



Textile raw material stuck at port

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KARACHI: The clearance of textile raw material consignments at the port has been delayed due to non-feeding of the sales tax SRO 1,125(I)/2011 in the system.

Karachi Customs Agents Association (KCAA), in a letter to Federal Board of Revenue said that in the 2018-19 budget, the HS Code 3204.1700 of pigment has been substituted with the HS Code 3204.1710 and 3204.1720 but the exemption under SRO 1125 has not been updated in system in accordance with changes made in tariff in budget.

As a result, traders as well as KCAA members are unable to claim benefit of sales tax under SRO 1125 which was integrated with the PCT headings 3204.1700.

KCAA has urged the FBR to look into the matter on priority and issue necessary instructions to update the pending SRO in accordance with the changes of tariff sub-headings to avoid unnecessary stuck-up of duty and taxes as well as the delay in clearance of consignments which are lying at port under heavy demurrage.

Published in Dawn, June 9th, 2018