E in duplicate for export approval and import authorization and such application shall be checked and verified by the Export Promotion Bureau and entries shall be made in the Jewellery Pass Book;
- (ii) the import authorization shall be valid for one hundred and twenty days from the date of departure of the exporter's representative for bringing back gold and gemstones or export proceeds and any unsold gold jewellery or gemstones;
- (iii) the Jewellery Pass Book, duly authenticated by the Export Promotion Bureau, shall be produced by the exporter's incoming representative to the Customs authorities on arrival for clearance or release of gold, gemstones and any unsold gold jewellery and gemstones;
- (iv) the sale proceeds shall be realized, within one hundred and twenty days from the date of export, in foreign exchange through normal banking channels or partly in the form of gold content of the jewellery exported including wastage and gemstones;
- (v) the unsold jewellery or gemstones shall be deposited with the Customs authorities and shall be cleared against relevant entries in Jewellery Pass Book, and a bill of entry shall be filed for such import of unsold jewellery or gemstones;
- (vi) import entitlement for gold and gemstones, as well as other imported inputs, shall be entered in the Jewellery Pass Book; and
- (vii) bill of entry for gold and gemstones imported in lieu of foreign exchange and for unsold jewellery or gemstones shall be produced to the bank, through which consignment was exported, within a period of one hundred and twenty days from the date of export.

7. Import of gold and gemstone against export of jewellery- (1) In case of exports of gold jewellery made from locally procured gold and gemstones, where sale proceeds are realized wholly in foreign exchange, the exporter shall be entitled to replenishment of gold at one hundred per cent of gold

content of jewellery exported including wastage and gemstones actually used in the jewellery exported and the exporter shall be entitled to claim import entitlement for the replenishment within one hundred and eighty days from the date of realization of export proceeds.

(2) For claiming the entitlement as provide in sub-para (1), an exporter shall submit to the Export Promotion Bureau, an application in the form as set out in Annexure F. The Export Promotion Bureau shall check the application and the entries in the Jewellery Pass Book relating to the export particulars and import entitlement for gold, gemstones, raw materials, tools, machinery and equipment for making jewellery.

(3) In case export proceeds, for export of jewellery or gemstones, are realized partly in the form of gold and gemstones, the import entitlement for gold or gemstones shall be so entered in the relevant pages of the Jewellery Pass Book and no foreign exchange shall be allowed for such import of gold and gemstones.

8. Import entitlement- Import of raw materials used in the production of gold jewellery and gemstones shall be allowed to the exporters as replenishment according to the following parameters, and such imports shall be freely transferable, namely:-

- (a) **Gold:** Equal to the gold content of gold jewellery actually exported, including wastage.
- (b) **Gemstones:** Up to seventy per cent of the f.o.b. value of gemstones used in embedded or studded gold jewellery or loose gemstones actually exported.
- (c) **Other raw materials and equipment:** Import of the following raw materials and equipment shall be allowed up to seventy per cent of value addition i.e., the f.o.b. export value of gold jewellery and gemstones actually exported, less value of gold content including wastage and value of gemstones, up to maximum percentages where indicated, namely:-
 - (i) Jewellery casting powder. (up to 50%)
 - (ii) Moulding rubber. (up to 15%)
 - (iii) Injection wax.
 - (iv) Rhodium plating solution concentrate.
 - (v) Bright and chrome lacquering solution.
 - (vi) Alloys of silver copper and zinc for mixing the twenty-four carats gold.
 - (vii) Mounts and finding of gold, silver and platinum jewellery.
 - (viii) Steel balls and pins (different sizes) used for polishing.
 - (ix) Jewellery casting machines and accessories.
 - (x) Diamond cutting tools (different sizes).

9. Import duties and taxes.- (1) Import of gold and gemstones under all schemes shall be exempt from normal import tariffs. The import of other raw materials, tools, machinery and equipment as provided in para 7 and 8 shall be allowed free of customs- duties and without payment of advance Income Tax in terms of the Notifications Nos. S.R.O. 592(1)/97, dated the 7th August, 1997, and S.R.O. 490(1)/2001, dated the 17th July, 2000, respectively.

(2) In case an exporter uses duty-paid raw materials procured from the market, duty drawback shall be admissible according to the standard duty drawback system in force. Refund of sales tax, if paid on any raw material inputs, shall be allowed according to the Sales Tax Refund Rules, 2000, made under Notification No. S.R.O. 417(I)/2000, dated the 20th June, 2000.

10. Advance import of gold.- Exporters may also apply, in the form as set out in Annexure E, for advance authorization of import of gold and gemstones, before export of jewellery, as per letter of credit or firm export order or contract, subject to deposit, with their bank of cash margin equal to one per cent of the value of gold and gemstones, and in this case the procedures under the Entrustment Scheme in para 5 shall apply.

11. Sale of jewellery to foreign buyers and overseas Pakistanis.- Foreign nationals and overseas Pakistanis shall be allowed to take out personally gold jewellery or gemstones up to the limit of US Dollars ten thousand, against foreign currency encashment certificate, with itemized purchase receipt(s) and, if the value exceeds US Dollars ten thousand, the normal export procedure shall be followed.

12. Display or sale in international fairs and exhibitions.- Exporters shall be allowed to take out gold jewellery and gemstones, for display and sale in international fairs and exhibitions, either as accompanied baggage or through parcel post or courier service, according to the procedures as per para 5 and subject to the following conditions, namely:-

- (a) Items not sold abroad shall be re-imported within forty-five days of the close of the exhibition;
- (b) the gold content of items sold in such exhibitions may be imported as replenishment within sixty days after the close of the exhibition; and
- (c) exporters may take out as personal baggage gold jewellery and gemstones as samples up to a value of US Dollars one hundred thousand, for export promotion tours and temporary display abroad. Such gold jewellery and gemstones shall be brought back within forty-five days from the date of departure.

13. Gold wastage. - Gold wastage or manufacturing loss in the production of gold jewellery shall be allowed to the exporters as per the table below:-

TABLE

S. No.	Description of jewellery.	Percentage of wastage.
(1)	(2)	(3)
1.	Plain gold jewellery.	2% of gold content of jewellery by weight.
2.	Studded or embedded gold jewellery.	10% of gold content of jewellery by weight.

Value addition norms.- Export of gold jewellery shall be allowed with minimum value addition as provided in clause (c) of para 8, as given below:-

- (a) 5% on gold bangles and chains;
- (b) 10% on other plain jewellery; and
- (c) 15% on studded or embedded jewellery.

15. Valuation Committee.- (1) There shall be a Valuation Committee at each airport, through which gold jewellery and gemstones shall be exported or imported, for the purpose of valuation of export and import consignments.

(2) The Valuation Committee shall comprise a representative of the Association concerned and one officer each of Customs and the Export Promotion Bureau.

16. Purity and form of gold.- (1) Import of gold, directly by the exporters of jewellery, or supplied by the foreign buyers, shall be in minimum quantities of five hundred grams, in standard bars/slabs/grains form in 995.0, 999.9 fineness.

(2) A conversion table indicating twenty-four carats gold into lesser karatage prepared for the bank and Customs is at Annexure G.

17. Saving.- All authorizations and approvals made under this Ministry's Notification No. S.R.O. 131(KE)/96, dated the 22nd November, 1996, shall remain valid.

Annexure A
[See paragraph 3(3)]

Government of Pakistan
Export Promotion Bureau

**APPLICATION FOR REGISTRATION AS EXPORTER OF
GOLD JEWELLERY AND GEMSTONES**

To be filled in by E.P.B
(i) Registration Certificate

No. _____

(ii) Date of issue _____

(iii) Issued by _____

Signature
Seal of the Office

1. (a) Name of the applicant firm _____
(in block letters).

(b) Postal address _____

(c) Fax/e-mail _____

(d) Telephone No. _____

(e) Telex No. _____

(f) Name and address of branch office, if any _____

2. Status of the firm.

Proprietary. Partnership. Limited
Company.

3. (a) Name (with name of father) and address of proprietor/partners/directors

4. Export Registration No. and Date _____

5. Import Registration No. and Date _____

6. NTN Number _____

7. Sales Tax Registration No. and Date _____

8. Date/year of establishment of the firm _____

9. Total amount of investment in the business _____

10. Details of export performance (bank certified) during the past three years _____

11. Items intended to be exported

(i) Gold jewellery.

(ii) Precious/semi-precious stones.

12. Name of the Chamber of Commerce/Trade Association with whom affiliated _____

DECLARATION

- (i) I, the undersigned, do hereby solemnly declare that the statements made by me above are to the best of my knowledge and belief true, complete, and correct.
- (ii) I further declare that I am competent to submit this application and verify it in my capacity as proprietor/partner/director.
- (iii) I also hereby declare that I clearly understand that if any statement made in this application proves to be incorrect, the registration certificate issued in my/our favour on the basis of application shall be treated as void ab initio. (In case, the firm is a partnership/limited concern, the application form should be signed by all the partners and directors or the authorized signatory for which the authority signed by all the partners/directors in favour of the signatory must be attached).

Signature: _____

Designation: _____

Annexure B
[See paragraph 5(3)(i)]

**IMPORT OF GOLD FOR EXPORT OF GOLD JEWELLERY UNDER
ENTRUSTMENT SCHEME**

**ADVANCE INFORMATION OF ARRIVAL OF CONTRACTED
GOLD THROUGH AUTHORIZED PERSON**

Section-I (for Endorsement by Exporter of Gold Jewellery):

1. Name of Pakistani exporter of gold jewellery: _____

2. Full address: _____
3. Telephone No. _____ Fax No. _____
4. E.P.B. Reg. No. (for gemstones/jewellery): _____
5. Quantity of gold: _____ Gms/Tolas/Ozs(995.0/999.0/999.9 fineness)
6. Name of the representative who is bringing gold _____ S/o _____
7. Passport No. _____ Date and Place of issue: _____
8. Flight No. _____ Date _____ Approximate arrival time: _____
9. Name of the overseas/foreign supplier: _____

Stamp and signature of exporter: _____

Section-II (for Endorsement by Customs A.F.U/Arrivals Lounge):

The particulars of authorized person who is receiving and acknowledging:

Name: _____ Designation: _____

Date: _____ Time: _____

Customs reference No. _____

Remarks if any: _____

(Stamp and Signature of Customs)

Annexure C
[See 5(3)(v)]

**IMPORT OF GOLD AND EXPORT OF GOLD JEWELLERY
UNDER ENTRUSTMENT SCHEME**

Bank Certificate

Name of Bank: _____

Certificate No. _____ Date: _____

1. Name of Pakistani exporter of gold jewellery: _____

2. Full address: _____

3. Name of foreign supplier of gold under "Entrustment Scheme": _____

4. Contract No. _____ Date: _____

5. Import authorization/Export approval of EPB No. _____

6. Weight of gold (24 kt) _____ Value of gold \$ _____
7. Value in Pak Rs. _____ (2% Value Rs. _____)
8. Amount of cash margin retained Rs. _____

Stamp and Authorized Signature of Bank

1. Date of import of gold brought into Pakistan: _____
2. Date of clearance of gold: _____
3. Weight (24 kt) _____ Value \$ _____
4. Value in Pak Rs. _____
5. Date of export _____ Form 'E' No. _____
6. Customs reference to Export File No. _____
7. Cash margin retained amount Rs. _____

Stamp a Signature of Bank

Annexure E

[See paragraph 6(1)]

EXPORT OF JEWELLERY AND GEMSTONES
APPLICATION FOR EXPORT APPROVAL/IMPORT AUTHORIZATION

1. Name of exporter: _____
2. Full address: _____
3. Phone No. _____ Fax No. _____
4. N. T. N. No. _____ Export Reg No. _____
5. Jewellery Reg No. _____
6. Form 'E' No. _____ Bank _____ Ref No. _____
7. Total export value of gold jewellery/gemstones: _____
(FOB, CIF, C&F): \$ _____ Equivalent Pak Rs. _____
8. Total weight of gold jewellery/gemstones: _____
9. Value of 24kt gold including
wastage used in the jewellery \$: _____
Equivalent Pak Rs. _____
10. Total value addition in the form of _____

- (a) Gemstones: _____
- (b) Labour charges: _____
- (c) Overheads \$: _____

Equivalent Pak Rs. _____

11. Total export value of gemstones \$: _____
 Equivalent Pak Rs. _____

12. Value of gemstones allowed to be imported/brought back within 120 days from the date of export in lieu of export proceeds (70% of actual export value of gemstones)\$: _____

Equivalent Pak Rs. _____

13. Weight of 24 kt gold allowed to be Repatriated/brought back in lieu of sale proceeds of 24kt gold used in the Exported Gold Jewellery (actual gold content value including wastage).\$: _____

Equivalent Pak Rs. _____

14. Raw materials as admissible under para 7: _____

15. Advance authorization for import of gold/gemstones:

- (a) Export LC/Firm Order No. & date: _____
- (b) Name of importer: _____
- (c) Value of gold jewellery: _____
- (d) Value of gemstones: _____
- (e) Weight of gold content including wastage: _____
- (f) Weight of gemstones: _____

16. Representative(s) who are allowed to carry export shipment of gold jewellery and bring back gold: _____

(i) Name of representative: _____ S/O _____

(ii) Passport No. _____ Date: _____

(iii) Name of representative: _____ S/O _____

(iv) Passport No: _____ Date: _____

Stamp & Signature of Exporter.

Checked and Verified.

Approved.

Stamp & Signature
(Association).

Stamp & Signature
(Export Promotion Bureau).

Annexure H

[See paragraph 3(5)]

EXPORT PROMOTION BUREAU
GOVERNMENT OF PAKISTAN

JEWELLERY
Pass Book

Issue to M/s. _____
Date _____

Authorized Signatory

Export Promotion Bureau
Government of Pakistan

1. Name of exporter: _____
2. Address: _____
Phone : _____ Fax: _____ E-mail : _____
3. Export Registration No.: _____ Dated: _____
4. Import Registration No.: _____ Dated: _____
5. Jewellery Registration No.: _____ Dated: _____
6. NTN No.: _____
7. Sales Tax Registration No. _____ Dated : _____

Authorised Signatory

Annexure G
[See paragraph 16(2)]

CONVERSION TABLE PREPARED BY ALL PAKISTAN
GEMS AND JEWELLERS ASSOCIATION

24. KT Gold - 1000 Parts – Pure Gold.

23. KT Gold – 958.41”- Hallmark will be 23 KT or 958.

22. KT Gold – 916.74”- 22 KT or 916.

21. KT Gold – 875.07”-	21 KT or 875.
20. KT Gold – 833.40”-	20 KT or 833.
19. KT Gold – 791.73”-	19 KT or 791.
18. KT Gold – 750.06”-	18 KT or 750.
17. KT Gold – 708.39”-	17 KT or 708.
16. KT Gold – 666.72”-	16 KT or 666.
15. KT Gold – 625.05”-	15 KT or 625.
14. KT Gold – 583.38”-	14 KT or 583.
13. KT Gold – 541.71”-	13 KT or 541.
12. KT Gold-500.04” -	12 KT or 500.
11. KT Gold – 458.37”-	1 KT or 458.
10. KT Gold – 416.70”-	10 KT or 416.
9. KT Gold – 375.03” -	9 KT or 375

Export Promotion Bureau
Government of Pakistan

1. Name of exporter: _____
2. Address: _____
Phone: _____ Fax: _____ E-mail: _____
3. Export Registration No: _____ Dated: _____
4. Import Registration No: _____ Dated: _____
5. Jewellery Registration No: _____ Dated: _____
6. NTN No: _____
7. Sales Tax Registration No: _____ Dated: _____

Authorised Signatory

Government of Pakistan
Ministry of Commerce

Islamabad, the 8th August, 2005

ORDER

S. R. O.789(I)/2005. - 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 direct that the following further amendments shall be made in the Import and Export of Gold, Gold Jewellery and Gemstones Order, 2001, namely: -

In the aforesaid Order, -

(a) In para 3, for sub-para (3) the following shall be substituted, namely: -

“(3) The exporters of jewellery and gemstones shall be registered with the Export Promotion Bureau as exporters for jewellery and gemstones on application in the form as set out in Annexure A.”;

(b) In para 5, for sub-para (2) the following shall be substituted, namely: -

“(2) The exporter shall supply gold jewellery of contracted quantity of gold content within one hundred and eighty days from the date of import of gold into Pakistan. In case of failure to export jewellery within one hundred and eighty days, the exporter will pay leviable duty and taxes on imported gold along with penalty @ 5% of levialbe duty and taxes for first month and @ 10% of leviable duty for subsequent months”;

(c) In para 6, for sub-para (iv) the following shall be substituted, namely: -

“(iv) The sale proceeds shall be realized, within two hundred and forty days from the date of export, in foreign exchange through normal banking channels or partly in the form of gold content of the jewellery exported including wastage and gemstones. If the exporter fails to realize the sale proceeds within two hundreds and forty days then he will be liable to a penalty equal to 1% of sale proceeds per month.”;

(d) In para 9, for sub-para (1) the following shall be substituted, namely:-

“(1) Import of gold and gemstones under all schemes shall be exempt from normal import tariffs. The import of other raw materials, tools, machinery and equipment as provided in paras 7 and 8 shall be allowed free of customs- duties and without payment of advance

Income Tax in terms of the Notifications Nos. S.R.O.444(I)/2001, dated the 18th June, 2001, and clause 30 of Part (IV) of the second Schedule to the Income Tax Ordinance, 2001.”;

(e) In para 9, for sub-para (2) the following shall be substituted, namely: -

“(2) In case an exporter uses duty-paid raw materials procured from the market, duty drawback shall be admissible according to the standard duty drawback system in force. Refund of sales tax, if paid on any raw material inputs, shall be allowed according to the Sales Tax Refund Rules, 2005, made under Notification No.S.R.O.533 (I) 2005, dated the 6th June 2005.”; and

(f) Para 15 shall be omitted.

[F.No.8 (1)/2002-E-(VI)/II]

Sd/-
(JAVED SHERYAR)
Deputy Secretary (Exports)