

Public Notice

GRANT OF DRAWBACK OF LOCAL TAXES & LEVIES (DLTL) ON EXPORT OF KINNOW TO RUSSIA FOR THE SEASON STARTING FROM 1ST DECEMBER 2017 TO 31ST MARCH, 2018

Date: 9th February 2019

No: TDAP-52(45)/AM/PD-1/2017

Given below is the procedure governing the program of the Government of Pakistan to grant Drawback of Local Taxes and Levies (DLTL) on export of Kinnow to Russia for the period 1st December 2017 - 31st March 2018.

1. Policy and Its objective

The EDF Board in its 78th meeting (24.1.2018) took the decision to grant Drawback of Local Taxes and Levies (DLTL) on export of Kinnow to Russia for this Season only i.e. 1st Dec. 2017 to 31st March, 2018; and approved an amount of Rs.92.75 million @ of \$ 250 per 40 Ft. Reefer container (exchange rate of PKR 106/-US\$ x 3500 Container) as DLTL support for this purpose - for sustaining the exports of Kinnow to Russia.

2. Role and Responsibility of the Stakeholders

The All Pakistan Fruits and Vegetables Exporters, Importers and Merchants Association (PFVA) will duly verify/recommend the documents of their eligible member exporters to TDAP / auditors and will give undertaking that the Association has duly assessed & verified the eligibility and authenticity of these claims for the above program of the Government, after verifying the documents given, claim-wise. TDAP after publication of this public notice will select the qualified auditors falling into the Category-A list of State Bank of Pakistan calling bids in this regard through national press describing in brief the nature of the job, documents and procedure for scrutiny / assessment of claims etc., in terms of this public notice, which the auditors will be required to undertake against fee per claim, payable after the complete scrutiny of the claim, regardless of whether a claim is passed or failed. Auditors will be paid from the amount of Rs. 92.75 MILLION sanctioned for the scheme by the EDF against payment procedure to be settled with them by TDAP in terms of necessary agreement for the job.

3. Eligibility

Exports of Kinnow made only during the season as mentioned above will be eligible for the afore mentioned support provided the exports of the commodity was made only to Russia, within the period given above, and the exporter has provided necessary documentary proof to that effect.

4. Documentary requirements

- I) Summary of a claim
- II) Original "E" Form
- III) A copy of commercial invoice and a copy of Packing List
- IV) Goods declaration (GD)- Copy of GD duly verified by the All Pakistan Fruit & Vegetable Association (PFVA)
- V) Copy of Bill of Lading duly verified by the concerned shipping company
- VI) Export proceeds realization certificate provided by the concerned bank
- VII) An undertaking that any of the transaction for which the subsidy is being claimed, is not under any litigation process thereof by the importing agency.

5. Procedure for scrutiny of claims

- I) A claim potentially eligible for support under this program will go through a 100% pre-audit for which auditors will be selected from the market through competitive and open bidding; only those auditors will be eligible for participation in the bidding process who are on the Category-A list of the State Bank of Pakistan.
- II) All Pakistan Fruit & Vegetable Association (PFVA) will collect the claims from exporters and conduct a preliminary scrutiny of these claims and forward only those claims to the government agency administering the scheme which are eligible for the support as per the requirements of this scheme. (PFVA will also provide a list of claims not being recommended with the reasons recorded therein).
- III) Claims will be processed on first come first serve basis. Any claim found to be deficient; (as per para 4 of this Public Notice) will join the queue afresh after removal of the deficiency. Those claims which do not qualify under the scheme will be returned to the concerned exporters in original (through the association) giving reasons in writing as to why the claims were not eligible for payment.
- IV) Those claims which qualify the audit process will be sent to Trade Development Authority of Pakistan (TDAP) by the auditors. The approved amount of Rs.92.75 million will be released through a joint account to be opened for the purpose under reference, with joint signature of a designated officer/representative of PFVA and TDAP. Necessary crossed cheques will be issued in the name of the firm whose claims have been approved.
- V) However, in case there are any doubts about the authenticity of the claim, the auditors will be duly authorized to seek more documents from the exporter (Association); or may even call the exporter to the office of Trade Development Authority of Pakistan and open the concerned GD document in front of the auditor and officer of the TDAP.
- VI) The cheques will only be issued for the eligible claims, which have been approved by the auditors in terms of priority as mentioned in para 4 (III) and record thereof will be maintained by TDAP; particular care would be taken so that the priority is not broken regardless of the availability of the funds in the account.
- VII) The Auditor to be selected for the job of audit of the claims under reference will be paid out of funds mentioned in the joint account above. However, partially processed cases, where the auditor has raised some objection/ query, will only be paid after the objection /query has been satisfactorily addressed; and/or the mechanism of the dispute settlement/appeal (given below) has been exhausted regarding the concerned claim.

6. Dispute settlement / appeal

Exporters whose claims are rejected either by the association or by the auditors for whatever reasons and they believe that an injustice has been committed against them, could lodge an appeal within one month of such rejections with the head of TDAP who, with the help of 2 members, namely, Chairman of association (PFVA), and DG (TFC), TDAP will examine / review the rejected claim afresh under the policy and will render a decision, which shall be final and binding on all parties concerned.

7. Submission of claims to TDAP / auditors

TDAP will forward these claims to auditors after their receipt from the Association (PFVA) with a covering letter mentioning the number of claims and the number of shipments / exporters involved; if these claims are received in batches, then they will be duly referenced and linked-up (in TDAP's letter) for purpose of subsequent follow-up.

8. Validity of the procedure

This procedure will be valid (for the shipment of Kinnow to Russia from 1st December, 2017-31st March 2018 only till fund of Rs. 92.75 Million sanctioned for the purpose is exhausted).

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