

WCO initiative: FBR to carry out end use verification of chemicals

In line with the World Customs Organisation (WCO) initiative of Programme Global Shield (PGS), Pakistan Customs has decided to carry out end use verification of notified dual-use precursor chemicals, which are used in terrorism-related activities. Sources told *Business Recorder* here on Thursday that Finance Bill 2017 has proposed amendments to section 26 of the Customs Act, 1969 to empower the FBR to carry out end use verification of notified dual-use precursor chemicals.

Details revealed that WCO has initiated Programme Global Shield (PGS) to control the use of those dual-use precursor chemicals which are used in terrorism related activities such as making of improvised explosive devices (IEDs). This programme advocates that member states evolve a mechanism to monitor the licit use of such dual-use precursor chemicals. This post-clearance activity is called End Use Verification. In order to enable Pakistan Customs to carry out such End Use Verification, it is proposed to amend Section 26 by inserting new provision empowering the board to frame rules for carrying out End Use Verification of notified dual-use precursor chemicals.

Sources said that the Section 33 of the Customs Act allows refund of any duty or tax, if it is established that such payment was not due. However, the refund is allowed subject to filing of an application within one year of the date of payment, and satisfaction of the appropriate officer that the incidence of the duty and tax paid is not passed on to the consumer or buyer.

However, the high courts have ruled that the condition of passing on of incidence to consumer shall not apply to cases of provisional assessments or those decided by the courts. Accordingly, it is proposed to amend Section 33 of the act so that in cases of refunds related to provisional assessments or those decided by the courts also have to fulfil the condition as to whether incidence of paid duty/taxes has been passed on to the buyer or consumer.

Copyright Business Recorder, 2/6/2017