

Government of Pakistan
Ministry of Commerce

No. 3(5)/2016-Russia

Islamabad, the 18th October, 2023

OFFICE MEMORANDUM


Subject: **PAKISTAN-RUSSIA BARTER TRADE**

The undersigned is directed to refer to the above cited subject and convey that Ministry of Commerce has notified S.R.O. 642(I)/2023, dated 1st June, 2023 on Business to Business (B2B) Barter Trade Mechanism with Afghanistan, Iran and Russia, which has earlier been shared with Russian side through Embassy of Pakistan, Moscow in June, 2023 (copy enclosed).

2. Ministry of Commerce intends to schedule a virtual meeting with Russian side in which representatives from Ministry of Commerce, Pakistan Customs, Pakistan Single Window and State Bank of Pakistan will attend the meeting. Pakistan Single Window will give a presentation on operationalization of business to business Barter Trade (copy enclosed).

3. In view of the above, Ministry of Foreign Affairs is requested to share copy of presentation and S.R.O on Barter Trade Mechanism with Russian Embassy and seek suitable time and date for the proposed virtual meeting on Barter Trade, with the relevant authorities in Russia.

Encl: As above



(Jalal Khan)
Section Officer (CIS)
Ph: 9202251

Director General (Europe-II),
Ministry of Foreign Affairs,
Islamabad.

Copy to:

- i. Mr. Muhammad Shaukat Hayat, Minister (Trade and Investment), Embassy of Pakistan, Moscow.
- ii. Embassy of Pakistan, Moscow.
- iii. Embassy of Russian Federation, Islamabad.
- iv. PS to Additional Secretary (Trade Diplomacy), Ministry of Commerce
- v. APS to Joint Secretary (FT-II), Ministry of Commerce
- vi. APS to Joint Secretary (EXIM), Ministry of Commerce

Government of Pakistan
Ministry of Commerce



ORDER

Islamabad, the 1st June, 2023

S.R.O. 642 (I)/2023. — In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to make following Order, namely:-

1. **Short title and commencement.** — (1) This Order shall be called the Business-to-Business (B2B) Barter Trade Mechanism, 2023.

(2) It shall come into force at once.

2. **Definitions.** — In this Order, unless there is anything repugnant in the subject or context,—

- (a) “Act” means the Imports and Exports (Control) Act, 1950 (XXXIX of 1950);
- (b) “Annex” means an Annex to this Order;
- (c) “Appendix” means an Appendix to this Order;
- (d) “banned item” means a commodity whose import or export is prohibited under the Import Policy Order (IPO) or Export Policy Order (EPO) in vogue, respectively;
- (e) “barter trade” means exchange of goods by way of import and export without involvement of any currencies for the purpose of this Order;
- (f) “place of origin” or “origin” means the country of supply where goods are produced or manufactured;
- (g) “regulatory Collector” means the Collector of Customs in whose jurisdiction the place of business or manufacturing unit or head office of the applicant, duly registered under the Sales Tax Act, 1990, is located; and
- (h) “restricted items” means a commodity whose import or export is subject to compliance with conditions as contained in IPO or EPO in vogue, respectively.

3. **Powers to allow export and import of goods under B2B barter trade.** — The regulatory Collector having territorial jurisdiction may allow export and import of goods against an authorization, subject to the conditions stipulated under this Order.

4. **Eligibility criteria.** — The barter trade facility under this Order may be admissible to the following:—

- (1) state owned enterprises; and
- (2) private entities, subject to following conditions, namely:-
- (i) its name appears on active taxpayers’ list of Federal Board of Revenue;
- (ii) it is subscribed to Pakistan Single Window (PSW) System; and
- (iii) it possesses a valid import and export contract registered by Customs authorities in the Customs computerized system (WeBOC).

5. **Authorization process.**— (1) Application for authorization of import and export of goods under the B2B barter trade facility shall be submitted online by the trader or

their authorized agent through the online BT Module in WeBOC system to the regulatory Collector. The application shall contain the following information:-

- (i) name and address of importer;
- (ii) name and address of exporter;
- (iii) description, quantity and value of goods to be imported;
- (iv) description, quantity and value of goods to be exported;
- (v) validity and expiry dates of the contract; and
- (vi) declaration that the goods shall originate from the respective countries for which the Barter Trade facility has been allowed.

(2) Copy of the contract duly verified by the Pakistani Mission in the country for which barter trade facility has been authorized, certifying the facts that the subject foreign company, individuals and proposed goods for BT are 'Non-Sanctioned', as notified by Ministry of Foreign Affairs from time to time, shall be uploaded in support of the application.

(3) The application shall be reviewed and examined under the provisions of IPO and EPO in vogue and the conditions set out in this Order. If the application is found in order, an approval (authorization) may be accorded by the regulatory Collectorate of Customs and an approval number shall be generated by the system against the NTN of the applicant.

(4) Ministry of Commerce may impose country or commodity specific conditions or restrictions for imports and exports of goods under this B2B barter trade mechanism. **Export and import under this Order shall be allowed in respect of the commodities and from the countries as specified in Appendix-A to this Order.**

6. Customs procedure. — (1) Trade of goods under a B2B BT arrangement shall be allowed on the principle of "import followed by export". The export would be made to the extent of value of imported goods, subject to the tolerance mechanism provided hereinafter for any exigency. However, a Pakistani trader shall be responsible to net-off value of goods on quarterly basis, i.e. within 90 days after issuance of authorization.

(2) Upon import and export of goods, the importer shall submit single declaration in the PSW system.

(3) The importer and exporter shall tag the relevant approval number to allow for waiver of the financial instrument required for regular imports and exports.

(4) Import and export of goods under a B2B BT arrangement shall be subject to the provisions of Import and Export Policy Orders for the time being in force and shall comply with all relevant regulatory requirements including permits, licences, certificates, quotas, etc. as specified in the IPO and EPO.

(5) The import and export of goods shall be subject to applicable duties, taxes, fee and other charges, etc.

(6) Imports and exports under the B2B barter trade facility shall be admissible to benefits offered under various concessionary and export facilitation schemes, etc.

(7) The 'assessed value' of goods shall be taken for the purpose of calculation of the monetary limit of the authorization.

(8) The value of the goods to be imported and exported under this facility shall not exceed the monetary value of the authorization as entered in the WeBOC system for automatic debiting of the monetary value of imported and exported goods.

(9) A tolerance of twenty percent shall be allowed for assessed import value exceeding the authorization and, in case of further breach of limit, clearance of goods shall be stopped and the regulatory Collectorate may initiate further action under the applicable laws and procedures including the Customs Act, 1969 (IV of 1969).

(10) A tolerance of twenty percent shall be allowed for export value exceeding the import value on a one-off basis, in accordance with the procedure to be notified by FBR.

(11) All imports under an authorization issued under this Order shall be accompanied by a certificate of origin issued by the relevant authority of the exporting country for which the barter trade facility has been allowed.

7. Reconciliation. — (1) The Customs computerized system shall reconcile import and export values automatically against each authorization.

(2) The data for all imports, exports under the barter trade facility shall be available to the regulatory Collectorate for audit purposes.

(3) FBR shall submit a report to Commerce Division on quarterly basis regarding the total number of applications received, authorizations issued and the position of trade balance viz. imports and exports under B2B barter trade authorizations so issued.

8. Other terms and conditions.—(1) An authorization shall be valid for one year from the date of issuance and there shall be no extension or carry forward for the authorized value.

(2) The regulatory Collector reserves the right to curtail the authorized limit or to stop further transactions in case of unsatisfactory performance of non-reconciliation of trade balance.

(3) For the acts or omissions of the parties arising out of a B2B barter trade transaction, there shall be no liability on the Government of Pakistan.

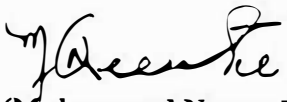
(4) Commerce Division reserves the right to amend, modify, rescind or withdraw whole or any part of this B2B barter trade mechanism through a notification.

(5) Any dispute or clarification regarding any provision of this mechanism or any transaction held under this mechanism shall be referred to Commerce Division for final decision.

9. Penalties. — Subject to provisions of the Act, failure to comply with any of the conditions laid down in this mechanism or the conditions contained in an authorization issued under this Order shall lead to cancellation of authorization, award of penalty or blacklisting of the applicant company for future business under relevant provisions of the law.

10. Provisions to be in addition and not in derogation. — The provisions of this Order shall be in addition to and not in derogation of the provisions of the Export Policy Order and Import Policy Order made under the Act.

[F. No. 2(4)/2021-Imp-III]


(Muhammad Naeem Tariq)
Section Officer (Imports-III)
01.06.2023

Appendix- A

[See para -5(4)]

List of Commodities for Barter Trade with Afghanistan, Iran and Russia

Part-I

Export of following products shall be allowed to Afghanistan, Iran and Russia:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Milk, Cream, Eggs and Cereals	0401, 0407, 1103, 1104, & 1108
2	Meat and Fish products	Ch. 02, 03 and 16
3	Fruits and Vegetable	Ch. 07 (except 0713), 08
4	Rice	1006
5	Confectionary and Bakery items	1702, 1703, 1704, 1806, 1901, 1902, 1904, 1905
6	Salt	2501
7	Pharmaceutical products	Ch. 30
8	Essential Oils, Perfumes, Cosmetics, Toiletries, Soaps, Lubricants, Waxes and Matches	Ch. 33, 34 and 3605
9	Tanning, Dying Extracts and Misc. Chemicals products	Ch. 32 and 38
10	Plastics and Rubber Articles	Ch. 39, and 4011 - 4015
11	Finished Leather & Leather Apparel	4112, 4113, 4114, 4115 and Ch. 42
12	Articles of Wood	4409-20, 4601, 4602, 4703
13	Articles of Paper & Paper Board	4703, 4707, and Ch. 48 and 49
14	Textiles (Intermediates)	5208, 5209, 5210, 5212, 5310, 5407, 5513, 5514, 5903, 5910, & 6006
15	Readymade Garments, Textile's Made-ups and Carpets	Ch. 61, 62, 63 & 57
16	Footwear	Ch. 64
17	Iron and Steel	Ch. 72 and 73
18	Copper and Articles thereof	Ch. 74
19	Aluminium and articles thereof	7612 & 7615
20	Tool and Cutlery	8205-15
21	Electric Fans and Home Appliances	8414, 8415, 8418, 8422, 8450
22	Electrical equipment	Ch. 85
23	Motorcycles and Tractors- excluding components.	8711 & 8701
24	Surgical Instruments	9018
25	Furniture Items	9401, 9403
26	Sports Goods	9506, 9507

Part-II

Import of following products shall be allowed from Afghanistan:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Fruits and Nuts	Ch. 08
2	Vegetables and Pulses	Ch. 07 & 2009 (except 07139090)
3	Spices	0904 & 0909
4	Oil Seeds	Ch. 12 (except 1209.2900, 1214.9000, 1211.3000, 1211.4000, 1211.9000)
5	Minerals and Metals	25030000, 25261010, 25151100, 25151200, 25292100, 25309090, 25221000, 25169000, 25111000, 25161100, 25171000, 25291000, 26100000, 26080000, 26070000, 26190000, 26180000, 26011100, 74040010, 74040090, 76011000, 76020090
6	Coal and its products	2701
7	Raw Rubber Items	4001, 4002, 4003, 4004, 4005
8	Raw Hides and Skins	4101, 4102, 4103, 4104, 4105
9	Cotton	5201
10	Iron & Steel	72043000, 72044100, 72044910 72044990

Part-III

Import of following products shall be allowed from Iran:

M. Green

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Fruits, Nuts and Vegetables	Ch. 07 & 08 (except 07139090)
2	Spices	0909
3	Minerals & Metals	25030000, 25070000, 25081000, 25131000, 25151100, 25151200, 25231000, 25232100, 25232900, 74091100, 74092100, 74092900, 76042100, 76061100, 79011100
4	Coal and its Products, Petroleum Crude Oil, LNG and LPG	2701, 2702, 2703, 2704, 2705, 2706, 2707, 2709, 2711, 2713
5	Misc. Chemical Products	28030010, 28141000, 28151100, 28211010, 28271000, 28299000, 28301010, 28331100, 28362000, 28363000, 28369930, 28391910, 28421000, 29051100, 29053100, 29159000, 29161400, 29171400, 29173500, 29232000, 29336100, 29336990, 33012990, 33029090, 35079000, 38099300, 38160000, 38170000, 38210000, 38231990, 38249980, 38249999
6	Fertilizers	3102

7	Article of Plastics and Rubber (in primary form)	3901, 3902, 3903, 3904, 3905, 3905, 3906, 3907, 3912, 4001, 4002, 4003, 4004,
8	Raw Hides and Skins	4101, 4102, 4103, 4104
9	Raw Wool	5101, 5102, 5103
10	Articles of Iron & Steel	72011000, 72022900, 72041010, 72044100, 72044910, 72044990, 89080000

Part-IV

Import of following products shall be allowed from Russia:

Sr. No	Commodity Description	PCT Codes
(1)	(2)	(3)
1	Pulses	0713 (except 07139090)
2	Wheat	1001
3	Coal & its Products, Petroleum Oils (including Crude), LNG and LPG	2701, 2702, 2703, 2704, 2705, 2706, 2707, 2709, 2710, 2711, 2713, (except used Oils under 2710.1951, 2710.1953, 2710.1994, 2710.1997, 2710.1999, 2710.9100, 2710.1952 2710.1991 2710.1996 2710.1998 2710.2000 2710.9900)
4	Fertilizers	3101, 3102, 3103, 3104, 3105
5	Tanning and Dying Extracts	3202
6	Article of Plastics and Rubber (In primary form)	3901, 3902, 3903, 3904, 3905, 3905, 3906, 3907, 3912, 4001, 4002, 4003, 4004,
7	Minerals and Metals	25030000, 25081000, 25151100, 25199010, 25199090, 25249000, 76042990, 76052900, 76109000, 78011000, 79011100, 79039000
8	Articles of Wood & Paper	44039900, 44071100, 44071200, 44071900, 44072900, 440795001, 44079900, 44119390, 44123300, 44129900
9	Chemicals Products	28013000, 28030010, 28152000, 28191000, 28252000, 28275900, 28276000, 28332500, 28341010, 28353100, 28364000, 28413000, 28415090, 28444000, 28459000, 28469000, 29031200, 29031300, 29051300, 29051400, 29071100, 29071900, 29141100, 29161100, 29161200, 29173500, 29181300, 29214200, 29313999, 29336990, 29339990, 33012990, 38021000, 38040000, 38089400, 38111900, 38112100, 38119000, 38140000, 38244000, 38249999
10	Articles of Iron and Steel	7201, 7202, 7023, 7204, 72081010, 72081090, 72082610, 72082790, 72083610, 72083690, 72083710, 72083790, 72083810, 72083890, 72083910, 72083990, 72085110, 72089010, 72089090, 72091510, 72091610, 72091690, 72091710, 72091790, 72099010, 72101210, 72104910, 72124090, 72251100, 72286000, 73042900, 73045900, 73049000, 73143900, 89080000
11	Items of Textile Industrial Machinery	84431910, 84431990, 84439990, 84452000, 84463000,

Note: - In case of any discrepancy between EPO/IPO in vogue and above listed commodities, the provisions of the EPO/IPO shall prevail.

M. Green
01.06.2023

Barter Trade Module

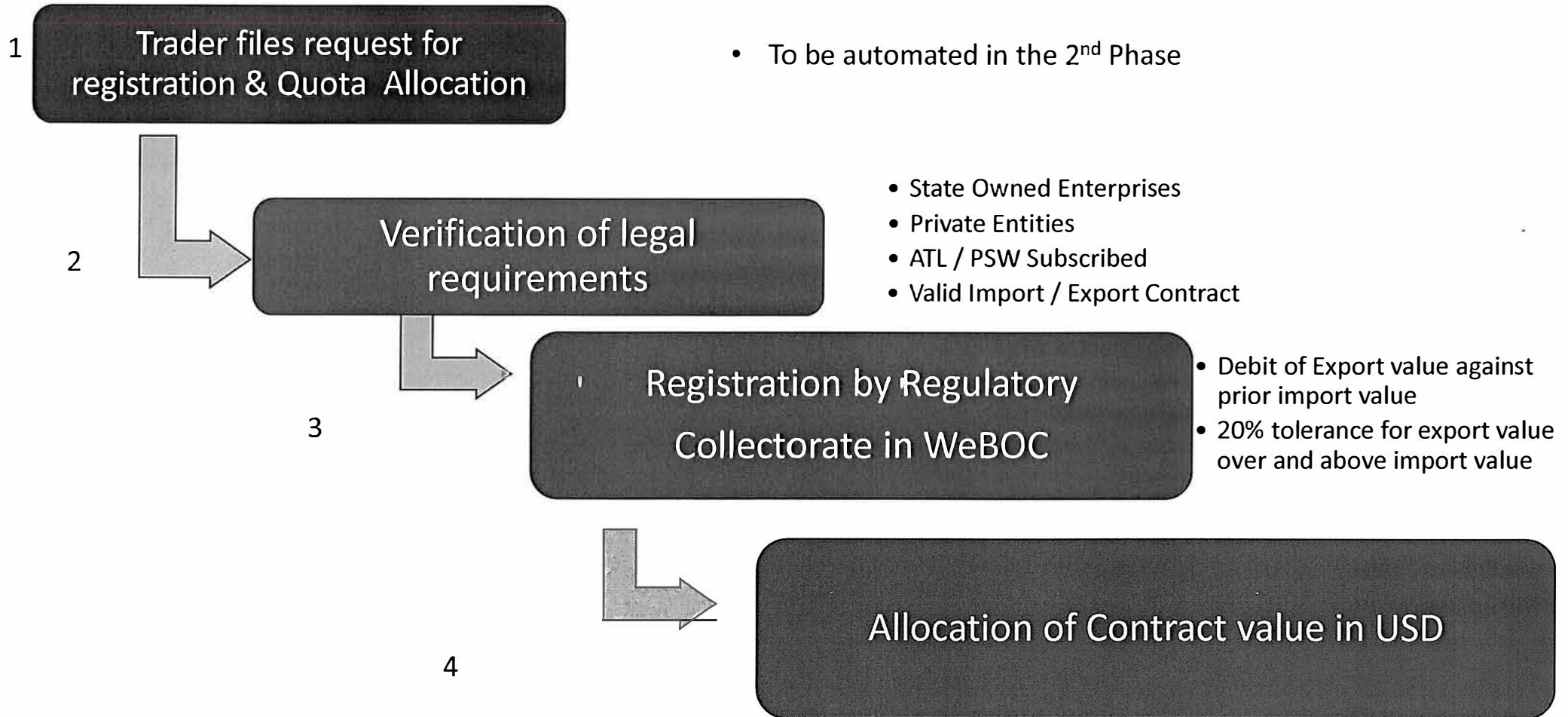
Salient Features

- Rules of Barter Trade prescribed by MOC vide SRO 642(I)/2023
- Trade can be made between Afghanistan, Iran, Russia and Pakistan
- Import followed by Export
- Quota will be issued by Regulatory Collectorate of Customs. Quota can be enhanced
- Single Declaration filing in PSW
- All schemes are applicable in Barter Trade
- All IPO and EPO requirements will remain intact and applicable on Barter Trade SDs
- No FI required for filing of Single Declaration
- In case of shortage, 20% tolerance for export value

Pre-requisites

- User must be registered in ATL List of FBR
- User must have PSW Subscription / User ID
- User must have authorization for Barter Trade

Barter Trade Module – Registration Work Flow



Barter Trade – GD Work Flow

Import GD Filing – W/o Financial Instrument Approval

- Import GD filed with DV

GD Assessed – AV determined

- Assessing Officer

System generates credit value for export on the basis of Import GDs values

- System auto-locks foreign supplier against importer's NTN

Export GD filed – W/o Financial Instrument Approval

- Export GD filed with DV

GD Assessed – AV determined

- Assessing Officer

System debits quota against credit value of Imports

-System allows 20% relaxation on export limit
-Over and above 20% relaxation – system blocks GD
-Cross-matching of foreign supplier name with Importer's NTN

Registration by Regulatory Collectorate

Src- <> Add/Amend Contract Q Search

NTN:	<input type="text"/>	<input type="button" value="Fetch"/>	Trader Name:	<input type="text"/>	<input type="button" value="Trader Profile"/>
Effective Date:	<input type="text"/>		End Date:	<input type="text"/>	
	e.g. dd/mm/yyyy			e.g. dd/mm/yyyy	
Contract Type:	<input type="text" value="--Select--"/>				
Legal Status :	<input type="text" value="--Select--"/>				
Import Commodity Description :	<input type="text"/>				
	<input type="button" value="Submit"/> <input type="button" value="Cancel"/>				
			Active Tax Payer Status:	<input type="text"/>	
			Export Commodity Description :	<input type="text"/>	

Registration Screen

Src- <> Add/Amend Contract		Search	
NTN:	<input type="text" value="0225900"/>	Trader Name:	<input type="text" value="M/S KHAWAJA SPINNING MILLS L"/>
	<input type="button" value="Fetch"/>		<input type="button" value="Trader Profile"/>
Effective Date:	<input type="text" value="11/07/2023"/>	End Date:	<input type="text" value="31/12/2023"/>
	e.g. dd/mm/yyyy		e.g. dd/mm/yyyy
Contract Type:	<input type="text" value="CGO of MOC Barter"/>	Approval No:	<input type="text" value="012345"/>
Legal Status :	<input type="text" value="Public Limited Company"/>	Active Tax Payer Status:	<input type="text" value="TRUE"/>
	--Select--		
	Public Limited Company		
	Private Limited Company		
	State Owned Enterprise (SOE)		
Import Commodity Description :	<input type="text" value="Fruits and Nuts
Vegetables and Pulses"/>	Export Commodity Description :	<input type="text" value="Rice
Salt"/>
<input type="button" value="Submit"/>		<input type="button" value="Cancel"/>	

Allocation of contract

Src- <> Add Barter Contract

Contract Approval No	<input type="text" value="012345"/>
Contract No	<input type="text"/>
Currency	<input type="text" value="--Select--"/>
Currency Amount	<input type="text"/>
Name of Trading Partner	<input type="text"/>
Company Owner Name	<input type="text"/>
Contract Description	<input type="text"/>

NTN	<input type="text" value="0225900"/>
Contract Date	<input type="text"/> e.g. dd/mm/yyyy
Exchange Rate	<input type="text"/>
Total Contract Value (USD)	<input type="text"/>
Trading Country	<input type="text" value="--Select--"/>
Address Of Trading Partner	<input type="text"/>
Remarks (If Any)	<input type="text"/>

Submit

Cancel

Allocation of contract & upload Docs

Src- <> Add Barter Contract

Contract Approval No	012345	NTN	0225900
Contract No	ABC 12345	Contract Date	01/07/2023 e.g. dd/mm/yyyy
Currency	Pakistan-Rs. ▾	Exchange Rate (Pakistan-Rs.)	1.0000
Value (Pakistan-Rs.)	10000000	Total Contract Value (USD)	35461
Balance Value	35461	Trading Country	AFGHANISTAN ▾
Name of Trading Partner	Trading Partner	Address Of Trading Partner	Owners Address
Company Owner Name	Owner Name	Remarks (If Any)	Contract seen and approved.
Contract Description	Import of Fruit		

View Attached Image(s):

No Uploaded Image(s) found

Upload Document **Submit** **Cancel**

PSW Trader Dashboard

PSW

- Home
- LPCO
- PSW Messages
- Single Declaration
- Import Permits
- Payment Advice
- Paid Bills
- UPS
- Registration
- Profile Management

Search anything

5730 KHAWAJA SPINNING MILLS LIMITED TR

Dashboard

Home /

Registration	Single Declaration	Child User Management	LPCO	Profile Management
UPS	PSW Messages	WeBOC Messages	EIF/EFE Management	Recoveries
Appeals	Feedback and Complaints	Complain Management System	Authorize Customs Agent	Goods Declaration
Financial Instrument	Assessment/ Audit	Document(s) Requested	Adjudication	Duty Drawback
Licenses & Quotas	User Support System	Financial Securities	Carrier Declaration	Refund Management
MIS	Payment Management			

SD Filing Screen

Single Declaration

Home / Single Declaration / Create Single Declaration /

Step 1 of 6

Please complete all the steps to file a single declaration. All fields are mandatory except the ones marked as *Optional*.

[Back](#) [Save](#) [Save & Proceed](#)

Consignment Information

Financial Information

Commodity Information

Documents

Review And Validate

Payment Procedure

Consignment Information		
NTN / FTN / EPZ 0225900	BL Number BL-333775551	BL Date 10-07-2023
VIR Number KPPH-0229-26052023	Get IGM Info	Barter Quota Approval Number
Port of Shipment Upper Heyford	Collectorate Port Qasim (imports), karachi	Shed / Location Qasim International Container Terminal
Consignee Name M/S KHAWAJA SPINNING MILLS LTD.	Consignee Address 10-L GULBERG III MAIN FEROZEPUR ROAD ,LAHORE	Consignee Name (As per Manifest) SUNDAL TRADING
Consignor Name SK STEEL	Consignor Address 09-03 COLEMAN STREET, PENINSULA SHOPPING COMPLEX	Consignment Mode Containerized
Gross Weight (MT) 6.89	Net Weight (MT) 6.89	
Dangerous Goods Hazard Class (Optional)	Flash point (Optional)	

Allocation Attachment Screen

Single Declaration
 Home / Single Declaration / Create Single Declaration /

Step 1 of 6
 Please complete all the steps to file a single declaration. All fields are mandatory except the ones marked as *Optional*.

Consignment Information Back Save Save & Proceed

Financial Information BL TIR

Commodity Document Review Approval Payment

Barter Quota Selection		NTN / ETN / EPZ		BL Number		BL Date	
S.No.	Approval Number	Consignor Name	Consignee Name	Country	Authorization Va...	Available Balanc...	
1	BARTER1	Trading Partner		Iran (Islamic Republic Of)	1000	1000	
2	123	Trading Partner		Afghanistan	1000	285	
3	012345	Trading Partner		Afghanistan	35461	35461	
4	51214	Yasir Abbas		Australia	50000	50000	

Search

Close

5 items per page 1 - 5 of 5 items

Consignor Name: SK STEEL
 Consignor Address: 09-08 COLEMAN STREET, PENINSULA SHOPPING COMPLEX
 Consignment Mode: Containerized

Gross Weight (MT): 6.89
 Net Weight (MT): 6.89

Dangerous Goods Hazard Class (Optional)
 Flash point (Optional)

. Thank You .