

## **Customs disallows textile import at zero-rated duty**

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KARACHI: Online clearance system of Customs disallowed zero-rated duty to basic raw materials imported for textile sector, in line with a reclassification of tariff lines in the budget for the next fiscal year, officials said on Friday.

Officials said online system is denying zero-rated tax to basic imported raw materials used by export-oriented sectors after changes in harmonised system (HS) codes in Pakistan customs tariff (PCT).

Pigments, the basic raw material for textile sector, were allowed zero-rated sales tax on import by textile and other export sectors.

Federal Board of Revenue (FBR), after the budget for 2018/19 fiscal year, revised PCT codes and changed the HS codes of pigments.

“The HS codes of pigments have been divided into three codes,” Muhammad Amir, general secretary of Karachi Customs Agents Association (KCAA) said. A statutory regulatory order (SRO 1125) that allows zero-rated sales duty has, however, not been amended to incorporate new codes, he added.

Amir said the changes were not fed into the Web-based One Customs (WeBOC) system, which resulted in difficulties for importers and customs clearing agents as the consignments were denied the benefits of the tax concessions.

Customs authorities were urged to look into the matter on priority basis and necessary instructions should be issued to update SRO 1125(I)/2011 in accordance with the changes of tariff sub-heading to avoid unnecessary delay in clearance of consignments, which are lying at port under heavy demurrage.