

**GOVERNMENT OF PAKISTAN**  
**MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE**  
**(REVENUE DIVISION)**

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Islamabad, the 24th August, 2006

**NOTIFICATION**  
**(CUSTOMS)**

**S.R.O. 872(I)/2006.**-In pursuance of the Rules of Origin as applicable to trade concessions exchanged between the Islamic Republic of Pakistan, hereinafter referred to as "Pakistan" and the Islamic Republic of Iran hereinafter referred to as "Iran" under the Preferential Trade Agreement (PTA), the Federal Government is pleased to make the following rules, namely:-

**1. Title and commencement.**-(1) These rules shall be called the Rules of Determination of Origin of Goods, 2004 under Pakistan-Iran Preferential Trade Agreement.

(2) These shall come into force with effect from 1<sup>st</sup> September, 2006.

**Application:** These rules shall apply to products originating from Iran.

**2. Determination of origin.**-No product shall be deemed to be the produce or manufacture of Contracting Parties unless a competent officer of Customs in the Importing Contracting Party, is satisfied that the conditions specified in the schedule to these rules are complied with in relation to such products.

**3. Claim at the time of Importation.**-The Importer of the products shall at the time of importation.

(a) Make a claim that the products are the produce or manufacture of a Contracting Party and such products are eligible for preferential concession; and

(b) Produce the evidence specified in the Schedule to these rules.

**THE SCHEDULE**

(See rule 3)

**1. Originating products.**-Products covered by Preferential Trade Agreement imported into the territory of a Contracting Party from the other Contracting Party which are consigned directly within the meaning of paragraph 5 hereof, shall be eligible for preferential concessions if they conform to the origin requirements under any one of the following conditions, namely: --

(a) Products wholly produced or obtained in the exporting Contracting Party as defined in paragraph 2: or

(b) Products not wholly produced or obtained in the exporting Contracting Party, provided that the said products are eligible under paragraph 3.

**2. Wholly produced or obtained.**-Within the meaning of clause (a) of paragraph 1 the following shall be considered as wholly produced or obtained in the exporting Contracting Party, namely:-

(a) Raw or mineral products extracted from its soil, its water or its seabed's and including mineral fuels, lubricants and related materials as well as mineral or metal ores;

(b) Agricultural products harvested there including forestry products:

(c) Animals born and raised therein;

(d) Products obtained from animals referred to in clause (c) above:

(e) Products obtained by hunting or fishing conducted therein;

- (f) Products of sea fishing and other marine products taken from the high seas by its vessels;
- (g) Products processed or made on board its factory ships exclusively from products referred to in clause (f);
- (h) Used articles collected therein and are fit only for the recovery of raw materials;
- (i) Waste and scrap resulting from manufacturing operations conducted therein; and
- (j) Goods produced therein exclusively from the products referred to in clauses (a) to (i) above.

**3. Not wholly produced or obtained.**-(1) Within the meaning of clause(b) of paragraph 1, products worked on or processed as a result of which the total value of the materials, parts or produce originating from other than the exporting Contracting Party or of undetermined origin used does not exceed fifty per cent of the f.o.b. (or F.C.A.) value of the products produced or obtained and the final process of manufacture is performed within the territory of the exporting Contracting Party shall be eligible for preferential concessions subject to fulfilment of the relevant criteria thereof.

- (2) The value of the non-originating materials, parts or produce shall be
  - (a) The C.I.F (or C.I.P) value at the time of importation of materials, parts or produce where this can be proven; or
  - (b) The earliest ascertainable price paid for the mater, parts or produce of undetermined origin in the territory of the exporting Contracting Party.

**4. Direct consignment.**-The following shall be considered as directly consignment from the exporting Contracting Party to the Importing Contracting Party, namely: --

- (a) If the products are transported without passing through the territory of any non-Contracting Party; and
- (b) The products whose transport involves transit through one or more intermediate non-Contract Party with or without transshipment or temporary storage in such countries, provided that ---
  - (i) The transit entry is justified for geographical reason or by considerations related exclusively to transport requirements.
  - (ii) The products have not entered into trade or consumption there; and
  - (iii) The products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition.

**5. Treatment of packing.**-When determining the origin of products, packing shall be considered as forming a whole with the product it contains, unless packing has to be treated separately under the national legislation.

**6. Insufficient work or processing.**-Not one or more of the following operations or processes shall by themselves constitute the final process of manufacture:

**7. Certificate of Origin.**-(1) Products eligible for preferential concessions shall be supported by a Certificate or Origin, in the form annexed herewith, issued by an authority designated by the Government of the exporting Contracting Party and notified to the other Contracting Party in accordance with the Certification Procedures mentioned in the form annexed herewith.

(2) The Contracting Parties shall do their best to co-operate in order to specify origin of inputs in the Certificate or Origin.

**8. Review.**-These Rules may be reviewed as and when necessary upon request of either of the Parties and may be open to such modifications as may be agreed thereupon.

## CERTIFICATE OF ORIGIN

<p>1. Goods consigned from (exporter's business name, address, country).</p> <p>2. Goods consigned to (Consignee's name, address, country).</p> <p>3. Means of transport and route (as far as known).</p> <p>5. Tariff item Number/of H.S. Code.</p> <p>7. Number and kind of packages description of goods.</p> <p>9. Gross weight or other of quantity</p> <p>11. Declaration by the exporter The undersigned hereby declares. That the above details and Statements are correct. That all the goods were produced in.</p> <p>_____</p> <p>(Country)</p> <p>and that they comply with the origin requirements specified for those goods in PTA between Iran and Pakistan</p> <p>_____</p> <p>(Importing country)</p> <p>Place and date, Signature of Authorized Signatory.</p>	<p>Reference No.</p> <p>Issued to</p> <p>_____</p> <p>(country)</p> <p>see notes overleaf</p> <p>4. For official use</p> <p>6. Marks and number Packages.</p> <p>8. Origin criterion (see notes overleaf).</p> <p>10. Number and dates Invoices.</p> <p>12. Certificate.</p> <p>It is hereby certified on the basis of control carried out, that the declaration by the exporters is correct.</p> <p>_____</p> <p>place and date, signature and stamp of certifying authority.</p>
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**I. General conditions.**-In order to qualify for preference, a product must:--

- (a) Fall within a description of products eligible for preference in the Schedule of concessions of Preferential Trade Agreement.
- (b) Comply with Pakistan-Iran Preferential Trade Agreement Rules of Origin, 2004 each article in a consignment must qualify in its own rights; and
- (c) Comply with the consignment conditions specified by the Pakistan-Iran Preferential Trade Agreement Rules of Origin, 2004 in general, products must be consigned directly within the meaning of paragraph 5 of the Schedule to the Pakistan-Iran Preferential Trade Agreement Rules of Origin, 2004, from the country of exportation to the country of destination.

**II. Entries to be made in Box 8.**-(1) Preference products must be wholly produced or obtained in the exporting Contracting Party in accordance with paragraph 2 of the Schedule to the Pakistan-Iran PTA Rules of Origin, 2004, or where not wholly produced or obtained in the exporting Contracting Party, must be eligible under paragraph 3 or paragraph 4 of the said Schedule.

(2) For entries to be made in Box 8, the following further guide-lines shall apply, namely:-

- (a) Products wholly produced or obtained: enter the letter "A" in Box 8: and
- (b) Products not wholly produced or obtained: the entry in Box 8 should be as follows, namely:-
  - (i) Enter letter "B" in Box 8, for products which meet the origin criteria according to paragraph 3 of the Schedule Entry of letter would be followed by the sum of the value of materials, parts or produce originating from other than the exporting Contracting Party, or undetermined origin used, expressed as a percentage of the F.O.B (or F.C.A.) value of the products (for example "B" 50 per cent).

**MEMORANDUM ON THE VERIFICATION PROCEDURES FOR THE CERTIFICATE OF  
ORIGIN OF THE PREFERENTIAL TRADE AGREEMENT BETWEEN THE ISLAMIC  
REPUBLIC OF PAKISTAN AND THE ISLAMIC REPUBLIC OF IRAN**

For the purpose of implementing the Preferential Trade Agreement between the Islamic Republic of Pakistan and the Islamic Republic of Iran, the following Operational Procedures on the verification of the Certificate of Origin and the other related administrative matters, shall be followed:

- (a) The Contracting Parties shall inform each other of the names and addresses of their respective government authorities issuing the Certificate of Origin and the official seals used by their respective government authorities. They shall also promptly inform each other of any change of the above-mentioned information.
- (b) The importing Contracting Party may request a retroactive check at random and / or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the production question or of certain parts thereof.
- (c) The request shall be accompanied by a Certificate of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given on the said Certificate of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
- (d) The Customs Authorities of the importing Contracting Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, it may release the products to the importer subject to any administrative measures deemed necessary, provided that they are not be subject to import prohibition or restriction and there is no suspicion of fraud.
- (e) The issuing government authorities receiving a request for retroactive check shall respond to the request promptly and reply no later than six month after the receipt of the request.
- (f) To facilitate the operation of verification procedures, the focal points (the diplomatic organs of the exporting Contracting Party stationed in the territory of the importing Contracting Party or the capital based authority) of both Contracting Parties shall be identified.
- (g) The verification request shall be forwarded to the focal point of the Exporting Contracting Party or to the issuing government authorities.

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