



No. Dir (A&F)/SPPRA/1-3/08-09/ 237 .
GOVERNMENT OF SINDH
SINDH PUBLIC PROCUREMENT
REGULATORY AUTHORITY
SERVICES, GENERAL ADMINISTRATION &
COORDINATION DEPARTMENT.
Karachi, dated the 31st July 2009

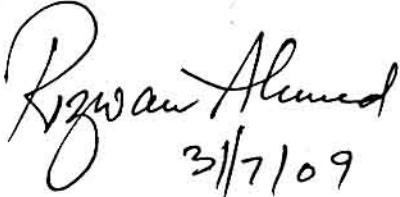
1. Additional Chief Secretary (Development), P&D Department.
2. Senior Member, Board of Revenue, Sindh, Hyderabad (Including Members, Board of Revenue).
3. Principal Secretary to Governor, Sindh, Karachi.
4. Secretary to the Chief Minister Sindh, Karachi.
5. Administrative Secretaries to Government of Sindh (All).
6. Accountant General Sindh, Karachi.
7. Secretary to Provincial Ombudsman, Sindh, Karachi.
8. Chief Minister's Inspection Team, Karachi.
9. Chairman, Enquiries & Anti-Corruption Establishment, SGA&CD, Karachi.
10. Secretary, Sindh Public Service Commission, Hyderabad.
11. Provincial Police Officer, Sindh.
12. District Coordination Officers, Sindh (All).
13. Head of Autonomous/Semi-Autonomous Bodies, Sindh (All).
14. Project Directors, Sindh (All).
15. Town/Taluka Municipal Officers, Sindh (All).

Subject: **PURCHASE OF IMPORTED GOODS WHERE EXEMPTIONS FROM IMPORT DUTIES AND TAXES ARE AVAILABLE**

It has been observed that procuring agencies of the Provincial Government Departments, District Governments and other autonomous/semi-autonomous bodies while inviting tenders (NITs) for procurement of imported goods, are using the terms Cost Insurance and Freight (CIF), Cost and Freight (C&F) and Freight on Board(FOB), along with the term **free delivery** even in cases where the Finance Bill of the Federal Government or the relevant SROs issued by Federal Board of Revenue from time to time provide for exemptions from levy of import duties and taxes on purchase of such goods by the Government agencies. A case in point is the exemption from import duties and taxes available on purchase of essential health equipments (e.g. CT Scan Machines, HIV & AIDS testing kits, HB/HVC testing kits etc.).

Rajwan Ahmad

2. It is accordingly advised that in cases where above referred exemptions are available only to the Government agencies, the procuring agency shall invite tenders for purchase of imported goods on CIF basis only and ask the successful bidder to open the L/C in procuring agency's name and in no case the term free delivery be used in the NIT as it would be against the concept of value for money and would also be against the interest of the Government.
3. However, in cases where exemptions are available in respect of a particular good to both the Government as well as Private agencies/suppliers, the procuring agencies shall ensure that the bids submitted by the participants are exclusive of all import duties and taxes.
4. The officers of procuring agencies shall also keep themselves abreast of the changes in tariff structure and exemptions from time to time. In this regard the site www.fbr.gov.pk/newcu/TARIFF may also be referred to before undertaking procurement of imported goods.
5. In view of the above, it is requested that kindly issue directions to the lower echelons to adhere to the above advice in letter and spirit in order to safeguard the interest of the Government.


31/7/09
(RIZWAN AHMED)

MANAGING DIRECTOR

Copy for information to:

1. Deputy Secretary (Staff) to the Chief Secretary, Government of Sindh.