

Electric vehicles' import: customs seeking FBR guidance on duty concession

Customs authorities are seeking guidance of the Federal Board of Revenue (FBR) about giving benefits of concessionary rates of duties and taxes on the import of environment-friendly 'electric vehicle' (EV) as applicable in case of 'hybrid electric vehicle' under SRO 499(1)/2013, dated 12.6.2013.

Sources told *Business Recorder* here on Tuesday that the FBR is examining the issue in light of practice in the field formations and expected to issue a clarification after completion of the exercise. Collector of Customs has raised question whether a complete electric vehicle is entitled for benefit/ concession of duty and taxes available to electric hybrid vehicles in terms of SRO 499(I)/2013.

According to a communication of Jamil Nasir Khan, Collector Model Customs Collectorate (Appraisal) Dry port Lahore, to the FBR, facts of the case in brief are that one Mian Ahmad Irfan s/o Muhammad Noorullah imported 'electric vehicle' (EV) of model 2016 bearing chassis No. 5YJSB7E21GF137160 under lift scheme and filed GD No. 792 dated 24.10.2017 through Sanasu Traders, Customs Clearing Agent. As per examination report the imported vehicle is "used Tesla fully Electric Car S70 Fuel Electrically 193 kW, Model 2016, Dual Motor, 04 Wheel Drive with standard accessories.

At the time of assessment, the importer contended that the vehicle is entitled to benefit/concession of duty and taxes available to the "hybrid electric vehicle" on the analogy that both types of vehicles are environment-friendly and that the electric vehicle imported by him is far better, from the perspective of environment, compared to fossil fuel vehicles and hybrid electric vehicles. It generates no pollution and noise. The importer further contended that the vehicle squarely falls under 'hybrid electric vehicle' (HEV) in terms of SRO 499(1)/2013 dated 12.6.2013, the Collector letter said.

Since no evidential record/data of such vehicle is available, the request of importer for provisional assessment was acceded to. The said vehicle was assessed under PCT 7803.8090 attracting customs duty 50 percent, sales tax 17 percent, withholding tax 9 percent, and additional customs duty 1 percent. He further contended that since no cubic capacity of the vehicle is available, therefore, federal excise duty @ 10 percent is also not attracted in this case. Out of total amount of duty and taxes of Rs 6,616,113, the differential amount of duty and taxes including FED (Rs 3,867,811), has been secured in the shape of pay order. Against this backdrop, Board's guidance is solicited on the following specific question:

"Is a complete electric vehicle covered under 'hybrid electric vehicle' in terms of SRO 499(I)/2013 dated 12.6.2013 and entitled for benefit/concession of duty and taxes available to electric hybrid vehicles?" The collector added.

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