



PAKISTAN GEMS
JEWELLERY TRADERS
AND EXPORTERS
ASSOCIATION

Mr. Muhammad Shehbaz Sharif
The Prime Minister Islamic Republic of Pakistan
Islamabad.

25th March 2024

Urgent Resolution Needed for Crisis in Gold Jewelry Sector

As salam o Alaikum Excellency Shehbaz Sharif Sahab,

We are writing to you again regarding the crisis affecting the gold jewelry export sector, which was also previously brought to your attention.

For the past month, the sector has been grappling with a significant setback, as the sudden removal of sales tax exemption provided in SRO 760 by the FBR has brought exports to a complete standstill. This abrupt change has resulted in disastrous consequences for exporters and the country as a whole.

Recognizing the gravity of the situation, the sector has been diligently working to identify a viable solution to this crisis. We have outlined the below for your kind consideration:

1. CUSTOM TARIFF / PAKISTAN CUSTOM ACT 1969

Custom duty and Additional Custom Duty for Import of gold is 0 under PCT 99.29.

2. INCOME TAX ORDINANCE 2001 AMENDED UPTO 30-06-23

With Holding Tax imposed under Section 148 is exempt for import of gold as per provision of whole of Chapter 99 except PCT Heading 99.18 in Clause 56(i) of Second Schedule Part IV of Income Tax Ordinance:

3. SALES TAX ACT 1990 AMENDED UPTO 30-06-23:

Now we draw your kind attention towards following relevant clauses of Sales Tax Act:

Section 13(1), Clause 167 of Second Schedule and PCT 99.29:

a. Section 13(1): Supply or import of goods specified in Sixth Schedule shall be exempt of tax under this Act,

b. Clause 167: Goods temporarily imported in to Pakistan meant for subsequent exportation charged to zero-rate of custom duty subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of custom duty on such goods under the Custom Act 1969(IV of 1969)

Qualifying PCTs: 99.19, 99.20 and 99.21. **NOTE:** (PCT 99.29 is missing).

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