

# EDF Financial Rules 2006

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PART II

**S. R. O. 1081(I)/2006.**—In exercise of the power conferred by section 17 of the Export Development Fund Act, 1999 (VI of 1999), the Federal Government, with the approval of the Auditor General of Pakistan (Controller-General Accounts) and the Ministry of Finance, is pleased to make the following rules, namely:—

## CHAPTER-I

### PRELIMINARY

1. **Short title and commencement.**— (1) These rules may be called the **Export Development Fund (Financial Procedures for maintenance of Accounts) Rules, 2006**:

(2) They shall come into force at once.

2. **Definitions.**—(1) In these rules, unless there is anything repugnant in the subject or context,—

(a) “Act” means the Export Development Fund Act, 1999 (VI of 1999);

(b) “section” means a section of the Act;

(c) “Board” means the Board of Administrators of Export Development Fund constituted under section 5;

(d) “Chairman” means the Chairman of the Board;

(e) “Executive Committee” means the Committee constituted under Section 10;

(f) “Fund” means the Export Development Fund established under section 3;

(g) “Member” means member, permanent or co-opted, of the Board;

(h) “Prescribed” means prescribed by the rules made under the EDF Act, 1999 (VI of 1999);

(i) “Secretary” means Secretary of the Board, and

(j) “Vice Chairman” means the Vice Chairman of the Board.

(2) Words and expressions used, but not defined in these rules, shall have the meanings respectively assigned to them in the Act.

## CHAPTER-II

ADMINISTRATION OF EXPORT DEVELOPMENT  
FUND/OBJECTIVES

3. The Fund shall be administered by the Board and the money shall be utilized for the following purposes and objectives, namely:—

- (i) establishment of training institutes for export oriented trading and industrial sector;
- (ii) subsidizing of delegations and sale missions going abroad to the extent not exceeding 50% in case of delegations and sales missions and 25% in case of participation in exhibitions abroad including single country exhibitions subject to the condition that no financial assistance is provided out of Export Market Development Fund (EMDF);
- (iii) establishment of Offices abroad of the Federation of Pakistan Chambers of Commerce and Industry and Exporters Association;
- (iv) subsidizing participation in exhibitions abroad including single country fairs;
- (v) publicity;
- (vi) research and development activities of Exporters Association, Federation of Pakistan Chambers of Commerce and Industry;
- (vii) market and product development by trade associations, Federation of Pakistan Chambers of Commerce and Industry, Chambers of Commerce and Industry and individual exporters;
- (viii) engagement of consultants;
- (ix) strengthening of Pakistan Trade Offices abroad;
- (x) establishment and maintenance of display centres in and outside Pakistan;
- (xi) support to export services; and
- (xii) any other activity which is relevant for promotion of exports and approved by the Board.

## CHAPTER-III

## ESTABLISHMENT AND SOURCE OF THE FUND

4. Sources of the Fund.—(1) The Fund shall consist of,—

- (i) donations and endowments;
- (ii) grants made by the Federal Government; and
- (iii) any income accruing to the Fund from its investment and property.

(2) Fund account to be maintained at Federal Treasury Office.—Fund shall be operated through lapsable Personal Ledger Account maintained Federal Treasury Office.

(3) The receipts will initially be credited to Fund Account under head 0000-Deposits and Reserves-3300000-Reserve Funds-3312026-Export Development Fund and transferred to Personal Ledger Account on advice of Accountant General Pakistan Revenues on sanction by the Ministry of Commerce.

(4) The Fund shall be non-lapsable and the unutilized amount by 30th of each year shall not be surrendered and shall be transferred by the Federal Treasury Office to the Fund's Account maintained by the Accountant General Pakistan Revenues, Islamabad.

## CHAPTER-IV

## APPLICABILITY

5. Fund to be utilized for all areas of Pakistan.—The Export Development Fund shall be utilized for all the areas of Pakistan and disbursement be made according to the merits and feasibility of,—

- (i) export development projects and export promotion needs and requirements of trade promotion offices inside and outside Pakistan and trade bodies; and
- (ii) any other purpose approved by the Board of Administrators having regard to the objectives of the Export Development Fund specified in section 4 of the Act.

## CHAPTER-V

## COLLECTION OF CESS AND OTHER RECEIPTS

6. **Collection of Cess.**—(1) Effective from 1st July, 1991, Export Development Surcharge is being collected at the rate of 0.25% of the *f.o.b.* value of exports by the Pakistan Customs under the detailed head "0213300-Export Development Surcharge".
- (2) *Head of account.*—For the Export Development Surcharge and the complete head of account in receipts side will be, major head "0200000-Indirect Taxes on Commodities and Transactions", minor head "0210000-Customs." Detailed head "0213000-Customs Surcharge", sub-detailed head "0213300-Export Development Surcharge".
- (3) *Deposit of receipts.*—Collection of other receipts in the Fund will be deposited at Treasury Office, State Bank of Pakistan or any Branch of National Bank of Pakistan on challan form under the head of account No. 3312026-Export Development Fund.
- (4) *Issuance of credit advice.*—The Collectorate of Customs, Custom House, Karachi will issue a credit advice to AGPR, Islamabad and the Ministries of Commerce and Finance. The credit advice issued by the Collectorate of Customs, Custom House, Karachi will provide the following information:
- Date of credit advice,  
Source of receipt.
- (5) *Provision of budget.*—The credit advice received will form the basis on which Fund Secretariat will request the Ministry of Finance to provide budget equivalent to the amount received in terms of Para-(2) and (6) against Demand No. 14 of the Ministry of Commerce.
- (6) *Allocation for release.*—The Ministry of Finance will make necessary allocation for release of funds under Demand No. 14 of Ministry of Commerce to the Fund maintained with AGPR, Islamabad.
- (7) *Reconciliation of receipts.*—The reconciliation of receipts in the Fund and expenditure therefrom will be with the Accountant General of Pakistan Revenue, Islamabad.

## CHAPTER-VI

## DISBURSEMENT FROM THE FUND

7. **Maintenance and operation of accounts.**—(1) The accounts of fund shall be maintained with the Accountant General of Pakistan Revenues in 3000000-Deposit and Reserves (B-Not bearing interest-3300000-Reserve Funds) under the head “3312026 Export Development Fund.”

(2) The accounts will be operated by opening Personal Ledger Account of Ministry of Commerce in the Federal Treasury, Islamabad, the Accountant General of Pakistan Revenues will be intimated by the Ministry about Personal Ledger Account number.

8. **Powers to sanction expenditure.**—The Board shall have full powers to incur expenditure from the Fund and the Executive Committee may with the approval of the Board, incur expenditure upto ten million rupees.

9. **Procedure for disbursement of expenditure.**—(1) Procedure relating to disbursement shall commence after the approval of expenditure and once the approval is accorded the same will be recorded in the minutes of the meeting of the Board or, as the case may be, in the minutes of the meeting of the Executive Committee.

(2) The amount transferred to Personal Ledger Account in the Federal Treasury, Islamabad, shall be released to Export Promotion Bureau in accordance with the approval accorded by the Board or the Executive Committee through a crossed cheque to be sent with a covering letter of concerned Joint Secretary, Ministry of Commerce (*ex-officio* Secretary of the Board) and supporting documents shall include approval of the Board or the Executive Committee as the case may be.

(3) The duly signed cheques issued in favour of Export Promotion Bureau, Government of Pakistan, shall be deposited by the Export Promotion Bureau in the Personal Ledger Account maintained with the Federal Treasury, Karachi.

(4) The payment vouchers shall be prepared by the Accounts Officer, Export Promotion Bureau, Karachi, together with the cheque attached thereto and the Accounts Officer, after the preparation of the voucher, shall pass on the same to another official, to be designated by the *Vice-Chairman*, Export Promotion Bureau for the purpose of reviewing the voucher along with the necessary support, who will place his initial on the voucher and send the same to the two officers authorized by the *Vice-Chairman*, Export Promotion Bureau, for signature on voucher and cheque and after the signature the payment voucher and cheque shall be then

routed back to the Accounts Officer who shall process the cheque for despatchment and the support document attached to the voucher shall be stamped 'paid' after the payment.

(5) The Export Promotion Bureau shall issue cheque in favour of the beneficiaries for the specific amount as determined by Ministry of Commerce.

(6) The Export Promotion Bureau shall be responsible for the internal audit of the amount received from the Ministry of Commerce and shall also be responsible for the monitoring of expenditure incurred from the Fund.

(7) The accounts of the Fund will be maintained on such forms as prescribed for government receipts and disbursements *i.e.* Cash Book on TR-4 etc. and a Contingent Register on TR-29.

## CHAPTER-VII

### IMPREST ACCOUNT SYSTEM

10. **Imprest account and procedure for incurring expenditure therefrom.**—(1) In order to meet its day to day requirements for small expenses, the Fund shall have petty cash which will be operated by using imprest system and at regular intervals the Fund shall be reimbursed to the extent of cash shortfall existing and shortfall must be evidenced by duly authorized expenditure documents, offset by legitimate cash receipts.

(2) Petty cash record shall contain the following details of payments, namely;—

- (a) date of payment;
- (b) analysis of expense;
- (c) name of payee;
- (d) payment reference;
- (e) amount of payment; and
- (f) approval for reimbursement.

(3) Petty cash and cash float shall record fully all receipts and contain details of the source of all transfers.

(4) The fund will ensure that,—

- (a) petty cash expenses are allocated correctly and are subject to review procedures in the same way as other cheque payments; and

(b) reimbursement of petty cash accounts is supported by properly authorized proof payment.

(5) In order to ensure proper recording of petty cash voucher shall be prepared to which the necessary support document shall be attached as well and as each amount shall be disbursed, a petty cash voucher will be signed by the person receiving the payment, each voucher shall then be recorded in the petty cash-book.

(6) All payments made out of petty cash will be recorded in the petty cash-book and analyzed there and then, by means of a general entry, the various accounts will be debited.

(7) The necessary procedures for operating the imprest system shall include approval of the predetermined amount by the Board, according to receipt of cash by the petty cashier, preparation of necessary vouchers for expenses and recording of the same in the petty cash-book.

#### CHAPTER-VIII

#### DUE DATES FOR CLOSING OF MONTHLY AND ANNUAL ACCOUNTS OF THE FUND

11. **Closing of monthly and annual accounts.**—(1) In order to close the accounts of the Fund on a monthly basis, the Fund shall ensure that its accounts shall be closed on the last day of each month.

(2) The closing of the annual accounts of the Fund shall be the 30th June of each year.

#### CHAPTER-IX

#### AUDIT

12. **Audit of the annual accounts.**—(1) The annual accounts of the Fund shall be audited every year by the Auditor General of Pakistan.

(2) A copy of the Audit Report shall be sent to the Secretariat of the Board for comments and remedial action.



## CHAPTER-X

## INTERNAL CHECK AND AUDIT

13. **Internal audit and report etc.**—Internal check and audit of accounts of Export Development Fund would be carried out each year and the report would be placed before the Board of Administrators of Export Development Fund for examination and approval.

## CHAPTER-XI

## ANNUAL STATEMENT OF ACCOUNTS

14. **Annual statement of account.**—In the month of January each year, the Board shall submit to the Federal Government for approval, a statement of estimated receipts in, and expenditures from, the Fund in respect of the next financial year.

## CHAPTER-XII

## ANNUAL REPORT OF THE FUND

15. **Annual report of the fund.**—(1) As soon as possible, an annual report of the conduct of its affairs shall be submitted by the Board to the Federal Government after the end of the every financial year but before the last day of December next following during the year.

(2) A copy of the report referred to in (1) above together with a copy of the audit report referred to in Chapter IX shall be placed by the Federal Government before the National Assembly.

These Rules and Procedures have been vetted by the Department of the Auditor General of Pakistan (Controller-General Accounts) Islamabad *vide* their letter No. 114AC-II/4-213/99, dated 17-08-2001 and concurred by the Finance Division *vide* their O.M. No. F. 3(3)-PF.V/2000-130, dated 28-01-2002 as vetted by the Auditor General's office.

[F. No. 1(5)/99-EDF.]

JAMSHID KHAN,  
Joint Secretary/  
Secretary of the Board of Administrators  
of Export Development Fund