

Fifth Schedule
(Section 4 = Zero Rated)

Serial No	Description
(1)	(2)
	NEW / inserted Deletion or Omitted Substituted Gazette Finance Act 2020
	the following new Serial Nos. and the entries relating thereto shall with effect from the 1st June, 2020 be added, namely:-
13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import
14	<p>Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Gwadar Free Zone, subject to the conditions, restrictions and procedure given below, namely:-</p> <p>(i) plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer.</p> <p>(ii) apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i).</p> <p>(iii) mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i).</p> <p>(iv) parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.</p> <p>Conditions, restrictions and procedures:-</p> <p>a. the supplier of the machinery is registered under the Act;</p> <p>b. proper bill of export is filed showing registration number;</p> <p>c. the purchaser of the machinery is an established manufacturer located in the Gwadar Free Zone and holds a certificate from the Gwadar Port Authority to that effect;</p> <p>d. the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Gwadar Free Zone before a period of five years from the date of entry into the Zone;</p> <p>e. if the machinery is brought to tariff area of Pakistan outside Gwadar Free Zone, sales tax shall be charged on the value assessed on the Goods Declaration for import; and</p> <p>f. breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.</p>