

Section	Sub-section	Clause	<b>Amendments of Act IV of 1969.</b> - In the Customs Act, 1969 (IV of 1969) <b>NEW / inserted</b> <del>Omitted or deleted</del> substituted Gazette Finance Act 2020
			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

2			<b>Definition</b>
	(ai)		<p><b>"advance ruling"</b> means classification determined by the Board or any officer, or committee authorized by the Board for the assessment of the goods intended to be imported or exported."</p> <p>means a written decision by the Board or any officer or a committee authorized by Board, on the request of an applicant for determination of classification, origin or applicability of a particular relief or exemption on goods prior to their importation or exportation, valid for a specified period of time;" and</p>
	(s)		<p><b>"smuggle"</b> means to bring into or take out of Pakistan, in breach of any prohibition or restriction for the time being in force, or in any way being concerned in carrying, transporting, removing, depositing, harbouring, keeping, concealing or en route pilferage of transit goods or evading payment of customs-duties or taxes leviable thereon,-</p> <p>(ii) manufactures of gold or silver or platinum or palladium or radium or precious stones, and any other goods notified by the Federal Government in the official Gazette, which, in each case, exceed <b>one hundred and fifty</b> Five Hundred thousand rupees in value; or</p>
7			<p><b>Assistance to the officers of customs. -</b></p> <p>All officers of Federal and Provincial Governments, including Inland Revenue, Police, National Highways and Pakistan Motorway Police, Civil Armed Forces, <b>Border Military Police (BMP)</b>, and officers engaged in the collection of land-revenue are hereby empowered and required to assist the officers of customs in the discharge of their functions under this Act. The provision of assistance so requested shall be binding</p>
17			<p><b>Detention, seizure and confiscation of goods imported in violation of section 15 or section 16. -</b></p> <p>Where any goods are imported into, or attempted to be exported out of, Pakistan in violation of the provisions of section 15 or of a notification under section 16, such goods shall, without prejudice to any other penalty to which the offender may be liable under this Act or the rules made there under or any other law, be liable to detention, for seizure or confiscation subject to approval of an officer not below the rank of an Assistant Collector of Customs, and seizure for confiscation through adjudication, if required.</p> <p><b>Provided that the period of detention shall not exceed fifteen days which may be extended by the Chief Collector or Director General for a period not exceeding fifteen days.</b></p>

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			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

19	(5)		<p><b>General power to exempt from customs-duties.</b> -</p> <p>Any notification issued under sub-section (1) after the commencement of the Finance Act, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued:</p> <p>Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from first day of July, 2016 and shall continue to be in force till thirtieth day of June, 2018, if not earlier rescinded:</p> <p>Provided further that all notifications issued on or after the first day of July, 2016, and placed before the National Assembly as required under sub-section (4) shall continue to be in force till thirtieth day of June, <b>2020 2021</b>, if not earlier rescinded by the Federal Government or the National Assembly.</p>
19C			<p><b>Minimal duties not to be demanded.</b> -</p> <p><b>Where the cumulative amount of all duties and taxes on a Goods Declaration is equal to, or less than, one hundred rupees, the same shall not be demanded.</b></p> <p>Where the value of imported goods does not exceed five thousand rupees, no duties and taxes shall be demanded, subject to conditions and restrictions as may be prescribed by the Board under the rules.</p>
21			<p><b>Power to deliver certain goods with-out payment of duty and to repay duty on certain goods.</b> -</p>
		(c)	<p>the repayment in whole or in part of the <b>customs-duties</b> duties as levied under section 18 or 18A and paid on the importation of any goods which have been used in the production, manufacture, processing, repair or refitting in Pakistan of goods meant for exportation, or for supplies against international tenders, or for supply to industrial units, projects, institutions, agencies and organizations, entitled to import the same at concessionary rates:</p>
27A			<p><b>Allowing mutilation or scrapping of goods.</b> -</p> <p>At the request of the owner the mutilation or scrapping of goods as are notified by the Board, may be allowed, in the manner as prescribed by the rules and where such goods are so mutilated or scrapped they shall be chargeable to duty at such rates as may be applicable to the goods as if they had been imported in the mutilated form or as scrapped.</p> <p><b>Provided that the goods imported in new condition shall not be allowed scrapping and mutilation and shall be classified and chargeable to leviable duty and taxes as new goods.</b></p>

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32A			<b>Fiscal fraud</b>
	(1)		If any person, in connection with any matter related to customs-
		(ca)	declares value which is significantly higher or lower than the actual value, that is, the price actually paid or payable for the goods when sold for export to Pakistan, proceedings may be initiated under this section subject to conditions or limitations as may be prescribed by the Board under the rules;"; and
		(e)	attempts, abets or connives in any action mentioned in clauses (a), (b), (c) (ca) and (d) above, he shall be guilty of an offence under this section.
	(2)		Where, by any reason as referred to in sub-section (1) as aforesaid, any duty or tax charged or fee or fine and penalty levied under any provision of law has not been levied or has been short levied or has been refunded, the person liable to pay any amount on that account shall be served with a notice within a period of 180 days of the date of detection of such custom duty and tax fraud, requiring him to show cause as to why he should not pay the amount specified in the notice along with any other amount imposed as fine or penalty under the provisions of this Act.  Provided that an offence, having no revenue implication but covered under sub-section (1), shall also be served with show cause notice within a period of one hundred and eighty days of detection of such fraud for penal action under the relevant provisions of law.
80			<b>Checking of goods declaration by the Customs. -</b>
	(3)		If during the checking of goods declaration, it is found that any statement in such declaration or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be reassessed to duty, taxes and other charges levied thereon.  Provided that in case of reassessment, a notice shall be served to the importer through Customs Computerized System and opportunity of hearing shall be provided, if he so desires.
139			<b>Declaration by passenger or crew of baggage. -</b>
	(2)		<del>In case of recovery or seizure subsequent to false declaration or failure to declare under sub-section (1) of the items notified under clause(s) of section 2, offence shall be treated at par with clause(s) of section 2.</del> Where any passenger or a member of the crew makes a false declaration or fails to make such declaration as required under sub-section (1), he shall be guilty of an offence under this Act."; and
	(3)		Notwithstanding the provisions of sub-section (2), where any person attempts to bring into or takes out of Pakistan, currency, gold, precious metals or stones, in any form, through concealment in baggage or circumventing customs controls at airports, sea-ports and land border custom-stations, he shall be guilty of an offence of smuggling within the meaning of clause (s) of section 2.

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156			<b>Punishment for offences.</b> -
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TABLE

		Offences	Penalties	Section of this Act to which offence has reference.
		(1)	(2)	(3)
8	(i)	where any goods be smuggled into or out of Pakistan,-	such goods shall be liable to confiscation and any person concerned in the offence shall be liable to-	General
	(a)	if the value of the goods is from PKR 500,001 to 3,000,000 (both inclusive);	a penalty not exceeding the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;	
	(b)	if the value of the goods is from PKR 3,000,001 to 5,000,000 (both inclusive);	a penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years:  Provided that the sentence of the imprisonment shall not be less than two years.	
	(c)	if the value of the goods is from PKR 5,000,001 to 7,500,000 (both inclusive);	a penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years:  Provided that the sentence of the imprisonment shall not be less than two and half years.	
	(d)	if the value of the goods is from PKR 7,500,001 to 10,000,000 (both inclusive);	a penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding ten years:  Provided that the sentence of the imprisonment shall not be less than three years.	

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		Offences	Penalties	Section of this Act to which offence has reference.
		(1)	(2)	(3)
	(e)	if the value of the goods exceeds PKR 10,000,000;	<p>a penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years:</p> <p>Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969:</p> <p>Provided further that, in the case of such goods as may be notified by the Federal Government in the official Gazette, the sentence of imprisonment shall not be less than five years and the whole or any part of his property shall also be liable to forfeiture.</p>	
8	(iii)	If the smuggled or prohibited goods comprise currency, gold, silver, platinum or precious stones in any form-	such currency or goods shall be liable to confiscation and any person concerned in the offence shall be liable to-	General
	(a)	if the value of the currency or goods is upto US \$ 10,000 or equivalent in value (currency of other denomination) etc;	a penalty not exceeding the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;	

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		Offences	Penalties	Section of this Act to which offence has reference.
		(1)	(2)	(3)
	(b)	if the value of the currency or goods is from US \$ 10,001 to US \$ 20,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years:  Provided that the sentence of the imprisonment shall not be less than two years.	
	(c)	If value of the currency or goods is from US \$ 20,001 to US \$ 50,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years:  Provided that the sentence of the imprisonment shall not be less than two and half years.	
	(d)	if the value of the currency or goods is from US \$ 50,001 to US \$ 100,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding ten years:  Provided that the sentence of the imprisonment shall not be less than three years.	

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			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

		Offences	Penalties	Section of this Act to which offence has reference.
		(1)	(2)	(3)
	(e)	if the value of the currency or goods exceeds US \$ 100,000 or equivalent in value (currency of other denomination) etc;	a penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years:  Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969.	
	(iv)	<del>If the smuggled / prohibited goods comprise of gold, silver, platinum or precious stones in any form;</del>	<del>Such goods shall be liable to confiscation and any person concerned in the offence shall be liable to;</del>	<del>General</del>

179			Power of adjudication.-
	(3)		The cases shall be decided within ninety days of the issuance of show cause notice or within such period extended by the Collector for which reasons shall be recorded in writing, but such extended period shall in no case exceed sixty days:  <b>Provided that in cases, wherein the provisions of clause (s) of section 2 have been invoked, such cases shall be decided within a period of thirty days of the issuance of show cause notice:"; and</b>  Provided <b>further</b> that any period during which the proceedings are adjourned on account of a stay order or alternative dispute resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days, shall be excluded for the computation of aforesaid periods.

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			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

187			<p><b>Burden of proof as to lawful authority etc. -</b></p> <p>When any person is alleged to have committed an offence under this Act and any question arises whether he did any act or was in possession of anything with lawful authority or under a permit, license or other document prescribed by or under any law for the time being in force, the burden of proving that he had such authority, permit, license or other document shall lie on him.</p> <p><b>Provided that any person, alleged to have committed an offence under this Act, shall bear the burden of proof that any property owned by him in his name or someone else name was not acquired from the proceeds of such crime:</b></p> <p><b>Provided further that the procedure for forfeiture of such property shall be prescribed by the Board under the rules.”;</b></p>
194(B)	(1)		<p><b>Orders of Appellate Tribunal</b></p> <p>The Appellate Tribunal may after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit confirming, modifying or annulling the decision or order appealed against. The Appellate Tribunal may record additional evidence and decide the case but shall not remand the case for recording the additional evidence:</p> <p>Provided that the appeal shall be decided within sixty days of filing the appeal or within such extended period as the Tribunal may, for reasons to be recorded in writing, fix:</p> <p><b>Provided further that in cases, wherein the provisions of clause (s) of section 2 have been invoked, appeals shall be decided within a period of thirty days:</b></p> <p>Provided further that the Appellate Tribunal may stay recovery of the duty and Sales Tax on filing of appeal which order shall remain operative for thirty days and during which period a notice shall be issued to the respondent and after hearing the parties, order may be confirmed or varied as the Tribunal deems fit but stay order shall in no case remain operative for more than one hundred and eighty days.</p>

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			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

195(C)			Alternative dispute resolution (ADR).
	(2)		The Board may, subject to the provisions of sub-section (1), after examination of the application of an aggrieved person, appoint a committee, within thirty days of receipt of such application, consisting of-
		(c)	<del>a retired judge not below the rank of District and Sessions Judge, to be nominated through consensus by the members appointed under clauses (a) and (b).</del> a person to be nominated by the Board from a panel mentioned in clause (b);
	(3)		<del>The aggrieved person or the concerned Collector or both, as the case may be, shall withdraw the appeal pending before any court of law or an appellate authority, after constitution of the committee by the Board under sub-section (2).</del> The Board shall communicate the order of appointment of committee to the court of law or the appellate authority and the Collector.
	(4)		<del>The committee shall not commence the proceedings under sub-section (5) unless the order of withdrawal by the appellate authority is communicated to the Board:</del> <del>Provided that if the order of withdrawal is not communicated within forty-five days of the appointment of the committee, the said committee shall be dissolved and provision of this section shall not apply.</del>
	(5)		The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of customs or any other person to conduct an audit and shall decide the dispute by majority, within ninety days of its constitution in respect of the resolution of dispute as it deems fit: <del>Provided that in computing the aforesaid period of ninety days, the period, if any, for communicating the order of withdrawal under sub-section (4) shall be excluded.</del>
	(6)		The recovery of duties and taxes payable by the applicant in connection with any dispute for which a committee has been appointed under sub-section (2) shall be deemed to have been stayed <del>on withdrawal of appeal up to the date of decision by the committee</del> from the date of appointment of the committee up to the date of decision of committee or its dissolution, as the case may be.

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195(C)	(7)		<p><b>The decision of the committee under sub-section (5) shall be binding on the Collector and the aggrieved person.</b></p> <p>The decision of the committee under sub-section (5) shall be binding on the Collector when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before the court of law or any appellate authority and has communicated the order of withdrawal to the Collector:</p> <p>Provided that if the order of withdrawal is not communicated to the Collector within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Collector."; and</p>
	(8)		If the committee fails to make recommendations within a stipulated period of ninety days under sub-section (5), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the appellate authority <b>which issued the order of withdrawal under sub-section (4) and the appeal shall be treated to be pending before such appellate authority as if the appeal had never been withdrawn</b> where the dispute is pending.
201			<b>Procedure for sale of goods and application of sale proceeds. -</b>
	(3)		<p>The balance, if any, shall be paid to the owner of the goods, provided he applies for it within six months of the sale of the goods or shows sufficient cause for not doing so.</p> <p><b>Provided that, in case wherein goods declaration has been filed, the share of importer in sale proceeds shall not exceed the declared value of the goods.</b></p>
212A			<b>Authorized economic operator programme. -</b>
	(3)		Notwithstanding anything contained in this Act or any other law for the time being in force, the Board may, subject to such conditions, limitations or restrictions as it thinks fit to impose, grant benefits to the authorized economic operators, in such manner as may be provided under the rules made, including-
		(a)	laying down any procedure or mode for collection of customs duties, fee, surcharge, penalty or any other levy under this Act or any other law;
		(b)	deferring collection of customs duties, fee, surcharge, penalty or any other levy either in whole or in part;
		(c)	condoning or substituting whole or part of the bank guarantee or pay order of a scheduled bank required under this Act with any other financial instrument as deemed appropriate."; and

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			In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

<b>212B</b>			<b>Advance ruling.-</b>
	(1)		An applicant desirous of advance ruling shall make an application in such form and in such manner as may be prescribed under the rules, stating any of the questions as contained in sub-section (2), on which the advance ruling is sought.
	(2)		The question on which advance ruling is sought shall be in respect of-  (i) classification of goods under First Schedule to this Act; (ii) determination of origin of the goods under the rules of origin notified for bilateral and multilateral agreements; (iii) applicability of notifications issued in respect of duties under this Act or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act; or (iv) any other matter as the Board may specify by notification in the official Gazette.
	(3)		The proceedings for issuance of advance ruling shall be completed within ninety days.
	(4)		The advance ruling issued under sub-section (1) shall be binding on the applicant.
	(5)		The advance ruling issued under sub-section (1) shall be binding on the customs collectorates for the period of one year specified by the Board in the rules, unless there is a change in law or facts or circumstances on the basis of which the advance ruling was pronounced.";
	(6)		The appeal against the Ruling issued under sub-section (1) shall lie with the Member Customs (Policy) within thirty days of issuance of the Ruling:  Provided that during the appeal period of thirty days, the operation of the Ruling shall remain suspended unless the applicant accepts the Ruling.

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First Schedule	i		in Chapter 99, in Sub Chapter-V, in column (1) against PCT code 9917, in column (2), in paragraph (3). the following amendments shall be made and shall be deemed to have been made with effect from the 1st June ,2020, namely:
		(a)	in sub-paragraph (i), for the word ''and'', occurring for third time, the expression ", including Gwadar International Terminals Limited and Gwadar Marine Services Limited and their". shall be substituted;
		(b)	in sub-paragraph (ii), for the words, 'the ships used in the port and its terminals , the words "all visiting ships including foreign and local and fishing vessels at Gwadar Port", shall be substituted: and
		(c)	for sub-paragraph (iv), the following shall be substituted, namely:  (iv) Imports by the following businesses to be established in the Gwadar Free Zone Area for a period of 23 years with effect from 1st July. 2016, packaging, distribution, stuffing and de-stuffing, CFS, container yard, warehousing including cool and cold rooms, transshipment, labeling. light end assembly and re-assembly, imports and exports/value added exports, value adding of imports, other similar or related businesses activities and such commercial activities as are required to support the free zone."; and
	ii		the amendments set out in the First Schedule to this Act shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969); and