

PUBLIC NOTICE

SCHEME FOR GRANT OF INLAND FREIGHT SUBSIDY ON EXPORT OF SUGAR

I. POLICY

The Government of Pakistan has decided to grant Inland Freight subsidy on export of Sugar as following:

CATEGORY-I • Rs. 1.75 /Kg on export of 1.2 MMT of Sugar allowed by the ECC of the cabinet in its meetings held in the months of January, May, October, November and December 2012.

CATEGORY-II • Re. 1.00/- on export of 0.5 MMT of Sugar allowed by the ECC in its meeting held in the month of September 2013.

II. Eligibility of a claim

The Sugar Mill exporters who have made their shipment in terms of Government policy after getting the letter of allocation from the SBP and have submitted the proof of their exports by way of submitting export realization certificates/Bank Credit Advice from their dealing banks will be eligible for claiming the subsidy under the Government scheme in this regard, on submission of following documents:

(a) The copy of allocation letter of State Bank of Pakistan, duly attested by the dealing bank is required under the scheme.

(b) A letter from bank stating that the export proceeds received by the exporter pertained to the shipment against whom the exporter has lodged claim for subsidy.

III. Documentary requirements

In order to avail the benefit of the scheme, the individual claims are to be supported by the following documents:

(a) Summary of claim. (b) Quadruplicate copy of E-Form. (c) A copy of commercial invoice. (d) 4th copy of shipping bill / GD in original along with one photocopy set which will be retained by the bank and original returned to the exporter after verification by the Manager of the bank. (e) A copy of B/L certified by the shipping company/shipping agent who handled the shipment. (f) The copy of allocation letter of SBP duly attested by the bank to which the same was addressed by the SBP. (g) Original EPRC from the bank certifying E-forms against SBP's approval mentioned at (f) above. (h) Any other document deemed necessary by the Auditors where they have reasons to believe that the documentary evidence provided by the claimant was inconsistent and did not provide sufficient evidence to establish the claim.

IV. Audit of claims

In order to ensure the administration of the scheme so that eligible sugar exporters get necessary benefit of the scheme, TDAP will engage qualified Auditors from the market where bids would be invited through competitive bidding from among the top qualified Auditors on the "A" list of the State Bank of Pakistan. On selection, the TDAP will duly provide the details of above mentioned claims to the selected Auditors through a covering letter mentioning the number of claims under each category of the scheme; and a copy of this covering letter will be endorsed to the State Bank of Pakistan and PSMA.

V. Payment mechanism

I) The Auditors will determine the eligibility of the claim in terms of policy and documents required (above), and will calculate the total amount of subsidy accruing to the exporters in terms of the scheme and send necessary payment advice to the TDAP to issue required cheques to the sugar mill exporters. II) For this purpose, TDAP will maintain a separate account with the National Bank of Pakistan, Shaheed-e-Millat Road, Karachi; and a copy of payment advice in this regard will be issued by the Auditors to the National Bank and PSMA also. III) The Auditors will be authorized to totally reject the claim in terms of the parameters of the scheme (giving reasons of rejection in writing), and call for additional documents from sugar mills through PSMA, if and where needed; the exporters will be bound to provide such document to the auditors within (15) days of receipt of request from the Auditors through the association. IV) The Auditors will examine to above, the individual claims in terms of priority of the claims as indicated in the receipt of export proceeds as evidenced by the documents mentioned above; in case, all the claims have only one date, then the question of priority does not arise. V) In addition, Auditors will counter-check these claims with the help of a consolidated list of quota allocations issued by the State Bank of Pakistan and provided by the TDAP to the Auditors in order to rule out any possibility of malfeasance.

VI. Penalty

In case where the exporter is found to have indulged in submission of fake documents to TDAP for the subsidy purpose, or has/have obtained a subsidy by misrepresenting the facts in whatever shape/ form, he would be liable to return the amount (to the Government) with penalty equivalent to double the amount; and imposition of further punitive measures as deemed fit by the Government.

VII. Dispute settlement / appeal

In case of any dispute arising out of the rejection of a subsidy claim, the sugar exporters will be entitled to lodge an appeal to the Secretary, TDAP within one month of the rejection of the claim, who will give final decision within one month of the appeal and such decision will be final and binding on all; the Secretary, TDAP will constitute a three member committee comprising of DGs of TDAP, which will assist the Secretary to review such appeals and render judgment.

This Public Notice will supersede previous Public Notice and its Corrigendum (of TDAP) dated 8th and 12th February, 2013 respectively. (In this regard, TDAP has already received claims from the exporters through their Association (PSMA), where the exporters have not provided some documents as stated above, which they will be required to provide to the TDAP within three weeks of Publication of this Notice; in case the exporters face difficulties in complying to this condition, they could submit the documents later, but not after four weeks – such submissions would come through PSMA, and the Secretary TDAP would have the powers to condone / relax the time period in such cases).

(Note: This public notice will expire within one year of its publication / issue. TDAP could refer additional cases of subsidy for sugar mills (if so decided by the Government) to the auditors within the validity of the public notice under the terms and conditions governing the Public Notice as stipulated above.

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