Information on import licensing procedures of Pakistan, submitted in response to the questionnaire annexed to document L/5106, has been made available to contracting parties in document COM.IND/W/W55-COM.AG/W/72/Add.45. The following notification, describing the present import licensing system, replaces the data previously submitted by Pakistan.

Outline of system

1. There are two licensing systems i.e. Free List and Tied List.

   Free List consists of three parts A, B and C. Licences for Part A items can be obtained by every registered importer freely excepting items mentioned in Annex I, for which basis of licensing is announced by Chief Controller of Imports and Exports. Licences for items covered under Part B are issued to industrial consumers concerned. Part C consists of items importable by agencies in Public Sector.

   Licences under Tied List are issued under loan/credit/barter subject to availability of funds.

   For details of individual items covered by Free List and Tied List see Import Policy Order (1981).

Purpose and coverage

2. Part A of Free List consists of four sections as follows:

   Section - I: Consumer goods
   Section - II: Raw material for consumer goods
   Section - III: Raw material for capital goods, and
   Section - IV: Capital goods.

   Parts B and C as explained against reply No. 1 above.

1 A copy of this document is available for reference in the GATT secretariat, Centre William Rappard, Office No. 1070.
3. Import licences are valid for imports from all countries excepting Israel and South Africa. Licences under loan/credit/barter are issued valid for import from respective countries only.

4. Import of certain items mentioned under Section No. 1 is restricted i.e. linked with past imports or with actual capacity of the individual industrial consumers. This has been done to keep the import of these items on a level commensurate with the demand within the country. No restriction on other items. Importers can obtain licences for any value according to their requirement. Value mentioned in individual import licences is the restrictive factor and not quantity.

5. Import is regulated/governed by the Imports and Exports (Control) Act 1950; and annual Import Policy Order, which is a statutory notification issued by administration under the said Act.

Description of importable goods mentioned in individual import licences is in accordance with the description given in the Import Policy Order, Free List or Tied List. However the scope of the description is defined in terms of Import Trade Control Classification (based on CCCN).

Procedures

6. (a) As explained against reply No. 4 above.

(b) Where restrictions apply, licences are allowed on a yearly basis.

(c) There are no provisions for linking the licensing of any goods with the domestic producers of like goods. Most of the licensable items can be imported by all registered importers. For this purpose they can obtain import licences for any value.

In the case item, the licensing of which is restricted in one way or the other, the share of the entitled importers would lapse if a licence has not been obtained or if the obtained licence is not utilized for effecting imports.

Realization of licence fee of 2 per cent of the value of the licence is the factor which ensures that import licences are obtained only when the importer has decided to effect imports.

Names of the importers to whom licences are issued need not be made known to governments of the countries from where goods are to be imported due to reasons given as under:

Import licences issued under Free List are valid for import from all countries with a few exceptions and the issuing authority does not care to know the name of the country from where the entitled importers intend to effect imports.
(d) Import licences can be obtained during the currency of Import Policy i.e. from 1 July to 30 June of every year excepting loan/credit/barter where licences are issued according to the agreements with loan/credit/giving countries.

(e) With effect from the commencement of Import Policy period on 1 July, application for issue of import licence can be presented. These applications are made on blank forms of import licences. After authentication and registration with the State Bank of Pakistan these are returned to the applicants through their bankers in the form of import licences. Normally this procedure takes forty-eight hours. This process goes on throughout the year which ends on 30 June.

(f) Import licences are valid for opening of letter of credit within sixty days from issue. Shipment of goods is required to be made within one year of the issue of the licence. On demands of importers, import licences can be made valid for shipment up to two years in case of machinery.

In the case of import licences issued against loans, credits and barter arrangements, the validity period of licences can be reduced in accordance with the validity period of the loans/credits and barter arrangements.

(g) The importers are required to approach only one organization viz. Imports and Exports Control Organization for issue of licence. All licences issued under Free List are required to be registered with State Bank of Pakistan in respect of Foreign Exchange Allocation. This registration is done by a representative of the State Bank of Pakistan, sitting in the Imports and Exports Control Organization, across the counter.

(h) Only for some of the items covered by Free List, import licences are issued on restricted basis as explained against Section No. 1. Licensing is linked with the past licensing of individual importers. Newcomers are not admitted for these items. For other items there is no limit as sufficient funds are made available for this purpose and there is no shortfall. Newcomers are admitted freely.

As regards issue of licences under barter arrangements (Tied List) these are authenticated according to availability of funds only. As regards items covered by Part B of Free List, it is stated that newcomers (industrial consumers) are admitted for licensing excepting certain specified industries which are treated as restricted industries.

(i) In case of barter arrangements, import licences are issued for the amount actually agreed upon between the governments. Individual import licences are not linked with export permits issued by the contracting foreign government.
(j) As (i) above.

(k) No.

7. (a) Import licences are required to be obtained before shipment of goods. In case goods are shipped without licence, their importation constitutes contravention of rules.

(b) Licences are granted within twenty-four hours.

(c) No.

(d) See 6(g).

8. (i) Nil.

(ii) Yes.

(iii) Yes - the applicant has a right to file application for review with the same authority who rejected application for issue of import licence. The concerned authority means regional controllers of imports and exports. In case of dissatisfaction with the result of review, the applicant can file an appeal with the higher authority viz. Chief Controller of Imports and Exports. There is further provision for approaching the Ministry of Commerce (Additional Secretary), for revision of the orders passed in appeal. These remedial provisions are contained in Review, Appeal and Revision Orders, 1957 based on Imports and Exports Control Act 1950.

Eligibility of importers to apply for licence

9. Under the Registration (Importers and Exporters) Order, 1952, all intending importers are required to get themselves registered as importers with the Office of the Chief Controller of Imports and Exports before making application for issue of import licence. All firms and persons are eligible for the said registration. Applicants for registration as importers are required to pay a fee of PRs 1,000. In addition an annual fee of PRs 100 is payable.

There is no published list of registered importers.

Registered importers are divided into two categories, viz. commercial importers and industrial consumers. Their eligibility for obtaining import licences is explained below:

(1) All registered importers are entitled to obtain import licences for items covered by Part A of Free List. Licences can be issued for any value except in case of certain items where licensing is restricted as explained in Section No. 1.
(2) Industrial consumers can obtain licences for items covered by Part B of the Free List as well.

Documentational and other requirements for application of licence

10. An applicant for an import licence is required to give the following information in the application form

(1) description of the goods desired to be imported. This description conforms to the description mentioned in the Import Policy Order;

(2) value of the goods desired to be imported;

(3) Import Trade Control (CCCN classification) of the item desired to be imported; and

(4) import registration number of the applicant.

The importer is required to submit with the application form the following documents:

(a) receipt showing deposit of licence fee in the government treasury;

(b) a certificate of membership of a recognized trade organization; and

(c) category pass book (containing information in respect of past licensing to applicant).

11. Before effecting imports, the importers are required to open a letter of credit through a scheduled bank. At the time of clearance of goods from customs, a copy of the import licence, bill of entry, bill of lading, invoice etc. are required to be submitted to the customs authorities.

12. The licence fee of 2 per cent on the c.i.f. value of the import licence applied for is levied. This is required to be paid before an import licence is issued.

13. No.

Condition of Licensing

14. See 6(f).

The validity period of shipment of goods can be extended where the shipment of goods is delayed due to the reasons which are beyond the control of the importer.
15. No.

16. No.

17. Where import licences are obtained by industrial consumers by virtue of their industrial status, the imported items are required to be consumed by them for their own industry. The imported items cannot be transferred by them to any other party.

**Other procedural requirements**

18. No.

19. Yes. Foreign exchange is automatically provided by the State Bank of Pakistan against import licences. See 6(g).