

**THE  
SALES TAX ACT, 1990**

**{with AJK Amendments}**

**updated**

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**BY**

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# **THE SALES TAX ACT, 1990**

**(Act III of 1951)**

**(as amended by Act VII of 1990)**

\*\*\*\*\*

**also**

**adapted and enforced**

**in**

**Azad Jammu and Kashmir**

**by**

**Act IV of 1993**

**of**

**AJK Legislative Assembly**

**By**

virtue of AJK Sales Tax (Adaptation) Act, 1993 (Act IV of 1993) and subsequent Acts of Legislative Assembly, the Sales Tax Act, 1990 of Pakistan and all Rules, Notifications, Circulars and Orders made or issued thereunder and all amendments made from time to time are, *as far as practicable*, adapted and enforced in Azad Jammu and Kashmir subject to the modifications that:

<i>Expression</i>	<i>shall be construed as</i>
<i>Pakistan</i>	<i>Azad Jammu and Kashmir</i>
<i>Federal Government</i>	<i>Azad Government of State of Jammu and Kashmir</i>
<i>Central/Federal Board of Revenue</i>	<i>Azad Jammu and Kashmir Central Board of Revenue</i>
<i>Amendments made in Pakistan by Federal Finance Act, 2019 (V of 2019) in Sections 2(33), 2(43), 3(3A), 7(3), 8(6), 37(13) and 67A(12) of Act were <b>not adapted</b> in AJK</i>	
<i>Certain other modifications made through different Acts of Assembly are also explained in detail in this compilation.</i>	

*The*  
**Sales Tax Act, 1990**

*(Act No. III of 1951 as Amended by Act VII of 1990)*

*(also enforced in AJK through Act IV of 1993)*

**An**

**Act**

to consolidate and amend the law relating to the levy of a tax on the sale <sup>1</sup>[, importation, exportation, production, manufacture or consumption] of goods

**WHEREAS** it is expedient to consolidate and amend the law relating to the levy of a tax on the sale <sup>1</sup>[, importation, exportation, production, manufacture or consumption] of goods;

It is hereby enacted as follows:-

**<sup>2</sup>[Chapter-I**

**PRELIMINARY**

**1. Short title, extent and commencement.**--(1) This Act may be called the Sales Tax <sup>3</sup>[\*\*\*\*\*] Act, 1990.

(2) It extends to the whole of Pakistan.

<sup>4</sup>[(3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.]

## HISTORY

1. Substituted for the words “*or consumption*” through Finance Act, 1960.
2. Chapter I to X substituted for Chapter I to XVI by Finance Act, 1990.
3. Omission of “(Amendment)” by Finance Act, 1991.
4. The Act was enforced in Pakistan through S.R.O.1100(I)/90 dated 28.10.1990 *w.e.f.* 01.11.1990. This law was adapted and enforced, first time, in AJK through the Sales Tax (Adaptation) Ordinance, 1992 and subsequently through Sales Tax (Adaptation) Act, 1993 (Act IV of 1993). Subsequent amendments in Sales Tax Law made in Pakistan are adapted by AJK Legislative Assembly, annually, through Finance Acts issued from time to time.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 1(3)	S.R.O.1100(I)/90 dated 28.10.1990. (Enforcement of Sales Tax Act, 1990)
Section 1(3)	AJK Notification NO.FD/2533-2633/92 dated 07.03.1992 (Enforcement of Sales Tax Act, 1990)

<sup>1</sup> [2. **Definitions.**--In this Act, unless there is anything repugnant in the subject or context,--

<sup>2</sup>[(1) “**active taxpayer**” means a registered person who does not fall in any of the following categories, namely:--

- (a) who is blacklisted or whose registration is suspended <sup>3</sup>[\*\*\*\*] in terms of section 21;
- (b) fails to file the return under section 26 by the due date for two consecutive tax periods;
- (c) who fails to file an Income Tax return under section 114 or statement under section 115, of the Income Tax Ordinance, 2001(XLIX of 2001), by the due date; and

- (d) who fails to file <sup>4</sup>[quarterly] or an annual withholding tax statement under section 165 of the Income Tax Ordinance, 2001;

(1A) “**Appellate Tribunal**” means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance, 2001 (XLIX of 2001);]

(2) “**appropriate officer**” means an <sup>5</sup>[officer of Inland Revenue] authorised by the Board by notification in the official Gazette to perform certain functions under this Act;

<sup>6</sup>[(2A) “**arrears**”, in relation to a person, means, on any day, the sales tax due and payable by the person under this Act before that day but which has not yet been paid;]

<sup>7</sup>[(3) “**associates (associated persons)**” means,--

- (i) subject to sub-clause (ii), where two persons associate and the relationship between the two is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;
- (ii) two persons shall not be associates solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;
- (iii) without limiting the generality of sub-clause (i) and subject to sub-clause (iv), the following shall be treated as associates, namely:--
  - (a) an individual and a relative of the individual;
  - (b) members of an association of persons;

- (c) a member of an association of persons and the association, where the member, either alone or together with an associate or associates under another application of this section, controls fifty per cent or more of the rights to income or capital of the association;
- (d) a trust and any person who benefits or may benefit under the trust;
- (e) shareholder in a company and the company, where the shareholder, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons--
  - (i) fifty per cent or more of the voting power in the company;
  - (ii) fifty per cent or more of the rights to dividends; or
  - (iii) fifty per cent or more of the rights to capital; and
- (f) two companies, where a person, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons --
  - (i) fifty per cent or more of the voting power in both companies;
  - (ii) fifty per cent or more of the rights to dividends in both companies; or

- (iii) fifty per cent or more of the rights to capital in both companies.
- (iv) two persons shall not be associates under sub-clause (a) or (b) of paragraph (iii) where the <sup>8</sup>[Commissioner] is satisfied that neither person may reasonably be expected to act in accordance with the intentions of the other.
- (v) In this clause, “relative” in relation to an individual, means–
  - (a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the individual, or of a spouse of the individual; or
  - (b) a spouse of the individual or of any person specified in sub-clause (a).]

<sup>9</sup>[(3A) “**association of persons**” includes a firm, a Hindu undivided family, any artificial juridical person and any body of persons formed under a foreign law, but does not include a company;]

<sup>10</sup>[(3AA) “**banking company**” means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes any body corporate which transacts the business of banking in Pakistan;]

<sup>11</sup>[(4) “**Board**” means the Federal Board of Revenue established under section 3 of the Federal Board of Revenue Act, 2007;]

<sup>12</sup>[(4A) “**Chief Commissioner**” means a person appointed as the Chief Commissioner Inland Revenue under section 30;]

<sup>13</sup> [(5) “**Commissioner**” means the Commissioner Inland Revenue appointed under section 30;]



<sup>14</sup>[(5A) “**common taxpayer identification number**” means the registration number or any other number allocated to a registered person;]

<sup>15</sup>[(5AA) “**company**” means--

- (a) a company as defined in the Companies Ordinance, 1984 (XL VII of 1984);
- (b) a body corporate formed by or under any law in force in Pakistan;
- (c) amodaraba;
- (d) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;
- (e) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law for the time being in force; or
- (f) a foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of the Income Tax Ordinance 2001 (XLIX of 2001);

<sup>16</sup>[(5AAA) “**computerized system**” means any comprehensive information technology system to be used by the Board or any other office as may be notified by the Board, for carrying out the purposes of this Act;]

<sup>17</sup>[(5AB) “**cottage industry**” means a manufacturing concern, which fulfils each of following conditions, namely:-

- (a) does not have an industrial gas or electricity connection;
- (b) is located in a residential area;

- (c) does not have a total labour force of more than ten workers; and
- (d) annual turnover from all supplies does not exceed three million Rupees;]

<sup>18</sup> [(5AC) “**CREST**” means the computerized program for analyzing and cross-matching of sales tax returns, also referred to as Computerized Risk-based Evaluation of Sales Tax;]

(6) “**Customs Act**” means the Customs Act, 1969 (IV of 1969), and where appropriate all rules and notifications made under that Act;

<sup>19</sup>[(6A) “**defaulter**” means a person and, in the case of company or firm, every director, or partner of the company, or as the case may be, of the firm, of which he is a director or a partner or a proprietor and includes guarantors or successors, who fail to pay the arrears;]

<sup>20</sup>[(6B) “**default surcharge**” means the default surcharge levied under section 34;]

(7) “**distributor**” means a person appointed by a manufacturer, importer or any other person for a specified area to purchase goods from him for further supply and includes a person who in addition to being a distributor is also engaged in supply of goods as a wholesaler or a retailer;

(8) “**document**” includes any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium for the storage of such data;

(9) “**due date**” in relation to the furnishing of a return <sup>21</sup>[under section 26], <sup>22</sup>[ <sup>23</sup>[\*\*\*\*\*]<sup>24</sup>[\*\*\*\*\*]] means the <sup>25</sup>[15th] day of the month following the end of the tax period, or such other date as the <sup>26</sup>[Board] may, by notification in the official Gazette, specify

<sup>27</sup>[and different dates may be specified for furnishing of different parts or annexures of the return];

<sup>28</sup> [(9A) “**e-intermediary**” means a person appointed as e-intermediary under section 52A for filing of electronic returns and such other documents as may be prescribed by the Board from time to time, on behalf of a person registered under section 14;]

<sup>29</sup>[(9AA) \*\*\*\*\*]

(10) “**establishment**” means an undertaking, firm or company, whether incorporated or not, an association of persons or an individual;

(11) “**exempt supply**” means a supply which is exempt from tax under section 13;

<sup>30</sup>[(11A)“**FBR Refund Settlement Company** <sup>31</sup>[\*\*\*\*\*] **Limited**” means the company with this name as incorporated under the <sup>32</sup> [Companies Act, 2017 (XIX of 2017)], for the purpose of settlement of sales tax and income tax refund claims including payment by way of issuing refund bonds under section 67A;]

<sup>33</sup><sup>34</sup>[(11B)] “**firm**” means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;]

(12) “**goods**” include every kind of movable property other than actionable claims, money, stocks, shares and securities;

<sup>35</sup>[(12A) “**greenfield industry**”, in relation to the entry at serial number 150 of the Table-1 of the Sixth Schedule, means-

(a) a new industrial undertaking which is -

(i) setup on land which has not previously been utilized for any commercial, industrial or manufacturing

activity and is free from constraints imposed by any prior work;

- (ii) built without demolishing, revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant;
  - (iii) not formed by the splitting up or reconstitution of any undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;
  - (iv) using any process or technology that has not earlier been used in Pakistan and is so approved by the Engineering Development Board; and
- (b) is approved by the Commissioner on an application made in the prescribed form and manner, accompanied by the prescribed documents and, such other documents as may be required by the Commissioner;

Provided that this definition shall be applicable from the 1<sup>st</sup> July, 2019 and onwards.]

(13) “**importer**” means any person who <sup>36</sup>[\*\*\*\*\*] imports any goods into Pakistan;

**Section 2(14) as enforced in Pakistan:-**

<sup>37</sup>[(14) “**input tax**”, in relation to a registered person, means --

- (a) tax levied under this Act on supply of goods to the person;
- (b) tax levied under this Act on the import of goods by the person;

- (c) in relation to goods or services acquired by the person, tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services; <sup>38</sup>[\*\*\*\*\*]
- <sup>39</sup> [(d) Provincial Sales Tax levied on services rendered or provided to the person; and]
- (e) levied under the Sales Tax Act, 1990 as adapted in the State of Azad Jammu and Kashmir, on the supply of goods received by the person;]

**Section 2(14) as enforced in Azad Jammu & Kashmir:-**

<sup>40</sup>[(14) “input tax”, in relation to a registered person, means –

- (a) tax levied under this Act on supply of goods to the person;
- (b) tax levied under this Act on the import of goods by the person;
- (c) in relation to goods or services acquired by the person, tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services; <sup>41</sup>[\*\*\*\*\*]
- <sup>42</sup> [(d) Provincial Sales Tax levied on services rendered or provided to the person; and]
- <sup>43</sup>[(e) levied under the Sales Tax Act, 1990 as enforced in Pakistan, on the supply of goods received by the person for the purposes of adjustment against the tax liability on the finished goods.]]

<sup>44</sup> [(14A) the expression “**KIBOR**” means Karachi Inter-Bank Offered Rate prevalent on the first day of each quarter of the financial year;]

<sup>45</sup> [(15) “**local Inland Revenue office**” means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify;]

(16) “**manufacture**” or “**produce**” includes--

- (a) any process in which an article singly or in combination with other articles, materials, components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product;
- (b) process of printing, publishing, lithography and engraving; and
- (c) process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner;

(17) “**manufacturer**” or “**producer**” means a person who engages, whether exclusively or not, in the production or manufacture of goods whether or not the raw material of which the goods are produced or manufactured are owned by him; and shall include --

- (a) a person who by any process or operation assembles, mixes, cuts, dilutes, bottles, packages, repackages or prepares goods by any other manner;
- (b) an assignee or trustee in bankruptcy, liquidator, executor, or curator or any manufacturer or producer

and any person who disposes of his assets in any fiduciary capacity; and

- (c) any person, firm or company which owns, holds, claims or uses any patents, proprietary, or other right to goods being manufactured, whether in his or its name, or on his or its behalf, as the case may be, whether or not such person, firm or company sells, distributes, consigns or otherwise disposes of the goods <sup>46</sup>[:]

<sup>47</sup>[Provided that for the purpose of refund under this Act, only such person shall be treated as manufacturer-cum-exporter who owns or has his own manufacturing facility to manufacture or produce the goods exported or to be exported;]

<sup>48</sup>[(18) “**officer of Inland Revenue**” means an officer appointed under section 30;]

(19) “**open market price**” means the consideration in money which that supply or a similar supply would generally fetch in an open market;

### Section 2(20) as enforced in Pakistan:-

<sup>49</sup>[(20) “**output tax**”, in relation to a registered person, means--

- (a) tax levied under this Act on a supply of goods, made by the person;
- (b) tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services, by the person;
- (c) <sup>50</sup>[sales tax levied on the services rendered or provided by the person under Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);]

**Section 2(20) as enforced in Azad Jammu & Kashmir:-**

(20) “**output tax**”, in relation to a registered person, means--

- (a) tax levied under this Act on a supply of goods, made by the person;
- (b) tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services, by the person;
- (c) <sup>50</sup>[sales tax levied on the services rendered or provided by the person under Azad Jammu and Kashmir Sales Tax (Tax on Services) Act, 2001 (Act XXIV of 2001); ]]

<sup>51</sup>[(21) “**person**” means,--

- (a) an individual;
- (b) a company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere;
- (c) the Federal Government;
- (d) a Provincial Government;
- (e) a local authority in Pakistan; or
- (f) a foreign government, a political subdivision of a foreign government, or public international organization;]

(22) “**prescribed**” means prescribed by rules made under this Act;

**Section 2(22A) as enforced in Pakistan:-**



<sup>52</sup> [(22A) “**Provincial sales tax**” means tax levied under provincial laws or laws relating to Islamabad Capital Territory, which are declared by the Federal Government, through notification in the official Gazette, to be provincial sales tax for the purpose of input tax;]

**Section 2(22A) as enforced in Azad Jammu & Kashmir:-**

<sup>53</sup>[(22A) “**Provincial Sales Tax**” for the purposes of input tax, means tax levied under:-

- (a) The Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);
- (b) The Khyber Pakhtunkhwa Finance Act, 2013 (Act No XXI of 2013);
- (c) The Balochistan Sales Tax on Services Act, 2015 (Act No.VI of 2015);
- (d) The Sindh Sales Tax on Services Act, 2011 (Sindh Act No. XII of 2011);
- (e) The Punjab Sales Tax on Services Act, 2012 (Punjab Act No. XLII of 2012); and
- (f) The Azad Jammu and Kashmir Sales Tax (Tax on Services) Act, 2001 (AJK Act XXIV of 2001).]

(23) “**registered office**” means the office or other place of business specified by the registered person in the application made by him for registration under this Act or through any subsequent application to the <sup>54</sup>[Commissioner];

(24) “**registration number**” means the number allocated to the registered person for the purpose of this Act;

<sup>55</sup>[(25) “**registered person**” means a person who is registered or is liable to be registered under this Act:

Provided that a person liable to be registered but not registered under this Act <sup>56</sup>[\*\*\*\*\*] shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;]

<sup>57</sup>[(26) \*\*\*\*\*]

(27) “**retail price**”, with reference to the Third Schedule, means the price fixed by the manufacturer<sup>58</sup>[or importer, in case of imported goods]<sup>59</sup>[\*\*\*\*\*], inclusive of all <sup>60</sup>[duties,] charges and taxes (other than sales tax <sup>61</sup>[\*\*\*\*\*]) at which any particular brand or variety of any article should be sold to the general body of consumers or, if more than one such price is so fixed for the same brand or variety, the highest of such price <sup>62</sup>[:].

<sup>63</sup>[Provided that the Board may through a general order specify zones or areas for the purpose of determination of highest retail price for any brand or variety of goods.]

(28) “**retailer**” means a person <sup>64</sup>[,\*\*\*\*\*,] supplying goods to general public for the purpose of consumption <sup>65</sup>[:].

<sup>66</sup>[Provided that any person, who combines the business of import and retail or manufacture or production with retail, shall notify and advertise wholesale prices and retail prices separately, and declare the address of retail outlets <sup>67</sup>[\*\*\*\*\*].]

<sup>68</sup>[(28A) \*\*\*\*\*]

(29) “**return**” means any return required to be furnished under Chapter-V of this Act;

<sup>69</sup>[(29A “**sales tax**” means --

- (a) the tax, additional tax, or default surcharge levied under this Act;
- (b) a fine, penalty or fee imposed or charged under this Act; and
- (c) any other sum payable under the provisions of this Act or the rules made thereunder;]

<sup>70</sup>[(29AA) “**sales tax account**” means an account representing the double entry recording of sales tax transactions in the books of account;]

(30) “**Schedule**” means a Schedule appended to this Act;

(31) “**similar supply**”, in relation to the open market price of goods, means any other supply of goods which closely or substantially <sup>71</sup> [resembles] the characteristics, quantity, components and materials of the aforementioned goods;

<sup>72</sup>[(31A) “**special audit**” means an audit conducted under section 32A;]

### **Section 2(32) as enforced in Pakistan:--**

(32) “**Special Judge**” means the Special Judge appointed under section <sup>73</sup>[37C of the Act and till such appointment is made the Special Judge appointed under section] 185 of the Customs Act;

### **Section 2(32) as enforced in Azad Jammu & Kashmir:--**

(32) “**Special Judge**” means the Special Judge appointed under section <sup>74</sup>[37C of the Act and till such appointment is made the Special Judge appointed under section] <sup>75</sup>[20 of the Federal Excise Act, 2005];

<sup>76</sup>[(33) “**supply**” means a sale or other transfer of the right to dispose of goods as owner, including such sale or transfer under a hire purchase agreement, and also includes--

- (a) putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;
- (b) auction or disposal of goods to satisfy a debt owed by a person; <sup>77</sup>[\*\*\*\*]
- (c) possession of taxable goods held immediately before a person ceases to be a registered person <sup>78</sup>[; and]

<sup>79</sup>[(d) in case of manufacture of goods belonging to another person, the transfer or delivery of such goods to the owner or to a person nominated by him:]

Provided that the <sup>80</sup>[Board, with the approval of the Federal Minister-in-charge] may, by notification in the official Gazette, specify such other transactions which shall or shall not constitute supply;]

<sup>81</sup> [(33A) “**supply chain**” means the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply;]

<sup>82</sup>[(34) “**tax**”, unless the context requires otherwise, means sales tax;]

<sup>83</sup>[(35) “**taxable activity**”, means any economic activity carried on by a person whether or not for profit, and includes --

- (a) an activity carried on in the form of a business, trade or manufacture;

- (b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person;
- (c) a one-off adventure or concern in the nature of a trade; and
- (d) anything done or undertaken during the commencement or termination of the economic activity,

but does not include --

- (a) the activities of an employee providing services in that capacity to an employer;
- (b) an activity carried on by an individual as a private recreational pursuit or hobby; and
- (c) an activity carried on by a person other than an individual which, if carried on by an individual, would fall within sub-clause (b).]

(36) “**tax fraction**” means the amount worked out in accordance with the following formula: --

$$\frac{a}{100+a}$$

('a' is the rate of tax specified in section 3);

(37) “**tax fraud**” means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of proof of which excuse shall be upon the accused) --

- (i) doing of any act or causing to do any act; or
- (ii) omitting to take any action or causing the omission to take any action, <sup>84</sup> [including the making of

taxable supplies without getting registration under this Act <sup>85</sup>[; or,]

<sup>86</sup>[(iii) falsifying<sup>87</sup>[or causing falsification] the sales tax invoices]

in contravention of duties or obligations imposed under this Act or rules or instructions issued thereunder with the intention of understating the tax liability <sup>88</sup>[or underpaying the tax liability for two consecutive tax periods] or overstating the entitlement to tax credit or tax refund to cause loss of tax;

<sup>89</sup>[(38) \*\*\*\*\*]

(39) “**taxable goods**” means all goods other than those which have been exempted under section 13;

(40) “**tax invoice**” means a document required to be issued under section 23;

(41) “**taxable supply**” means a supply of taxable goods made <sup>90</sup>[\*\*\*\*\*]<sup>91</sup>[by an importer, manufacturer, wholesaler (including dealer), distributor or retailer] other than a supply of goods which is exempt under section 13 and includes a supply of goods chargeable to tax at the rate of zero per cent under section 4;

<sup>92</sup>[(42) \*\*\*\*\*]

(43) “**tax period**” means a period of one month or such other period as the <sup>93</sup>[Board, with the approval of the Federal Minister-in-charge] may <sup>94</sup>[ , ] by notification in the official Gazette, specify;

<sup>95</sup>[(43A) <sup>96</sup>“**Tier-1 retailers**” means a retailer falling in any one or more of the following categories, namely;-]

- (a) a retailer operating as a unit of a national or international chain of stores;
  - (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;
  - (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees <sup>97</sup>[twelve] hundred thousand; <sup>98</sup>[\*\*\*\*\*]
  - (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers;<sup>99</sup>[\*\*\*\*\*]
  - <sup>100</sup>(e) a retailer, whose shop measures one thousand square feet in area or more <sup>101</sup>[; and]]
  - <sup>102</sup>(f) any other person or class of persons as prescribed by the Board.]
- <sup>103</sup>[(44) “**time of supply**”, in relation to,--
- (a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply <sup>104</sup>[ or the time when any payment is received by the supplier in respect of that supply, whichever is earlier];
  - (b) a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and
  - (c) services, means the time at which the services are rendered or provided <sup>105</sup>[:]])

<sup>106</sup>[Provided that in respect of sub-clause (a), (b) or (c), where any part payment is received,--

- (i) for the supply in a tax period, it shall be accounted for in the return for that tax period; and
- (ii) in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply ;]

(44A) “**trust**” means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust;

(44AA) “**unit trust**” means any trust under which beneficial interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held;]

<sup>107</sup>[(45) \*\*\*\*\*]

(46) “**value of supply**” means,--

- (a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties <sup>108</sup>[and taxes], if any, which the supplier receives from the recipient for that supply but excluding the amount of tax:

Provided that --

- (i) in case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market



price of the supply excluding the amount of tax;  
<sup>109</sup>[\*\*\*\*\*]

(ii) in case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is lower than the open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax; <sup>110</sup>[and]

<sup>111</sup>[(iii) in case a taxable supply is made to a consumer from general public on installment basis on a price inclusive of mark up or surcharge rendering it higher than open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax.]

(b) in case of trade discounts, the discounted price excluding the amount of tax; provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with the normal business practices;

(c) in case where for any special nature of transaction it is difficult to ascertain the value of a supply, the open market price;

(d) in case of imported goods <sup>112</sup> [excluding those as specified in the Third Schedule], the value determined under section 25 <sup>113</sup> [\*\*\*\*\*] of the Customs Act, including the amount of customs-duties and central excise duty levied thereon; <sup>114</sup>[\*\*\*\*\*]

(e) in case where there is sufficient reason to believe that the value of a supply has not been correctly declared in

the invoice, the value determined by the Valuation Committee comprising representatives of trade and the  
115 [Inland Revenue] constituted by the  
116[Commissioner] 117[; 118[\*\*\*\*\*]]

- 119[(f) in case of manufacture of goods belonging to another person, the actual consideration received by the manufacturer for the value addition carried out in relation to such goods;]
- 120[(g) in case of a taxable supply, with reference to retail tax, the price of taxable goods excluding the amount of retail tax, which a supplier will charge at the time of making taxable supply by him, or such other price as the Board may, by a notification in the official Gazette, specify<sup>121</sup>[;]]
- 122[(h) in case of supply of electricity by an independent power producer <sup>123</sup>[or WAPDA], the amount received on account of energy purchase price only and the amount received on account of capacity purchase price, energy purchase price premium, excess bonus, supplemental charges etc. shall not be included in the value of supply; <sup>124</sup>[\*\*\*\*\*]]
- (i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes, local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax <sup>125</sup>[; and]]
- 126[(j) in case of registered person who is engaged in purchasing used vehicles from general public on which sales tax had already been paid at the time of import or

manufacturing, and which are, later on, sold in the open market after making certain value addition, value of supply will be the difference between sale and purchase price of the said vehicle on the basis of the valuation method prescribed by the Board.]

<sup>127</sup>[Provided that, where the Board deems it necessary it may, by notification in the official Gazette, fix the value of any imported goods or taxable supplies or class of supplies and for that purpose fix different values for different classes or description of same type of imported goods or supplies:

Provided further that where the value at which import or supply is made is higher than the value fixed by the Board, the value of goods shall, unless otherwise directed by the Board, be the value at which the import or supply is made;]

<sup>128</sup>[(46A) “**whistleblower**” means whistleblower as defined in section 72D of the Sales Tax Act, 1990;]

(47) “**wholesaler**” <sup>129</sup>[**includes a dealer and**] means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale or of supplying or distributing goods, directly or indirectly, by wholesale for cash or deferred payment or for commission or other valuable consideration or stores such goods belonging to others as an agent for the purpose of sale; and includes <sup>130</sup> [a person supplying taxable goods to <sup>131</sup>[a person <sup>132</sup>[who deducts income tax at source under the Income Tax Ordinance, 2001 (XLIX of 2001)]] <sup>133</sup>[\*\*\*\*\*]; and

(48) “**zero-rated supply**” means a taxable supply which is charged to tax at the rate of zero per cent under section 4.]

## HISTORY

- 1 Section 2 (Definitions) substituted by the Finance Act, 1996 (IX of 1996).
- 2 Clause (1) & (1A) substituted for Clause (1) by the Finance Act, 2015 (V of 2015). Before substitution the Clause (1) was as under:
- <sup>a</sup>“(1). *Appellate Tribunal*” means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance, 2001(XLIX of 2001)]”
- a. Clause (1) substituted by the Finance Act, 2010(XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this clause was as under
- “(1). *“Appellate Tribunal”* means the Customs, Excise and Sales Tax Appellate Tribunal constituted under section 194 of Customs Act;”
- 3 The words “*or is blocked*” omitted by the Finance Act, 2020 (XIX of 2020)
- 4 Substituted for “*two consecutive monthly*” by the Finance Act, 2020 (XIX of 2020)
- 5 Substituted for the words “*Officer of Sales Tax*” by Finance Act, 2010 (XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- 6 Clause (2A) substituted by the Finance Act, 2008 (I of 2008). Earlier Clause (2A) was inserted by Tax Law (Amendments) Ordinance, 1999 (XXII of 1999) Before substitution this clause was as under:
- “(2A) *“Arrears”* includes the un-paid amount of tax, default surcharge, extra amount of tax, fines, penalties, fees or any other sums, however described, as have been assessed, adjudged or demanded under this Act;”
- 7 Clause (3) substituted by Finance Act, 2008 (I of 2008). Before substitution this clause was under:
- “(3) *“associated persons”* means any two or more persons who are close relatives to each other or who are interconnected with each other in the following way, namely:-
- (i) *if the persons, being companies or undertakings, are under common management or control or one is the subsidiary of the other;*
- (ii) *if a person who is the owner or partner or director of a company or undertaking, or who, directly or indirectly, holds or controls twenty per cent shares in such company or undertaking, is also the owner, partner or director of another company or undertaking, or, directly or indirectly, holds or controls twenty per cent shares in that company or undertaking;*
- Explanation.--For the purpose of this clause, the expression “close relatives” mean the family, parents, brothers, sisters and dependents of registered person;”*

8 Words substituted for the words "**Collector**" by Finance Act, 2010 (XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

9 Clause (3A) inserted by Finance Act, 2008 (I of 2008).

10 Clause (3A) renumbered as (3AA) by Finance Act, 2008 (I of 2008). Earlier this clause was inserted by Finance Act, 2004 (II of 2004).

11 Clause substituted by Finance Act, 2008 (I of 2008). Before substitution this clause was as under:

*"a[(4). "**Board**" means the Central Board of Revenue established under the Central Board of Revenue Act, 1924 (IV of 1924) and on the commencement of the Federal Board of Revenue Act, 2007, the Federal Board of Revenue established under section 3 thereof.]"*

a. Clause (4) substituted by Finance Act, 2007 (IV of 2007). Before substitution the clause was as under:

*"(4) "**Board**" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (Act IV of 1924)."*

12 Clause (4A) inserted by Finance Act, 2010 (XVI of 2010). Earlier this clause was inserted by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This insertion was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

13 Clause (5) substituted by Finance Act, 2010 (XVI of 2010). Earlier this clause was substituted by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This substitution was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution clause (5) was as under:

*"(5) "**Collector**" means the Collector of Sales Tax appointed under section 30;"*

14 Clause (5A) inserted by Finance Act, 2006 (III of 2006). Earlier clause (5A) was omitted by Finance Act, 2004 (II of 2004). Before omission this clause was as under:

*"a[(5A) "**common taxpayer identifier**" means the identification number allocated under section 20 of Finance Act, 1999 (Act IV of 1999);]"*

a. Clause (5A) inserted by the Tax Law (Amendments) Ordinance, 1999 (XXII of 1999) dated 17.12.1999.

15 Clause (5AA) inserted by Finance Act, 2008 (I of 2008).

16 Clause (5AA) renumber as (5AAA) by Finance Act, 2008 (I of 2008). Earlier this clause was inserted by Finance Act, 2006 (III of 2006).

17 Clause (5AB) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

*a["**cottage industry**" means a manufacturer whose annual turnover from taxable supplies made in any tax period during the last twelve months ending any tax period does not exceed <sup>b</sup>[ten] million rupees or whose annual utility*

*(electricity, gas and telephone) bills during the last twelve months ending any tax period do not exceed [eight] hundred thousand rupees;*

- a. Clause inserted by Finance Act, 2007 (IV of 2007).  
b. Substituted for word "**five**" by the Finance Act, 2016 (XXIX of 2016).  
c. Substituted for word "**seven**" by the Finance Act, 2015 (V of 2015). Earlier this was substituted for word "**six**" by the Finance Act, 2008 (I of 2008).
- 18 Cause (5AC) inserted by the Finance Act, 2013 (XXII of 2013).  
19 Clause (6A) inserted by the Tax Law (Amendments) Ordinance, 1999 (XXII of 1999) dated 17.12.1999.  
20 Clause (6B) by the Finance Act, 2008 (I of 2008). Earlier this clause was inserted by the Finance Act, 2005 (VII of 2005). Before substitution in 2008 this clause was as under:  
*"(6B) "**default surcharge**" means the surcharge payable by a defaulter at the rate specified in section 34 of this Act;"*
- 21 The words and figures inserted by the Finance Act, 1998 (III of 1998).  
22 The comma, words, brackets and figures inserted by the Tax Law Amendments Ordinance, 2000 (XVI of 2000) dated 24.05.2000.  
23 The words, brackets, figures and letters "**sub-section (6) of section 26A**" omitted by the Federal Finance Act, 2004 (Act II of 2004).  
24 The words and figures "**and section 26AA**" omitted by the Finance Act, 2016 (XXIX of 2016).  
25 Substituted for the "**20th**" by the Finance Act, 1998 (III of 1998).  
26 Substituted for the word "**Federal Government**" by the Finance Act, 2008 (I of 2008).  
27 The words substituted for semi colon by Finance Act, 2016 (XXIX of 2016).  
28 Clause (9A) inserted by the Finance Act, 2006 (III of 2006). Earlier clause (9A) with different contents was omitted by Finance Act, 2004 (II of 2004), that originally was inserted by Sales Tax (Amendment) Ordinance, 2001 (VII of 2001). Before omission, in 2004, clause (9A) was as under:  
*"(9A) "**enrolled person**" means a person who is enrolled or is liable to be enrolled under this Act:*  
*Provided that a person liable to be enrolled but not enrolled under this Act shall remain liable to further tax under sub-section (1A) of section 3 and shall not be entitled to any benefit available to an enrolled person under any of the provisions of this Act or the rules made thereunder."*
- 29 Clause (9AA) omitted by the Finance Act, 2004 (II of 2004). Originally this provision was inserted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001). Before omission this clause was as under:  
*"(9AA) "**enrollment number**" means the number allocated to the enrolled person for the purposes of this Act."*
- 30 Clause inserted by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.  
31 The word "**(Private)**" omitted by Finance Act, 2019 (V of 2019).

- 32 Substituted for "*Companies Ordinance, 1984 (XLVII of 1984)*" by Finance Act, 2019 (V of 2019).
- 33 Clause (11A) presently (11B) inserted by the Finance Act, 2008 (I of 2008).
- 34 Clause (11A) re-numbered as (11B) by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.
- 35 Clause (12A) inserted by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier it was inserted by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 36 The word "*lawfully*" omitted by the Finance Act, 2008 (I of 2008).
- 37 Clause (14) substituted by the Finance Act, 2008 (I of 2008).

*"(14) "input tax", in relation to a registered person, means the tax--*

- (a) levied under this Act on supply of goods received by that person;*  
*(b) levied under this Act on the goods imported, entered and cleared under section 79 or section 104 of the Customs Act, by the person;*

*<sup>a</sup>(c) levied under the Sales Tax Act, 1990 of Pakistan as adapted in State of Azad Jammu and Kashmir, on the supply of goods received by the person; and*

*<sup>b</sup>(d) chargeable as duties of excise under section 3 of the Federal Excise Act, 2005, on such excisable goods as are mentioned in the second schedule thereto or such excisable services as the Federal Government may from time to time notify under section 7 thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act;]]*

*<sup>c</sup>(e) levied under the Punjab Sales Tax Ordinance, 2000 (Pb. Ord. II of 2000), North West Frontier Province Sales Tax Ordinance, 2000 (III of 2000), Sindh Sales Tax Ordinance, 2000 (VIII of 2000), Balochistan Sales Tax Ordinance, 2000 (I of 2000) and Islamabad Capital Territory (Tax on Services) Ordinance, 2000 (XLII of 2000);]"*

**a.** Sub-clause (c) & (d) substituted for sub-clause (c) by Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002 w.e.f. 18.06.2001. Before substitution sub-clause (c) was as under:

*<sup>aa</sup>(c) levied under the Sales Tax Act, 1990 of Pakistan as adapted in the State of Azad Jammu and Kashmir, on the supply of goods received by that person <sup>ab</sup>[and shall include duties of excise chargeable under section 3 of the Central Excise Act, 1944 (I of 1944), on such excisable services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act]"*

**aa.** Sub-clause (c) added by Finance Act, 1998 (III of 1998). Earlier sub-clause (c) with different contents was omitted by Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:

*“(c) paid on the goods by an importer or manufacturer, in case of taxed supply”*

**ab.** The expression inserted by Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

**b.** Sub-clause (d) substituted by the Finance Act, 2006. Before substitution this provision was as under:

*“(d) chargeable as duties of excise under section 3 of the Central Excises Act, 1944 (I of 1944), on such excisable<sup>ba</sup> [goods or] services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act;”*

**ba.** The words added by the Finance Act, 2004 (II of 2004).

**c.** Sub-clause (e) added by the Finance Act, 2007 (IV of 2007).

38 The word **“and”** omitted by the Tax Laws (Amendment) Ordinance, 2016 (V of 2016) dated 31.08.2016. Earlier this word was inserted by Finance Act, 2016 (XXIX of 2016).

39 The sub-clause (d) inserted by the Tax Laws (Amendment) Ordinance, 2016 (V of 2016) dated 31.08.2016. Earlier this sub-clause was omitted by Finance Act, 2016 (XXIX of 2016).

40 For AJK, Clause (14) substituted by the Finance Act, 2008 (I of 2008).

*“(14) **“input tax”**, in relation to a registered person, means the tax--*

*(a) levied under this Act on supply of goods received by that person;*  
*(b) levied under this Act on the goods imported, entered and cleared under section 79 or section 104 of the Customs Act, by the person;*

*<sup>a</sup>[(c) levied under the Sales Tax Act, 1990 of Pakistan as adapted in State of Azad Jammu and Kashmir, on the supply of goods received by the person; and*

*<sup>b</sup>[(d) chargeable as duties of excise under section 3 of the Federal Excise Act, 2005, on such excisable goods as are mentioned in the second schedule thereto or such excisable services as the Federal Government may from time to time notify under section 7 thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act;]]*

*<sup>c</sup>[(e) levied under the Punjab Sales Tax Ordinance, 2000 (Pb. Ord. II of 2000), North West Frontier Province Sales Tax Ordinance, 2000 (III of 2000), Sindh Sales Tax Ordinance, 2000 (VIII of 2000), Balochistan Sales Tax Ordinance, 2000 (I of 2000) and Islamabad Capital Territory (Tax on Services) Ordinance, 2000 (XLII of 2000);]”*

**a.** Sub-clause (c) & (d) substituted for sub-clause (c) by Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002 w.e.f. 18.06.2001. Before substitution sub-clause (c) was as under:

*<sup>aa</sup>[(c) levied under the Sales Tax Act, 1990 of Pakistan as adapted in the State of Azad Jammu and Kashmir, on the supply of goods*



*received by that person <sup>ab</sup>[and shall include duties of excise chargeable under section 3 of the Central Excise Act, 1944 (I of 1944), on such excisable services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act]"*

**aa.** Sub-clause (c) added by Finance Act, 1998 (III of 1998). Earlier sub-clause (c) with different contents was omitted by Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:

*"(c) paid on the goods by an importer or manufacturer, in case of taxed supply"*

**ab.** The expression inserted by Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

**b.** Sub-clause (d) substituted by the Finance Act, 2006. Before substitution this provision was as under:

*"(d) chargeable duties of excise under section 3 of the Central Excises Act, 1944 (I of 1944), on such excisable <sup>ba</sup>[goods or] services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act;"*

**ba.** The words added by the Finance Act, 2004 (II of 2004).

**c.** Sub-clause (e) added by the Finance Act, 2007 (IV of 2007).

41 The word "**and**" omitted by the Tax Laws (Amendment) Ordinance, 2016 (V of 2016) dated 31.08.2016. Earlier this word was inserted by Finance Act, 2016 (XXIX of 2016).

42 The sub-clause (d) inserted by the Tax Laws (Amendment) Ordinance, 2016 (V of 2016) dated 31.08.2016. Earlier this sub-clause was omitted by Finance Act, 2016 (XXIX of 2016).

43 Sub-clause (e) substituted by AJK Finance Act, 2012 (Act I of 2012) dated 10.07.2012. Before substitution this provision was as under:

*"(e) levied under the Sales Tax Act, 1990 as adapted in State of Azad Jammu and Kashmir, on the supply of goods received by the person;"*

44 Clause (14A) inserted by Finance Act, 2009 (I of 2009).

45 Clause (15) substituted by Finance Act, 2010 (XVI of 2010). Earlier this clause was substituted by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this clause was as under:

*"(15) "**local Sales Tax Office**" means the office of Superintendent of Sales Tax, or such other office as the Board may, by notification in the official gazette, specify;"*

46 Substituted for semi colon by the Finance Ordinance, 2000 (XXI of 2000).

47 Proviso inserted by the Finance Ordinance, 2000 (XXI of 2000).

48 Clause (18) substituted by Finance Act, 2010 (XVI of 2010). Earlier this clause was substituted by the Finance (Amendment) Ordinance, 2010 (III

of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this clause was as under:

“(18) **officer of Inland Revenue**” means an officer appointed under section 30;”

49 Clause (20) substituted by Finance Act, 2008 (I of 2008). Before substitution this provision was as under:

“<sup>a</sup>(20) **“output tax”**, in relation to a registered person, means –

(i) the tax charged under this Act on a supply of goods made by that person;

(ii) duties of excise chargeable under section 3 of the Federal Excise Act, 2005, on such excisable goods or services as are mentioned in the Second Schedule or services as are specified by the Federal Government under section 7 thereof and on which such duties are charged, levied and paid as it were a tax payable under section 3 of this Act;

(iii) the tax levied under the Punjab Sales Tax Ordinance, 2000 (Pb. Ord. II of 2000), North West Frontier Province Sales Tax Ordinance, 2000 (III of 2000), Sindh Sales Tax Ordinance, 2000 (VIII of 2000), Balochistan Sales Tax Ordinance, 2000 (I of 2000) and Islamabad Capital Territory (Tax on Services) Ordinance, 2000 (XLII of 2000);]”

a. Clause (20) substituted by Finance Act, 2007 (IV of 2007). Before substitution this provision was as under:

“(20) **“Output tax”** in relation to any registered person means the tax charged under this Act in respect of a supply of goods made by that person

<sup>aa</sup>[and shall include duties of excise chargeable under section 3 of the Central Excises Act, 1944 (I of 1944) on such excisable <sup>ab</sup>[goods or] services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act.”]

aa. The words added by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

ab. The words added by the Finance Act, 2004 (II of 2004).

50 Sub-clause (c) of Clause (20) substituted by the Finance Act, 2020 (XIX of 2020). In Azad Jammu and Kashmir a this provision was substituted by AJK Finance Act, 2020 (Act XXII of 2020) with different contents. Before substitution this provision was as under both in Pakistan and AJK:

“(c) **Provincial sales tax levied on services rendered or provided by the person;**”

51 Clause (21) substituted by Finance Act, 2008 (I of 2008). Before substitution this provision was as under:

“(21) **“person”**, includes a company, an association, a body of individuals whether incorporated or not, a public or local authority, a Provincial Government or the Federal Government;”

- 52 Clause (22A) substituted by the Finance Act, 2013 (XXII of 2013). Earlier this provision was inserted by the Finance Act, 2008 (I of 2008). Before substitution, in 2013, this provision was as under:  
“(22A) **“Provincial sales tax”** means tax levied under:-  
(a) *the Balochistan Sales Tax Ordinance, 2000 (I of 2000);*  
(b) *Islamabad Capital Territory (Tax on Services) Ordinance, 2000 (XLII of 2000);*  
(c) *the Punjab Sales Tax Ordinance, 2000 (Pb. Ord. II of 2000);*  
(d) *the North West Frontier Province Sales Tax Ordinance, 2000 (III of 2000);*  
(e) *the Sindh Sales Tax Ordinance, 2000 (VIII of 2000);”*
- 53 Clause (22A) as enforced in AJK was substituted by AJK Finance Act, 2019 (Act XVIII of 2019) dated 29.06.2019. Before substitution this provision was as under:  
(22A) **“Provincial sales tax”** means tax levied under provincial laws or laws relating to Islamabad Capital Territory, which are declared by the Federal Government, through notification in the official Gazette, to be provincial sales tax for the purpose of input tax.
- 54 Words substituted for the words **“Collector”** by Finance Act, 2010 (XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- 55 Clause (25) substituted by the Finance Ordinance, 2002 (XXVII of 2002). Before substitution this provision was as under:  
“(25) **“registered person”** means a person who is registered or is liable to be registered under this Act and such person shall remain liable to further tax under sub-section (1A) of section 3 and shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or rules made thereunder;”
- 56 The words, brackets and figures **“shall remain liable to further tax under sub-section (1A) of section 3and”** omitted by the Finance Act, 2004 (II of 2004).
- 57 Clause (26) omitted by the Finance Act, 1997 (XXII of 1997). Before substitution this provision was as under:  
“(26) **“replacement invoice”** means a document required to be issued by registered importers, distributors, and wholesalers not charging output tax on taxed supplies made by them;”
- 58 The words inserted by Finance Act, 2019 (V of 2019).
- 59 The words **“or the importer”** omitted by the Finance Act, 2005 (VII of 2005). Earlier these words were inserted by Finance Act, 2003 (I of 2003).
- 60 The words and comma added by the Finance Act, 2007 (IV of 2007).
- 61 The words **“and octroi”** omitted by the Finance Act, 1998 (III of 1998).
- 62 Substituted for the **“semi colon”** by the Finance Act, 2014 (IX of 2014).
- 63 Proviso inserted by the Finance Act, 2014 (IX of 2014).

- 64 The words *"not being a manufacturer or producer or an importer"* omitted by the Finance Act, 2003 (I of 2003). After omission the commas become superfluous. Earlier the said words and commas were inserted by the Finance Act, 1998 (III of 1998).
- 65 Substituted for the "semi colon" by the Finance Act, 2003 (I of 2003)
- 66 Proviso inserted by the Finance Act, 2003 (I of 2003).
- 67 The comma, words and figures *", and his total turnover per annum shall be taken into account for the purposes of registration under section 14"* omitted by the Finance Act, 2015 (V of 2015).
- 68 Clause (28A) omitted by the Finance Act, 2008 (I of 2008). Earlier this clause was inserted by the Finance Act, 1997 (XXII of 1997). Before omission in 2008 this provision was as under:  
*"(28A) "retail tax" means tax levied under section 3AA;"*
- 69 Clause (29A) inserted by the Finance Act, 2008 (I of 2008).
- 70 Clause (29A) re-numbered as clause (29AA) by the Finance Act, 2008 (I of 2008). Earlier it was inserted by the Finance Act, 2006 (III of 2006).
- 71 The word substituted for word *"resemble"* by the Finance Act, 2008 (I of 2008).
- 72 Clause (31A) inserted by the Finance Act, 1998 (III of 1998).
- 73 The words and figure inserted by the Finance Act, 2010 (XVI of 2010).
- 74 The words and figure inserted by the Finance Act, 2010 (XVI of 2010).
- 75 Substituted for the figure and words *"185 of the Customs Act"* by the AJK Finance Act, 2006 (Act V of 2006) dated 06.07.2006.
- 76 Clause (33) substituted by the Finance Act, 2008 (I of 2008). Before substitution this provision was as under:  
*"(33) "supply" includes sales, lease <sup>a[\*\*\*\*\*]</sup> or other disposition of goods <sup>b[\*\*\*\*\*]</sup> carried out for consideration and also includes--*  
*(a) putting to private, business or non-business use of goods acquired, produced or manufactured in the course of business;*  
*(b) auction or disposal of goods to satisfy a debt owed by a person;*  
*<sup>c[and]</sup>*  
*(c) possession of taxable goods held immediately before a person ceases to be a registered person <sup>d[:]</sup>*  
*<sup>e[(d) \*\*\*\*\*]</sup>*  
*<sup>f[Provided that the Federal Government may, by notification in the official Gazette, specify such other transactions which shall or shall not constitute supply;]</sup>"*
- a.** The brackets and words *"<sup>aa</sup>[(excluding financial <sup>ab</sup>[or operating] lease)]"* omitted by the Finance Act, 2006 (III of 2006).
- aa.** The brackets and words inserted by Finance Ordinance, 2000 (XXI of 2000).
- ab.** The words inserted by Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- b.** The words *"in furtherance of business"* omitted by the Finance Act, 2003 (I of 2003).

- c. The words added by the Finance Act, 2004 (II of 2004).
- d. Substituted for “; **and**” by the Finance Act, 2004 (II of 2004).
- e. Clause (d) omitted by the Finance Act, 2004 (II of 2004). Before omission this provision was as under:  
“(d) *such other transactions as the Federal Government may, by notification in the official Gazette, specify*”
- f. Proviso added by the Finance Act, 2004 (II of 2004).
- 77 The word “**and**” omitted by the Finance Act, 2015 (V of 2015).
- 78 Substituted for the colon by the Finance Act, 2015 (V of 2015).
- 79 Sub-clause (d) inserted by the Finance Act, 2015 (V of 2015).
- 80 Substituted for “**Federal Government**” by Finance Act, 2019 (V of 2019). This amendment is not adapted and enforced in AJK.
- 81 Clause (33A) inserted by the Finance Act, 2013 (XXII of 2013).
- 82 Clause (34) substituted by the Finance Act, 2008 (I of 2008). Before substitution this provision was as under:  
“(34) “**tax**” means the sales tax, <sup>a[\*\*\*\*\*]</sup> <sup>b[retail tax <sup>c[\*\*\*\*\*]</sup>]</sup>, and includes <sup>e[default surcharge]</sup> or any other sum payable under any of the provisions of this Act or the rules made thereunder;”
- a. The words and comma “**turnover tax**,” omitted by the Finance Act, 2004 (II of 2004).
- b. Substituted for “**or retail tax**” by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000. Earlier these words were inserted by the Finance Act, 1997 (XXII of 1997).
- c. The words “**or enlistment tax**” omitted by the Finance Act, 2005 (VII of 2005).
- d. Substituted for “**additional tax**” by the Finance Act, 2005 (VII of 2005).
- 83 Clause (35) substituted by the Finance Act, 2008 (I of 2008). Before substitution this provision was as under:  
“(33) “**taxable activity**” means any activity which is carried on by any person, whether or not for pecuniary profit, and involves in whole or in part, the supply of goods <sup>a[or rendering of services on which sales tax has been levied under the respective Ordinance and use of goods acquired for private purposes or for the manufacture of exempt goods without making supply]</sup> to any other person, whether for any consideration or otherwise, and includes any activity carried on in the form of a business, trade or manufacture;”
- a. The expression inserted by the Finance Act, 2003 (I of 2003).
- 84 The words and comma inserted by the Finance Act, 2004 (II of 2004).
- 85 Substituted for comma by the Finance Act, 2005 (VII of 2005).
- 86 Sub-clause (iii) inserted by the Finance Act, 2005 (VII of 2005).
- 87 The words inserted by the Finance Act, 2007 (IV of 2007).
- 88 The words inserted by the Finance Ordinance, 2000 (XXI of 2000).
- 89 Clause (38) omitted by the Finance Act, 2004 (II of 2004). Before substitution this clause was as under:  
“(38) “**tax identification number (TIN)**” means the registration number or any other number allocated to a taxable person:”

- 90 The words "*in Pakistan*" omitted by the Finance Act, 2003 (I of 2003).
- 91 The words and commas added by the Finance Act, 1998 (III of 1998).
- 92 Clause (42) omitted by the Finance Act, 1997 (XXII of 1997). Before substitution this provision was as under:  
*"(42) "taxed supply" means a supply of goods by a registered importer, distributor or wholesaler on which tax has been paid at the stage of import or supply by manufacturer and no further output tax is payable thereon at the time of supply thereof by such importer, distributor or wholesaler;"*
- 93 Substituted for "*Federal Government*" by Finance Act, 2019 (V of 2019). This amendment is not adapted and enforced in AJK.
- 94 Substituted for semi colon by the Finance Act, 2008 (I of 2008).
- 95 Clause (43A) inserted by the Finance Act, 2017 (XXVII of 2017).
- 96 Substituted for "*Tier-1 retailers means.-*" by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 97 Substituted for "*six*" by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 98 The word "*and*" omitted by Finance Act, 2019 (V of 2019).
- 99 The word "*and*" omitted by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019. Earlier, this word was inserted by Finance Act, 2019 (V of 2019).
- 100 Clause inserted by Finance Act, 2019 (V of 2019).
- 101 Substituted for full stop by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 102 Inserted by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 103 Clause (44), (44A) and (44AA) substituted for clause (44) by the Finance Act, 2008 (I of 2008). Before substitution, in 2008, clause (44) was as under:  
*"[(44) "time of supply" a supply shall be deemed to have taken place at the time of delivery of goods by the supplier:-  
Provided that--  
(a) where any goods are supplied by a registered person to an associated person and the goods are not to be removed, the time of*

*supply shall be the time at which these goods are made available to the recipient; and*

- (b) *where the goods are supplied under hire purchase agreement, the time of supply shall be the time at which the agreement is entered into.”]*

a. Clause (44) substituted by the Finance Act, 2007 (IV of 2007). Before substitution this provision was as under:

*“(44) “time of supply” a supply <sup>aa</sup>[\*\*\*\*] shall be deemed to have taken place at the earlier of the time of delivery of goods or the time when any payment is received by the supplier in respect of that supply:*

*Provided that where any part payment is received –*

- (a) *for a supply in a tax period, it shall be accounted for in the return for that tax period; and*

- (b) *in respect of an exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn: Provided further that:*

(a) *where any goods are supplied by a registered person to an associated person and the goods are not to be removed, the time of supply shall be the time at which these goods are made available to the recipient; and*

(b) *where the goods are supplied under hire purchase agreement, the time of supply shall be the time at which the agreement is entered into.”]*

aa. The words *“made in Pakistan”* omitted by Finance Act, 2003 (I of 2003).

104 The words and comma added by the Finance Act, 2013 (XXII of 2013).

105 Substituted for semi colon by the Finance Act, 2013 (XXII of 2013).

106 Proviso inserted by the Finance Act, 2013 (XXII of 2013).

107 Clause (45) omitted by the Finance Act, 2004 (II of 2004). Before omission this provision was as under:

*“(45) “turnover tax” means tax levied under section 3A of this Act.”*

108 The words inserted by the Finance Act, 1999 (IV of 1999).

109 The word *“and”* omitted by the Finance Ordinance, 2001 (XXV of 2001).

110 The word inserted by the Finance Ordinance, 2001 (XXV of 2001).

111 The sub-clause (iii) inserted by the Finance Ordinance, 2001 (XXV of 2001).

112 Inserted by Finance Act, 2019 (V of 2019).

113 The words *“or 25B”* omitted by the Finance Act, 2004 (II of 2004).

114 The word *“and”* omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier the same amendment was made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) dated 02.11.1996. This amendment was also made by the Sales Tax (Amendment) Ordinance, 1997 (CXXI of 1997).

115 Substituted for the words *“Sales Tax Department”* by Finance Act, 2010 (XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This

- amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- 116 Words substituted for the words “*Collector*” by Finance Act, 2010 (XVI of 2010). Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- 117 Substituted for colon by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier the same amendment was made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) dated 02.11.1996. This amendment was also made by the Sales Tax (Amendment) Ordinance, 1997 (CXXI of 1997).
- 118 The word “*and*” omitted by Finance Act, 2019 (V of 2019).
- 119 Sub-clause (f) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:
- “[(f) in case the goods other than taxable goods are supplied to a registered person for processing, the value of supply of such processed goods shall mean the price excluding the amount of sales tax which such goods will fetch on sale in the market]*
- a. Inserted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier the same amendment was made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) dated 02.11.1996. This amendment was also made by the Sales Tax (Amendment) Ordinance, 1997 (CXXI of 1997).
- 120 Sub-clause (g) inserted by the Finance Act, 1997 (XXII of 1997).
- 121 Substituted for full stop by Finance Act, 2019 (V of 2019).
- 122 Clauses (h) & (i) inserted by Finance Act, 2019 (V of 2019).
- 123 Inserted by the Finance Act, 2020 (XIX of 2020) and shall be deemed to have been so inserted w.e.f. 01.07.2019.
- 124 The word “*and*” omitted by the Finance Act, 2020 (XIX of 2020).
- 125 Substituted for full stop by the Finance Act, 2020 (XIX of 2020).
- 126 Sub-clause (j) inserted by the Finance Act, 2020 (XIX of 2020).
- 127 First and second proviso substituted by the Finance Act, 2006 (III of 2006). Before substitution these provisos were as under:
- “Provided that, where the Central Board of Revenue deems it necessary, it may, by notification in the official Gazette, fix the value of any taxable supplies or class of supplies and for that purpose fix different values for different classes or description of same type of supplies:*
- Provided further that where the value at which the supply is made is higher than the value fixed by the Central Board of Revenue, the value of goods shall <sup>a</sup>[, unless otherwise directed by the Board,] be the value at which the supply is made;”*
- a. Insertion by Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001 and is deemed to have always been so made.
- 128 The Clause (46A) inserted by the Finance Act, 2015 (V of 2015).



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- 129 Words added by the Finance Act, 1997 (XXII of 1997).
- 130 The brackets, figures and words added by the Finance Act, 1998 (III of 1998).
- 131 Substituted for *“persons deducting advance tax under sub-section (4) of section 50 of the Income Tax Ordinance, 1979 (XXXI of 1979) by the Finance Act, 2004 (II of 2004).*
- 132 Substituted for *“whose income is not liable to tax under the Income Tax Ordinance, 2001 (XLIX of 2001) but has deducted income tax at source under section 153 of the said Ordinance” by the Finance Act, 2006 (III of 2006).*
- 133 The words and comma *“and a person who in addition to making retail supplies is engaged in wholesale business”* omitted by the Finance Act, 2008 (I of 2008).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 2(9)	S.R.O.487(I)/2015 dated 30.06.2015.(To specify the dates for payment and filing return by petroleum exploration and production companies)
Section 2(9)	Rule 18of Sales Tax Rules, 2006 (To specify the dates for payment and filing return by Electricity distribution companies, IPPs, Gas transmission and distribution companies, petroleum exploration and production companies and CNG dealers)
Section 2(22A)	S.R.O.814(I)/2016 dated 02.09.2016.(Declaration of laws for purposes of Provincial Sales Tax)
Section 2(22A)	Circular dated 27.02.2014.(Writ petitions challenging section 2(22A) of Act)
Section 2(27)	STGO No.01 of 2017.(Notification of zones for determination of highest retail price of fertilizers in retail packing)
Section 2(32)	AJK Notification No.LD/(AD)4/1/2003, dated 14.04.2006 (AJK Appointment of Special Judge)
Section 2(33)	S.R.O.445(I)/2004 dated 12.06.2004.(Certain transactions shall not constitute a supply)
Section 2(46)	S.R.O.178(I)/2002 dated 29.03.2002.(Fixation of value of bagasse used as in-house fuel)
Section 2(46)	S.R.O.236(I)/2014 dated 31.03.2014.(Value of

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	supply to CNG consumers)
Section 2(46)	S.R.O.812(I)/2016 dated 02.09.2016.(Fixation of value of white crystalline sugar)
Section 2(46)	SRO 690(I)/2019. (Value of Supply to CNG Consumers)
Section 2(46)	SRO 992(I)/2019. (Values of Locally Produced Steel Products)
Section 2(46)	Rule 22A of Sales Tax Rules, 2006 (Change in value of supply of electricity or natural gas)

## Chapter-II

### SCOPE AND PAYMENT OF TAX

3. **Scope of tax.**-- (1) Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of <sup>1</sup>[seventeen] per cent of the value of--

- (a) taxable supplies made <sup>2</sup>[\*\*\*\*\*] by a registered person in the course or furtherance of any <sup>3</sup>[taxable activity] carried on by him; and
- (b) goods imported into Pakistan <sup>4</sup>[, irrespective of their final destination in territories of Pakistan].

<sup>5</sup>[(1A) Subject to the provision of sub-section (6) of section 8 or any notification issued thereunder, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of <sup>6</sup>[three] percent of the value in addition to the rate specified in sub-sections (1), (1B), (2), (5) <sup>7</sup>[, (6) and section 4]:

Provided that the Federal Government may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.]

<sup>8</sup>[(1B) On the goods specified in the Tenth Schedule, in lieu of levying and collecting tax under sub-section (1), the tax shall be levied and collected, in the mode and manners specified therein--

- (a) on the production capacity of plants, machinery, undertaking, establishments or installation producing or manufacturing such goods; or
- (b) on fixed basis, from any person who is in a position to collect such tax due to the nature of the business,

and different rates may be so prescribed for different regions or areas.]

<sup>9</sup>[(2) Notwithstanding the provisions of sub-section (1),--

- (a) taxable supplies<sup>10</sup>[and import of goods] specified in the Third Schedule shall be charged to tax at the rate of <sup>1</sup>[seventeen] per cent of the retail price <sup>11</sup>[or in case such supplies <sup>12</sup> [or imports] are also specified in the Eighth Schedule, at the rates specified therein and the retail price thereof,] alongwith the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer <sup>13</sup> [or the importer, in case of imported goods] on each article, packet, container, package, cover or label, as the case may be <sup>14</sup>[:]

<sup>15</sup>[Provided that the Federal Government, may, by notification in the official Gazette, exclude any taxable supply <sup>16</sup>[or import] from the said Schedule or include any taxable supply <sup>17</sup>[or import] therein; <sup>18</sup>[\*\*\*\*\*] ]

- <sup>19</sup>[(aa) goods specified in the Eighth schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and]

- <sup>20</sup>[(b) the <sup>21</sup>[Federal Government] may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.]]

(3) The liability to pay the tax shall be,-

- (a) in the case of supply of goods<sup>22</sup>[\*\*\*\*\*], of the person making the supply, and
- (b) in the case of goods imported into Pakistan, of the person importing the goods.

<sup>23</sup>[(3A) Notwithstanding anything contained in clause (a) of sub-section (3), the <sup>24</sup> [Board, with the approval of the Federal Minister-in-charge] may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be of the person receiving the supply.]

<sup>25</sup>[(3B) Notwithstanding anything contained in sub-sections (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein.]

<sup>26</sup>[(4) \*\*\*\*\*]

<sup>27</sup>[(5) The <sup>28</sup>[Federal Government] may, in addition to the tax levied under sub-sections (1) <sup>29</sup>[\*\*\*\*\*],<sup>30</sup>[\*\*\*\*\*] sub-section (2) and sub-section (4), levy and collect <sup>31</sup>[tax at such extra rate or amount] not exceeding <sup>1</sup>[seventeen] per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.]

<sup>32</sup>[(6) The Federal Government or <sup>33</sup>[the Board] may, in lieu of the tax under sub-section (1), by notification in the official Gazette, levy and collect such amount of tax as it may deem fit on any supplies or class of supplies or on any goods or class of

goods and may also specify the mode, manner or time of payment of such amount of tax.

<sup>34</sup>[(7) The tax shall be withheld <sup>35</sup>[\*\*\*\*\*] at the rate as specified in the Eleventh Schedule, by any person or class of persons <sup>36</sup>[being purchaser of goods or services] as withholding agent for the purpose of depositing the same, in such manner and subject to such conditions or restrictions as the Board may prescribe in this behalf through a notification in the official Gazette.]

<sup>37</sup> [(8) Notwithstanding anything contained in any law or notification made thereunder <sup>38</sup>[, but subject to the provisions of clause (b) of sub-section (2)], in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of seventeen per cent of the value of supply to the CNG consumers, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.]

<sup>39</sup>[(9) Notwithstanding anything contained in sub-section (1), tax shall be charged from retailers <sup>40</sup>[other than those falling in Tier-1] through their monthly electricity bills, at the rate of five percent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid amount,<sup>41</sup>[and the electricity supplier shall deposit the amount so collected directly without adjusting against his input tax]:

Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub-section (1), (1A) and (5)<sup>42</sup>[:]

<sup>43</sup>[Provided further that the Commissioner of Inland Revenue having jurisdiction shall issue order to the electricity

supplier regarding exclusion of a person who is either a Tier-1 retailer, or not a retailer.]

44[(9A)Notwithstanding anything contained in this Act, Tier-1retailers shall pay sales tax at the rate as applicable to the goods sold under relevant provisions of this Act or a notification issued there under:

Provided that the customers of a Tier-1 retailer shall be entitled to receive a cash back of up to five percent of the tax involved, from such date, in the manner and to the extent, as may be prescribed by the Board:

Provided further that from such date, and in such mode and manner, as prescribed by the Board, all Tier-1 retailers shall integrate their retail outlets with Board’s computerized system for real-time reporting of sales.]

## HISTORY

1 Effective rate of tax is as hereunder:

<b>Rate</b>	<b>Period</b>	<b>Legislative Instrument</b>
12.5%	Upto 13.06.1996	For Pakistan, The Finance Act, 1990, and
		AJK Sales Tax (Adaptation) Act, 1993 for AJK.
15%	14.06.1993 to 30.06.1996	Finance Act, 1993 and Provisional Collection of Taxes Act, 1931.
18%	01.07.1996 to 15.04.1997	Finance Act, 1996 (IX of 1996).
12.5%	16.04.1997 to 30.11.1998	Finance Supplementary Act, 1997 (IV of 1997).
15%	01.12.1998 to 30.06.2008	Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998) and Sales Tax (Amendment) Act, 1999 (I of 1999)
16%	01.07.2008 to 30.06.2010	Finance Act, 2008 (I of 2008).
17%	01.07.2010 to 30.06.2011	Finance Act, 2010 (XVI of 2010).

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16%	01.07.2011 to 12.06.2013	Finance Act, 2011 (XVI of 2011).
17%	<i>w.e.f.</i> 13.06.2013	Finance Act, 2013 (XXII of 2013).

- 2 The words **“in Pakistan”** omitted by the Finance Act, 2003 (I of 2003).  
 3 The words substituted for **“business”** by the Finance Act, 1996 (IX of 1996).  
 4 The comma and words inserted in section 3(1)(b) by Finance Act, 2017 (XXVII of 2017).  
 5 Sub-section (1A) inserted by the Finance Act, 2013 (XXII of 2013). Earlier a sub-section (1A) with different contents was omitted by the Finance Act, 2004 (II of 2004). Before omission, in 2004, sub-section (1A) was as under:

*“<sup>a</sup>[(1A) <sup>b</sup>[Subject to the provision of sub-section (6) of section 8 or any notification issued thereunder where] taxable supplies are made <sup>c</sup>[\*\*\*\*\*] to a person other than a registered person there shall be charged, levied and paid a further tax at the rate of <sup>d</sup>[three] per cent of the value in addition to the rate specified in <sup>e</sup>[sub-section (1), <sup>f</sup>[\*\*\*\*\*] sub-section (2), and sub-sections (4) and (5)]:*

*Provided that the aforesaid <sup>g</sup>[\*\*\*\*\*] further tax shall not be charged, levied and paid if the said taxable supplies are made:--*

- (1) *by a person registered as a retailer; or*  
 (2) *by any registered person to a person whose income is not liable to tax <sup>h</sup>[under the Income Tax Ordinance, 2001 (XLIX of 2001) but has deducted income tax at source under section 153] of the said Ordinance <sup>i</sup>; or]]*

- <sup>j</sup>[(3) *by a registered person on the supply of--*  
 (i) *electrical energy;*  
 (ii) *natural gas;*  
 (iii) *petroleum gas including liquefied petroleum gas; <sup>k</sup>[\*\*\*\*\*]*  
 (iv) *petroleum products <sup>l</sup>[excluding asphalt, bitumen and lubricants all sorts] <sup>m</sup>; <sup>n</sup>[\*\*\*\*\*]]]*

- <sup>o</sup>[(v) *substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under any heading of Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969); <sup>p</sup>[\*\*\*\*\*]]*

- <sup>q</sup>[(vi) *vegetable ghee and cooking oil; and*  
 (vii) *fertilizers;]*

- <sup>r</sup>[(4) *to a person enrolled for the purpose of turnover tax <sup>s</sup>[at the rate of two per cent]]*

- a. Sub-section (1A) inserted by Finance Act, 1998 (III of 1998).  
 b. Substituted for **“Where”** by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001) dated 07.02.2001.  
 c. The words **“in Pakistan”** omitted by the Finance Act, 2003 (I of 2003).  
 d. Substituted for **“one and half”** by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Earlier it was substituted for **“three”** by the Finance



- Ordinance, 2000 (XXI of 2000). Earlier it was substituted for *“one and half”* by the Finance Act, 1999 (IV of 1999) dated 29.06.1999.
- e. Substituted for **“sub-section (1)”** by the Finance Act, 1999.
- f. The expression **“clause (a) of”** omitted by the Finance Ordinance, 2002 (XXVII of 2002). Earlier **“(a)”** was replaced for **“(c)”** by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- g. The words **“one and half”** omitted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Earlier it was substituted for **“three”** by the Finance Ordinance, 2000 (XXI of 2000). Earlier it was substituted for **“one and half”** by the Finance Act, 1999 (IV of 1999) dated 29.06.1999.
- h. Substituted for **“under the Income Tax Ordinance, 1979 (XXXI of 1979) but has deducted income tax at source under sub-section (4) of section 50”** by the Finance Act, 2003 (I of 2003).
- i. Substituted for full stop by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999) dated 13.08.1999.
- j. Clause (3) added by the the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999) dated 13.08.1999.
- k. The word **“and”** omitted by the Sales Tax (Amendment) Ordinance, 2002 (XVI of 2002) dated 21.03.2002.
- l. The words inserted by the Finance Act, 2003 (I of 2003).
- m. Substituted for full stop by the Finance Ordinance, 2000 (XXI of 2000).
- n. The word **“and”** omitted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- o. Sub-clause (v) added by the Sales Tax (Amendment) Ordinance, 2002 (XVI of 2002) dated 21.03.2002
- p. The word **“and”** omitted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- q. Sub-clause (vi) and (viii) added by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- r. Clause (4) added by Finance Ordinance, 2000 (XXI of 2000).
- s. The words added by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.
- 6 Substituted for **“two”** by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for **“one”** by the Finance Act, 2015 (V of 2015).
- 7 Substitution for **“and (6)”** in section 3(1A) by Finance Act, 2017 (XXVII of 2017).
- 8 Substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:
- a*[(1B) *The Board may, by notification in the Official Gazette, in lieu of levying and collecting tax under sub-section (1) on taxable supplies, levy and collect tax--*
- (a) *on the production capacity of plants, machinery, undertaking, establishments or installations producing on manufacturing such goods; or*
- (b) *on fixed basis, as it may deem fit, from any person who is in a position to collect such tax due to the nature of the business.*]

- a. Sub-section (1B) inserted by the Finance Act, 2013 (XXII of 2013), *w.e.f.* 13.06.2013.
- 9 Sub-section (2) substituted by the Finance Ordinance, 2001 (XXV of 2001). Before substitution this provision was as under:

*“a[(2) Notwithstanding the provisions of sub-section (1)--*

*b[(a) \*\*\*\*\**

*c[(b) \*\*\*\*\**

*(c) taxable supplies specified in the Third Schedule shall be charged to tax at the rate of d[fifteen] per cent of the retail price which alongwith the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be;*

*e[(d) \*\*\*\*\**

*f[(e) \*\*\*\*\*”*

- a. Sub-section (2) substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“(2) Notwithstanding the provisions of sub-section (1) the Federal Government may, by Notification in the official Gazette, declare that--*

*(a) in respect of any goods or class of goods imported into or produced in Pakistan or any taxable supplies made by registered persons the tax shall be charged at such aa[higher or lower] rate or rates as may be specified in the Notification;*

*(b) in respect of any goods or class of goods the tax shall be charged on the whole sale or retail price as may be specified.”*

- aa. The words inserted by the Finance Act, 1994 (XII of 1994).

- b. Sub-clause (a) omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Before omission this provision was as under:

*“(a) taxable supplies made or goods imported, specified in the First Schedule shall be charged to tax at the rate of five per cent of the value thereof;”*

- c. Sub-clause (b) omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier the same amendment was made by the Sales Tax (Third Amendment) Ordinance, 1996 (CXXI of 1996) dated 29.12.1996. Before omission this provision was as under:

*“(b) taxable supplies made or goods imported, specified, in the Second Schedule shall be charged to tax at the rate of five per cent of the value thereof;”*

- d. Substituted for *“twelve and half”* by the Sales Tax (Amendment) Act, 1999 (I of 1999) *w.e.f.* 01.12.1998 and the same amendment was made by the Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998). Earlier the above words were substituted for *“eighteen”* by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997).

- e. Sub-clause (d) omitted by the Finance Act, 1998 (III of 1998). Before substitution this provision was as under:

*“(d) taxable supplies specified in the Fourth Schedule shall be charged to tax at the fixed rate specified therein till the 30th June, 1998:*

*Provided that a person whose supplies fall under this clause may opt for paying sales tax at any other rate applicable to such supplies under this section subject to the condition that he shall not be allowed to adopt fixed tax scheme unless a notice of his intention to adopt such scheme is given to the Collector three months prior to such adoption;”*

f. Clause (e) omitted by the Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:

*“(e) taxable supplies made or goods imported, specified in the Seventh Schedule shall be charged to tax at rate of ten per cent of the value thereof.”*

- 10 Inserted by Finance Act, 2019 (V of 2019).
- 11 Substitution for “*which*” in section 3(2)(a) by Finance Act, 2017 (XXVII of 2017).
- 12 Inserted by Finance Act, 2019 (V of 2019).
- 13 Inserted by Finance Act, 2019 (V of 2019).
- 14 Substituted for “; *and*” by the Finance Act, 2007 (IV of 2007).
- 15 Proviso inserted by the Finance Act, 2007 (IV of 2007).
- 16 Inserted by Finance Act, 2019 (V of 2019).
- 17 Inserted by Finance Act, 2019 (V of 2019).
- 18 The word “*and*” omitted by the Finance Act, 2014 (IX of 2014).
- 19 Clause (aa) inserted by the Finance Act, 2014 (IX of 2014).
- 20 Clause (b) substituted by the Finance Act, 2015 (V of 2015). Before substitution this clause was as under:

*“(b) The Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any goods or class of goods imported into or produced or any taxable supplies made by a registered person or a class of registered persons, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.”*
- 21 Substituted for “*Board with the approval of Federal Minister-in-Charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by Finance Act, 2017 (XXVII of 2017).
- 22 The words “*in Pakistan*” omitted by the Finance Act, 2003 (I of 2003).
- 23 Sub-section (3A) inserted by the Finance Act, 1998 (III of 1998).
- 24 Substituted for “*Federal Government*” by Finance Act, 2019 (V of 2019). This amendment is not adapted and enforced in AJK. Earlier it was substituted for “*Board with the approval of Federal Minister-in-charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by Finance Act, 2017 (XXVII of 2017).
- 25 Sub-section (3B) inserted by the Finance Act, 2014 (IX of 2014).
- 26 Sub-section (4) omitted by the Finance Act, 2008 (I of 2008). Before omission this provision was as under:

<sup>a</sup>(4) *The Federal Government may, for a period not beyond the 30th June, 2003, in addition to or in lieu of levying and collecting the tax under sub-section (1), levy and collect such withholding tax not exceeding five per cent of the value on any supply of textile goods to be payable by any registered person or class of registered persons, supplying such goods or class of goods, in such mode, manner and at time, and subject to such conditions and limitations as it may specify by a notification in the official Gazette.]”*

a. Sub-clause (4) substituted by the Sales Tax (Amendment) Act, 1999 (I of 1999). Before substitution this provision was as under:

<sup>aa</sup>(4) *The Federal Government may, in addition to or in lieu of levying and collecting the tax under sub-section (1), levy and collect such fixed amount of tax on any goods or class of goods to be payable by any registered person or class of registered persons, supplying such goods or class of goods, in such mode, manner and at time, and subject to such conditions and limitation as it may specify by a notification in the Official Gazette.]”*

aa. Sub-clause (4) was inserted by the Finance Act, 1997 (XXII of 1997). Earlier sub-section (4) with different contents was omitted by the Finance Act, 1996 (IX of 1996), that was originally inserted by Finance Act, 1991.. Before omission this provision was as under:

"(4) *With the prior approval of the Federal Government, the Central Board of Revenue <sup>ab</sup>[or the Collector may], in lieu of levying the collecting the tax under sub-section (1), by Notification in the official Gazette, levy and collect such fixed amount of tax as it may deem fit on any goods or class of goods, payable by any establishment or undertaking producing or manufacturing such goods.”*

aa. Substituted for “*may*” by the Finance Act, 1994 (XII of 1999).

27 Sub-section (5) inserted by the Finance Act, 1999 (V of 1999). Earlier a provision with different contents was omitted by the Finance Act 1996 (IX of 1996). Before omission, in 1996, this provision was as under:

“(5) For the levy and collection of such fixed amount of tax, the Board <sup>a</sup>[or the Collector] may--

(a) *prescribe, inter alia,--*

(i) *the manner in which, and the time at which such amount shall be payable; and*

(ii) *the period for which the amount so fixed shall be effective; and*

(b) *appoint, empower or constitute any agency, authority or committee, as it may deem fit, to receive, gather, collate and analyse such information or documents and summon any person, as may be necessary, for making recommendations for consideration of the Board <sup>a</sup>[or the Collector].”*

a. The words inserted by the Finance Act, 1994 (XII of 1994).

- 28 Substituted for “**Board with the approval of Federal Minister-in-charge**” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “**Federal Government**” by Finance Act, 2017 (XXVII of 2017).
- 29 The expression “**and (1A)**” omitted by the Finance Act, 2004 (II of 2004).
- 30 The expression “**clause (c) of**” omitted by the Finance Ordinance, 2002 (XXVII of 2002).
- 31 Substituted for “**such extra amount of tax**” by the Finance Act, 2013 (XXII of 2013).
- 32 Sub-section (6) inserted by the Finance Ordinance 2001 (XXV of 2001).
- 33 Substituted for “**Central Board of Revenue**” by the Finance Act, 2007 (IV of 2007).
- 34 Sub-clause (7) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:
- “[(7) The Federal Government may, by notification in the official Gazette, specify any person or class of persons as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.]*
- a. Inserted by the Finance Act, 2007 (IV of 2007).
- 35 The expression “**by the buyer**” omitted by the Finance Act, 2020 (XIX of 2020).
- 36 The expression inserted by the Finance Act, 2020 (XIX of 2020).
- 37 Sub-section (8) substituted by the Finance Act, 2014 (IX of 2014). Earlier this sub-section was inserted by the Finance Act, 2013 (XXII of 2013) and this amendment was also made by the Sales Tax (Amendment) Ordinance, 2014 (IV of 2014). Before substitution, in 2014, this provision was as under:
- “(8) Notwithstanding the rate of sales tax as contained in sub-section (1) and notwithstanding anything contained in any law or notification made there under, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of nine per cent in addition to the sales tax chargeable under sub-section (1) on the value of supply, where the value for the purpose of levy of sales tax shall include price of natural gas, charges, rents, commissions and all local provincial and Federal duties and taxes, but excluding the amount of sales tax, as provided in clause (46) of section 2. This rate shall include the rate of tax chargeable under sub-section (1) and nine per cent in lieu of value addition made by the CNG stations. The rate of sales tax under this sub-section shall have effect and shall be deemed to have taken effect on and from the 1st day of July, 2007.*
- Explanation.-** The rate of nine per cent in lieu of value addition is less than the standard rate of tax chargeable under sub-section (1), as all input tax adjustments have been catered for while determining the figure of nine per cent.”*
- 38 The comma and words inserted by the Finance Act, 2015 (V of 2015).
- 39 Sub-section (9) inserted by the Finance Act, 2014 (IX of 2014).

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- 40 Inserted by Finance Act, 2019 (V of 2019).  
 41 Substituted for "*subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007*" by Finance Act, 2019 (V of 2019).  
 42 Substituted for full stop by Finance Act, 2019 (V of 2019).  
 43 Proviso inserted by Finance Act, 2019 (V of 2019).  
 44 Sub-Section (9A) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

*a[(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate specified in sub-section (1) and shall observe all the applicable provisions of the Act and rules made thereunder, including the requirement to file monthly sales tax returns in the manner prescribed in Chapter II of the Sales Tax Rules, 2006:*

*Provided that the retailers making supplies of finished goods of the five sectors specified in Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011 shall pay sales tax in respect of such supplies at the rates prescribed in the said Notification:*

*Provided further that Tier-1 retailers, in lieu of net tax payable at the applicable rate, shall have an option to pay sales tax under the turnover regime at the rate of two percent of their total turnover, including turnover relating to exempt supplies, without adjustment of any input tax whatsoever:*

*Provided also that retailers opting to pay sales tax on the basis of total turnover shall file an option to the Chief Commissioner of Regional Tax Office or Large Taxpayers Unit having jurisdiction by fifteenth day of July opting to pay sales tax on the basis of turnover and such an option shall remain in force for the whole financial year.]*

- a. Inserted by the Finance Act, 2017 (XXVII of 2017).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 3(1A)	S.R.O.648(I)/2013 dated 09.07.2013.(Supplies on which further tax shall not be charged)
Section 3(2)(a)	STGO No.01 of 2017.(Notification of zones for determination of highest retail price of fertilizers in retail packing)
Section 3(2)(a)	STGO No. 102 of 2019.(Printing of Retail Price on imported Third Schedule items)
Section 3(2)(a)	STGO No. 103 of 2019.(Printing of Retail Price on imported Third Schedule items)
Section 3(2)(a)	STGO No. 104 of 2019. (Payment of Sales Tax on the basis of retail price on raw tea imported by tea manufacturers)
Section 3(2)(b)	S.R.O.911(I)/2007 dated 08.09.2007.(Price Differential Claim (PDC) excluded from value of High Speed Diesel for levy of sales tax)

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Section 3(2)(b) Section 3(6)	S.R.O.179(I)/2013 dated 07.03.2013.(Payment of tax @ 2 % without penalty and default surcharge by certain persons who declared their supplies as zero-rated during 01.04.2011 to 28.02.2013)
Section 3(2)(b)	S.R.O.719(I)/2015 dated 31.07.2015.(Rate of tax on electricity produced exclusively through high speed diesel)
Section 3(2)(b) Section 3(6)	S.R.O.57(I)/2016 dated 29.01.2016.(Rate of tax on petroleum products)
Section 3(3A)	S.R.O.401(I)/2001 dated 18.06.2001.(Specification of goods on which the recipient i.e. Exporter receiving goods under DTRE Rules, 2001 is liable to pay the sales tax.)
Section 3(3A)	S.R.O.1087(I)/2019 dated 19.09.2019. (Specification of ginned cotton as goods on which receipt shall be liable to pay sales tax)
Section 3(5)	S.R.O.509(I)/2013 dated 12.06.2013.(Levy of extra tax @ 5% on total billed amount (excluding federal taxes) of electricity/natural gas supplied to a non-registered person in case monthly bill exceeds Rs.50,000/-)
Section 3(8)	S.R.O.236(I)/2014 dated 31.03.2014.(Value of supply to CNG consumers)
Section 3(8)	SRO 690(I)/2019. (Value of Supply to CNG Consumers)

<sup>1</sup>[3A.           \*\*\*\*\* ]

**HISTORY**

1. Section 3A omitted by the Finance Act, 2004 (II of 2004). Earlier section 3A was substituted by the Finance Act, 1999 (IV of 1999). Originally section 3A was inserted by the Finance Act, 1996 (IX of 1996). Before omission, in 2004, this provision was as under:

*“3A. Turnover Tax.- (1) Subject to the provisions of this section and sub-section (7) of section 8 or any notification issued there-under, there shall be charged, levied and paid turnover tax at the rate of two per cent of the taxable turnover by any manufacturer or producer and retailer who is making taxable supplies in the course or furtherance of any taxable activity carried on by him, provided that total turnover of that manufacturer or producer and that retailer does not exceed two and half million rupees and twenty million rupees, respectively, in any period during the last twelve month:*

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Provided that the provisions of this section shall not apply to:--

- (i) a manufacturer or producer who is making zero rated supplies;
- (ii) a manufacturer or producer who is a limited company itself or is owned by a limited company; and
- (iii) a manufacturer engaged in the manufacture or production and supply of the goods specified in the Third Schedule.

Provided further that the Federal Government may, by notification in the official Gazette, fix any amount of annual total turnover for the application of turnover tax under this section.

**Explanation.-** For the purposes of this section, "taxable turnover" means the total value of all taxable supplies of goods other than goods taxable at the rate of zero per cent.

(2) Any person who is liable to pay turnover tax under sub-section (1) shall apply for enrollment. The application for enrollment as turnover tax-payer shall be made to the Collector in such form and such manner as may be specified by the Board.

(3) Notwithstanding the provisions of sub-section (1), a manufacturer or producer and a retailer whose taxable turnover does not exceed two and a half million rupees or twenty million rupees, respectively, may, after voluntary registration under section 18, opt for paying tax under section 3 instead of paying turnover tax under this section.

(4) Subject to such modifications as the Board may specify, all provisions of this Act shall apply to the charge, levy, payment, collection and enforcement of the turnover tax, as if it were sales tax under section 3."

<sup>1</sup>[3AA. \*\*\*\*\* ]

### HISTORY

1. Section 3AA omitted by the Finance Act, 2008 (I of 2008). Earlier section 3AA was substituted by the Finance Act, 1998 (III of 1998). Originally section 3AA was inserted by the Finance Act, 1997 (XXII of 1997). Before omission, in 2008, this provision was as under:

**"3AA. Retail Tax.-** (1) Subject to the provisions of this section, and such conditions and procedures regarding the mode, manner, and time of payment, and from such date as may be specified by the Federal Government, there shall be charged, levied and paid retail tax at the rate specified in section 3, by a retailer who is making taxable supplies in the course or furtherance of any taxable activity carried by him:

Provided that the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any goods or class of goods imported into or produced or any taxable supplies made by a registered retailer or class of registered retailers, the



tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.

(2) Subject to such modifications as the Board may specify, all provisions of this Act shall apply to the charge, levy, deduction of input tax, payment, collection and enforcement of the retail tax, as if it were sales tax under section 3.

(3) The application for registration as tax payer of retail tax shall be made to the Collector in such form and manner as may be specified by the Board."

<sup>1</sup>[3AAA. \*\*\*\*\* ]

## HISTORY

1. Section 3AAA omitted by the Finance Ordinance, 2002 (XXVII of 2002). Originally section 3AAA was inserted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000). Before omission, in 2002, this provision was as under:

*"3AAA. Enlistment Tax.- (1) Subject to the provisions of this section, there shall be charged, levied and paid enlistment tax at the rate of one per cent of the taxable turnover by a retailer who is making taxable supplies in the course of furtherance of any taxable activity provided that total turnover of such retailer is, or exceeds, one million rupees in any period during the last twelve months.*

*(2) Any retailer who intends to pay enlistment tax under sub-section (1) shall apply for enlistment to the Collector in such form and manner as the Board may specify.*

*(3) Any retailer who is already registered or enrolled may opt to pay tax under this section provided that he surrenders his registration certificate or, as the case may be, enrolment certificate at the time of applying for enlistment under sub-section (2).*

*(4) The provisions of this section shall stand repealed on 30th day of June, 2001."*

<sup>1</sup><sup>2</sup>[3B].Collection of excess tax, etc.-- (1) Any person who has collected or collects any tax or charge, whether under misapprehension of any provision of this Act or otherwise, which was not payable as tax or charge or which is in excess of the tax or charge actually payable and the incidence of which has been passed on to the consumer, shall pay the amount of tax or charge so collected to the Federal Government.

<sup>3</sup>[(2) Notwithstanding anything contained in any law or judgment of a court, including the Supreme Court and a High court, any amount payable to the Federal Government under

sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.]

(3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the consumer shall be on the person collecting the tax or charge.]

### **HISTORY**

1. Section 3A (re-numbered as 3B in 1996) was inserted by the Finance Act, 1994 (XII of 1994).
2. Section "3A" renumbered as section "3B" by the Finance Act, 1996 (IX of 1996).
3. Sub-section (2) substituted by the Finance Act, 2014 (IX of 2014). Earlier this amendment was also made by the Sales Tax (Amendment) Ordinance, 2014 (IV of 2014) dated 23.03.2014. Before substitution this provision was as under:

*"(2) Any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and no claim for refund in respect of such amount shall be admissible."*

### **Section 4 as enforced in Pakistan:--**

**4.Zero rating.--** Notwithstanding the provisions of section 3<sup>1</sup>[except those of sub-section (1A)],<sup>2</sup>[\*\*\*\*\*] the following goods shall be charged to tax at the rate of zero per cent:--

- <sup>3</sup>[(a) goods exported, or the goods specified in the Fifth Schedule;]
- (b) supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969);

<sup>5</sup>(c) such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements:]

<sup>6</sup>[(d) \*\*\*\*\*]]

Provided that nothing in this section shall apply in respect of a supply of goods which --

(i) are exported, but have been or are intended to be re-imported into Pakistan; or

(ii) have been entered for export under Section 131 of the Customs Act, 1969 (IV of 1969), but are not exported <sup>8</sup>[\*\*\*]<sup>9</sup>; or]

<sup>10</sup>(iii) have been exported to a country specified by the Federal Government, by Notification in the official Gazette <sup>11</sup>[:]

<sup>12</sup>[Provided further that the Federal Government may, by a notification in the official Gazette, restrict the amount of credit for input tax actually paid and claimed by a person making a zero-rated supply of goods otherwise chargeable to sales tax.]

**Section 4 as enforced in Azad Jammu & Kashmir:--**

**4. Zero rating.**-- Notwithstanding the provisions of section 3 <sup>1</sup>[except those of sub-section (1A)], <sup>2</sup>[\*\*\*\*\*] the following goods shall be charged to tax at the rate of zero per cent:--

<sup>3</sup>(a) goods exported, or the goods specified in the Fifth Schedule;]

- (b) supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside <sup>4</sup>[Pakistan] as specified in section 24 of the Customs Act, 1969 (IV of 1969);
- <sup>5</sup>[(c) such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements:]
- <sup>6</sup>[(d) \*\*\*\*\*]]

Provided that nothing in this section shall apply in respect of a supply of goods which --

- (i) are exported, but have been or are intended to be re-imported into <sup>7</sup>[Pakistan]; or
- (ii) have been entered for export under Section 131 of the Customs Act, 1969 (IV of 1969), but are not exported <sup>8</sup>[\*\*\*\*\*]<sup>9</sup>[; or]
- <sup>10</sup>[(iii) have been exported to a country specified by the Azad Government of State of Jammu and Kashmir, by Notification in the official Gazette <sup>11</sup>[:]]

<sup>12</sup>[Provided further that the Azad Government of State of Jammu and Kashmir may, by a notification in the official Gazette, restrict the amount of credit for input tax actually paid and claimed by a person making a zero-rated supply of goods otherwise chargeable to sales tax.]

## HISTORY

- 1 The words inserted by Finance Act, 2017 (XXVII of 2017).
- 2 The words "*a supply of*" omitted by the Finance Act, 2004 (II of 2004).
- 3 Clause (a) substituted by the Finance Act, 1998 (III of 1998). Before substitution this provision was as under:

*"(a) Goods exported or deemed to have been exported out of <sup>a</sup>[Pakistan] <sup>b</sup>], as specified in the Fifth Schedule];"*

  - a. Only for AJK purposes, the word substituted for "*Azad Jammu and Kashmir*" by the AJK Sales Tax (Amendment) Act, 1999 (Act IV of 1999) dated 01.02.1999.
  - b. The comma and words inserted by the Finance Act, 1996 (IX of 1996).
- 4 Substituted for words "*Azad Jammu and Kashmir*" by the AJK Sales Tax (Amendment) Act, 1999 (Act IV of 1999) dated 01.02.1999.
- 5 Clause (c) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

*<sup>a</sup>[(c) such other goods as the <sup>b</sup>[Federal Government] may, by Notification in the Official Gazette, specify:]*

  - a. Earlier this Clause (c) inserted by the Finance Ordinance, 2002 (XXVII of 2002). Earlier this clause with same contents was omitted by the Finance Act, 1996 (IX of 1996). Earlier a clause (c) with different contents was omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*"(c) such other goods as the Federal Government may, by notification in the official Gazette specify:"*

    - b. Substituted for "*Board with the approval of the Federal Minister-in-charge*" by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for "*Federal Government*" by the Finance Act, 2017 (XXVII of 2017).
- 6 Clause (d) omitted by Finance Act, 2019 (V of 2019). Before omission this provision was as under:

*<sup>a</sup>[(d) such other goods as may be specified by the Federal Board of Revenue through general order as are supplied to a registered person or class of registered persons engaged in the manufacture and supply of <sup>7</sup>[goods at reduced rate of sales tax]*

  - a. Clause inserted by the Finance Act, 2007 (IV of 2007).
- 7 Substituted for words "*Azad Jammu and Kashmir*" by the AJK Sales Tax (Amendment) Act, 1999 (Act IV of 1999) dated 01.02.1999.
- 8 The words "*within thirty days of the date of filing of bill of export or such extended period as the Collector may allow*" omitted by the Finance Act, 1999 (IV of 1999).
- 9 Substituted for full stop by the Finance Act, 1991.
- 10 Inserted by the Finance Act, 1991.
- 11 Substituted for full stop by the Finance Act, 1996 (IX of 1996).
- 12 Proviso inserted by the Finance Act, 1996 (IX of 1996).

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<b>Delegated / Subordinate legislation currently in force</b>	
Section 4	S.R.O.190(I)/2002 dated 02.04.2002.(Provisions of section 4 of Act not to apply on certain goods exported to Afghanistan and Central Asian Republics)
Section 4(c)	S.R.O.423(I)/2009 dated 28.05.2009.(Zero-rating of sales on products, services & equipments for execution of project KARARO-WADH section N-25 supplied to M/S Taisei Corporation subject to certain conditions)
Section 4(c)	S.R.O.273(I)/2017 dated 20.04.2017.(Zero-rating on import of dates gifted by Saudi Arabia)
Section 4(c)	S.R.O.776(I)/2018 dated 21.06.2018.(Zero-rating on import of Potatoes)
Section 4	Rules 52A of Sales Tax Rules, 2006 (Supplies to diplomats and diplomatic missions by tier-1 retailers and refund of tax)
Section 4	Rule 164 of the Sales Tax Rules, 2006 (Making of zero-rated supplies to a duty-free shop)

**5.Change in the rate of tax.**-<sup>1</sup>[\*\*\*\*\*] If there is a change in the rate of tax--

- (a) a taxable supply made <sup>2</sup>[\*\*\*\*\*] by a registered person shall be charged to tax at such rate as is in force at the time of supply;
- (b) imported goods shall be charged to tax at such rate as is in force,--
  - (i) in case the goods are entered for home consumption, on the date on which a <sup>3</sup>[goods declaration] is presented under section 79 of the Customs Act, 1969 (IV of 1969);
  - (ii) in case the goods are cleared from warehouse, on the date on which a <sup>3</sup>[goods declaration] for clearance of such goods is presented under section 104 of the Customs Act, 1969 (IV of 1969);

Provided that where a <sup>3</sup>[goods declaration] is presented in advance of the arrival of the conveyance by which the goods are imported, the tax shall be charged as is in force on the date on which the manifest of the conveyance is delivered:

Provided further that if the tax is not paid within seven days of the presenting of the <sup>3</sup>[goods declaration] <sup>4</sup>[under section 104 of the Customs Act,] the tax shall be charged at the rate as is in force on the date on which tax is actually paid.

### HISTORY

1. The brackets and figure “(1)” omitted by the Finance Act, 1996 (IX of 1996).
2. The words “*in Pakistan*” omitted by the Finance Act, 2003 (I of 2003).
3. Substituted for words “*bill of entry*” by the Finance Act, 2005 (VII of 2005).
4. The expression inserted by the Finance Act, 1996 (IX of 1996).

**6. Time and manner of payment.--** (1) The tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 <sup>1</sup> [and the provisions of the said Act <sup>2</sup>[including section 31A thereof,] shall, so far as they relate to collection, payment and enforcement <sup>3</sup>[including recovery] of tax under this Act on such goods where no specific provision exists in this Act, apply,].

<sup>4</sup>[(1A) Notwithstanding anything contained in any other law for the time being in force, including but not limited to the Protection of Economic Reforms Act, 1992 (XII of 1992), and notwithstanding any decision or judgment of any forum, authority or court whether passed, before or after the promulgation of the Finance Act, 1998 (III of 1998), the provisions of section 31-A of the Customs Act, 1969 (IV of 1969), referred to in sub-section (1) shall be incorporated in and shall be deemed to have always been so incorporated in this Act and no person shall be entitled to any exemption from or adjustment of

or refund of tax on account of the absence of such a provision in this Act, or in consequence of any decision or judgment of any forum, authority or court passed on that ground or on the basis of the doctrine of *promissory estoppel* or on account of any promise or commitment made or understanding given whether in writing or otherwise, by any government department or authority.]

(2) The tax in respect of taxable supplies made <sup>5</sup>[\*\*\*\*\*] during a tax period shall be paid by the registered person <sup>6</sup>[by the date as prescribed in this respect] <sup>7</sup>[:]

<sup>8</sup>[Provided that the Board may, by a notification in the Official Gazette, direct that the tax in respect of all or such classes of supplies (other than zero rated supplies) of all or such taxable goods, as may be specified in the aforesaid notification, shall be charged, collected and paid in any other way, mode, manner or at time as may be specified therein.]

<sup>9</sup>[(3) The tax due on taxable supplies <sup>10</sup>[\*\*\*\*\*] shall be paid by any of the following modes, namely:-

- (i) through deposit in a bank designated by the Board; and
- (ii) through such other mode and manner as may be specified by the Board.]

<sup>11</sup>[4. \*\*\*\*\*]

## HISTORY

- 1 Substituted for “(IV of 1969)” by the Finance Act, 1996 (IX of 1996).
- 2 The expression inserted by the Finance Act, 1998 (III of 1998).
- 3 The words inserted by the Finance Act, 2015 (V of 2015).
- 4 Sub-section (1A) inserted by the Sales Tax (Amendment) Ordinance, 2002 (XXV of 2002).
- 5 The words “in Pakistan” omitted by the Finance Act, 2003 (I of 2003).



- 6 Substituted for the words “at <sup>a</sup>[the time of] filing the return in respect of that tax period under Chapter-V” by Finance Act, 2016 (XXIX of 2016)
- a. Substitution for “any time before” by the Finance Act, 1996 (IX of 1996)
- 7 Substituted for full stop by the Finance Act, 1997 (XXII of 1997).
- 8 Proviso inserted by the Finance Act, 1997 (XXII of 1997).
- 9 Sub-section (3) substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:
- “(3) The tax due on taxable supplies made in Pakistan shall be paid by any of the following modes:--
- (a) by way of adjustment in the account current which the registered person may maintain with the Sales Tax Department for this purpose; or
- (b) through deposit in an authorized bank; or
- (c) such other mode as the Federal Government may specify.”
- 10 The words “made in Pakistan” omitted by the Finance Act, 2003 (I of 2003).
- 11 Sub-section (4) omitted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:
- “(4) Where a payment is made through deposit in an authorized bank, the registered person shall enclose a copy of the bank receipt with the return.”

<b>Delegated / Subordinate legislation currently in force</b>	
Section 6	SRO.524(I)/2006 (Designation of branches of NBP for payment of tax)
Section 6	AJK Notification No.CBR/C-448/1172-1232/2011(Designation of branches of NBP for payment of tax)
Section 6	Circular dated 12.04.2012.(Procedure for change in computerized payment receipt (CPR))

**7. Determination of tax liability.** - (1) <sup>1</sup>[Subject to the provisions of <sup>2</sup>[section 8 and] 8B, for] the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a registered person shall <sup>3</sup>[, subject to the provisions of section 73,] be entitled to deduct input tax <sup>4</sup>[paid <sup>5</sup>[or payable] <sup>6</sup>[during the tax period] for the purpose of taxable supplies made, or to be made, by him]from the output tax <sup>7</sup>[, excluding the amount of further tax under sub-section (1A) of section 3.]

<sup>8</sup>[\*\*\*\*] that is due from him in respect of that tax period and to make such other adjustments as are specified in Section 9 <sup>9</sup>[:]

<sup>10</sup> [Provided that where a registered person did not deduct input tax within the relevant period, he may claim such tax in the return for any of the six succeeding tax periods.]

(2) A registered person shall not be entitled to deduct input tax from output tax unless,--

- (i) in case of a claim for input tax in respect of a taxable supply made <sup>11</sup>[\*\*\*\*], he holds a tax invoice <sup>12</sup>[in his name and bearing his registration number] in respect of such supply <sup>13</sup>[or in case of supply of electricity or gas, a bill bearing his registration number and the address where the connection is installed] <sup>14</sup>[:]

<sup>15</sup>[Provided that from the date to be notified by the Board in this respect, in addition to above, if the supplier has not declared such supply in his return or he has not paid amount of tax due as indicated in his return;]

- <sup>16</sup>[(ii) in case of goods imported into Pakistan, he holds bill of entry or goods declaration in his name and showing his sales tax registration number, duly cleared by the customs under section 79 <sup>17</sup>[, section 81] or section 104 of the Customs Act, 1969 (IV of 1969);]

- <sup>18</sup>[(iii) in case of goods purchased in auction, he holds a treasury challan <sup>19</sup>[, in his name and bearing his registration number,] showing payment of sales tax;]

20[(iv) \*\*\*\*\*]

21[(3) Notwithstanding anything in sub-sections (1) and (2), the  
22[Board, with the approval of Minister-in-charge] may, by a  
special order, subject to such conditions, limitations or  
restrictions as may be specified therein allow a registered person  
to deduct input tax paid by him from the output tax determined  
or to be determined as due from him under this Act.]

23[(4) Notwithstanding anything contained in this Act or rules  
made thereunder, the 24 [Federal Government] may, by  
notification in the official Gazette, subject to such conditions,  
limitations or restrictions as may be specified therein, allow a  
registered person or class of persons to deduct such amount of  
input tax from the output tax as may be specified in the said  
notification.]

25[(5) Notwithstanding anything contained in this Act or the  
rules made thereunder, the Board, by notification in the official  
Gazette, may impose restrictions on wastage of material on  
which input tax has been claimed in respect of the goods or class  
of goods.]

## HISTORY

- 1 Substituted for "*For*" by the Finance Act, 2007 (IV of 2007).
- 2 Substituted for "*section*" by the Finance Act, 2014 (IX of 2014).
- 3 The expression inserted by the Finance Act, 2001 (XXV of 2001).
- 4 The comma and words inserted the Finance Act, 1996 (IX of 1996).
- 5 The words inserted by the Finance Act, 2004 (II of 2004).
- 6 The words inserted by the Finance Act, 1998 (III of 1998).
- 7 The expression inserted by the Finance Act, 2014 (IX of 2014).
- 8 The words and commas "*, excluding the amount of further tax,*" omitted by the Finance Act, 2004 (II of 2004). Earlier the above expression was inserted by the Finance Act, 2003 (I of 2003).
- 9 Substituted for full stop by the Finance Act, 2003 (I of 2003).

- 10 Proviso substituted by the Finance Act, 2008 (I of 2008). Earlier this proviso was inserted by the Finance Act, 2003 (I of 2003). Before substitution this provision was as under:  
*“Provided that the taxpayer may adjust input tax paid on the purchase in the immediate <sup>a</sup>[twelve] preceding tax periods from the output tax subject to the condition that the taxpayer specifies the reasons for such delayed input tax adjustment in the revised sales tax return for such period or in the return for the immediately succeeding tax period.”*
- a. Substituted for “*three*” by the Finance Act, 2005 (VII of 2005).
- 11 The words “*in Pakistan*” omitted by the Finance Act, 2003 (I of 2003).
- 12 The words inserted by the Finance Act, 2003 (I of 2003).
- 13 Substituted for “*for which a return is furnished*” by Finance Act, 2019 (V of 2019).
- 14 Substituted for semi-colon by the Finance Act, 2016 (XXIX of 2016).
- 15 Proviso inserted by the Finance Act, 2016 (XXIX of 2016).
- 16 The clause (ii) substituted by the Finance Act, 2003 (I of 2003). Before substitution this provision was as under:  
*“(ii) in case of goods imported into Pakistan, he holds the bill of entry duly cleared by the customs department under section 79 or section 104 of the Customs Act, 1969 (IV of 1969);”*
- 17 The comma, words and figures inserted by the Finance Act, 2015 (V of 2015).
- 18 Clause (iii) inserted by the Finance Ordinance, 2002 (XXVII of 2002). Earlier clause (iii) with different contents was omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:  
*“(iii) in case of purchase from a non-registered person of second-hand goods or such other goods as the Federal Government may, by Notification in the official Gazette specify, he keeps the records as prescribed in Section 22;”*
- 19 The expression inserted by the Finance Act, 2004 (II of 2004).
- 20 Clause (iv) omitted by the Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:  
*“<sup>a</sup>(iv) in case of taxed supply of goods by a registered importer, distributor or wholesaler not charging output tax on the supply of such goods to another registered person who holds a replacement invoice indicating the amount of tax paid at the stage of import or supply by manufacturer.]”*
- a. Clause (iv) substituted by the Finance Act, 1996 (IX of 1996). Originally this clause was inserted by the Finance Act, 1994 (XII of 1994). Before substitution, in 1996, this provision was as under:  
*“(iv) in case of purchase of goods from a registered person making an exempt supply, he holds an invoice issued by such person.”*
- 21 Sub-section (3) inserted by the Finance Ordinance, 2002 (XXVII of 2002).
- 22 Substituted for “*Federal Government*” by Finance Act, 2019 (V of 2019) and this amendment is not adapted and enforced in AJK. Earlier, it was substituted for “*Board with the approval of the Federal Minister-in-*

- charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by the Finance Act, 2017 (XXVII of 2017).
- 23 Sub-section (4) inserted by the Finance Act, 2007 (IV of 2007). *For AJK purposes*, Sub-section (4) was inserted (rather substituted as contained in Act) by the AJK Sales Tax (Amendment) Act, 1999 (Act III of 1999) dated 01.02.1999. The above sub-section remained enforced in AJK till insertion of Sub-section (4) by the Federal Finance Act, 2007 (IV of 2007) which was also adapted/enforced in AJK through AJK Finance Act, 2007 (Act VII of 2007) that caused the substitution of sub-section (4). Before substitution, sub-section (4) as was inserted (rather substituted as contained in Act) by AJK Sales Tax (Amendment) Act, 1999 (Act III of 1999) dated 01.02.1999, was as under:
- (4) *In determining the input tax under sub-section (1) the amount paid in Pakistan shall be deemed to have been paid in Azad Jammu and Kashmir for the purposes of adjustment against the tax liability on the finished goods*
- 24 Substituted for “*Board with the approval of the Federal Minister-in-charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by the Finance Act, 2017 (XXVII of 2017).
- 25 Sub-section (5) inserted the Finance Act, 2020 (XIX of 2020).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 7(4)	The Special Procedure for Adjustment of Sales Tax due on Fertilizers Rules, 2015 issued vide S.R.O.1198(I)/2015 dated 03.12.2015.
Section 7	Rule 161 of the Sales Tax Rules, 2006 (Input tax credit against supplies made by the persons registered in AJK)
Section 7	STGO No. 105/2019 (Adjustment/Refund of Sales Tax paid under Special Procedures)
Section 7	S.R.O.352(I)/2020 (Allowing petroleum companies to deduct input tax from output tax subject to conditions and limitations)

**<sup>1</sup>[7A. Levy and collection of tax on specified goods on value addition. - <sup>2</sup>[(1) Notwithstanding anything contained in this Act or the rules made thereunder, the <sup>3</sup>[Federal Government] may specify, by notification in the official Gazette, that sales tax chargeable on the supply of goods of such**

description or class shall, with such limitations or restrictions as may be prescribed, be levied and collected on the difference between the value of supply for which the goods are acquired and the value of supply for which the goods, either in the same state or on further manufacture, are supplied.]

<sup>4</sup>[(2) Notwithstanding anything contained in this Act or the rules made thereunder, in respect of the goods or class of goods specified in the Twelfth Schedule, the minimum value addition tax, against the value added by the registered person, shall be payable, at the rate and by the registered persons or class of registered persons, specified therein, subject to the conditions, limitations, restrictions and procedure specified therein:

Provided that the Federal Government may, through a notification published in the official Gazette, amend any provision of the said Twelfth Schedule.]

## HISTORY

1. Sub-section 7A inserted by the Finance Act, 2003 (I of 2003).
2. The existing contents of provision are numbered as sub-section (1) by the Finance Act, 2004 (II of 2004).
3. Substituted for "*Board with the approval of the Federal Minister-in-charge*" by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for "*Federal Government*" by the Finance Act, 2017 (XXVII of 2017).
4. Sub-section (2) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

<sup>a</sup>[(2) *Notwithstanding anything contained in this Act or the rules made thereunder, the <sup>b</sup>[Federal Government] may, by notification in the official Gazette, and subject to the conditions, limitations, restrictions and procedure mentioned therein, specify the minimum value addition required to be declared by certain persons or categories of persons, for supply of goods of such description, or class as may be prescribed, and to waive the requirement of audit or scrutiny of records if such minimum value addition is declared.*]

a. Inserted by the Finance Act, 2004 (II of 2004).

b. Substituted for "*Board with the approval of the Federal Minister-in-charge*" by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for "*Federal Government*" by the Finance Act, 2017 (XXVII of 2017).

Delegated / Subordinate legislation currently in force	
Section 7A	S.R.O.1020(I)/2006 dated 02.10.2006.(Fixation of rate of minimum rate of value addition for supply of computer hardware and parts)

<sup>1</sup>**[8.Tax credit not allowed.-**(1) Notwithstanding anything contained in this Act, a registered person shall not be entitled to reclaim or deduct input tax paid on --

- <sup>2</sup>[(a) the goods <sup>3</sup>[or services] used or to be used for any purpose other than <sup>4</sup>[\*\*\*\*\*] for taxable supplies made or to be made by him;]
- (b) any other goods <sup>5</sup>[or services] which the <sup>6</sup>[Federal Government] may, by a notification in the official Gazette, specify <sup>7</sup>[:; <sup>8</sup>[\*\*\*\*\*] ]
- <sup>9</sup>[(c) <sup>10</sup>[\*\*\*\*\*] the goods under <sup>11</sup> [sub-section] (5) of section 3 <sup>12</sup>[:] ]
- <sup>13</sup>[(ca) the goods <sup>14</sup>[or services] in respect of which sales tax has not been deposited in the Government treasury by the respective supplier;]
- <sup>15</sup>[(caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain;]
- <sup>16</sup>[(d) fake invoices; <sup>17</sup>[\*\*\*\*\*]
- (e) purchases made by such registered person, in case he fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26 <sup>18</sup>[:; ]

- <sup>19</sup>(f) goods and services not related to the taxable supplies made by the registered person;
- (g) goods and services acquired for personal or non-business consumption;
- (h) goods used in, or permanently attached to, immoveable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding <sup>20</sup> [pre-fabricated buildings and] such goods acquired for sale or re-sale or for direct use in the production or manufacture of taxable goods; <sup>21</sup>[\*\*\*]
- (i) vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture, furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale <sup>22</sup>[;]
- <sup>23</sup>(j) services in respect of which input tax adjustment is barred under the respective provincial sales tax law;
- (k) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Eighth Schedule to this Act; and
- (l) from the date to be notified by the Board, such goods and services which, at the time of filing of return by the buyer, have not been declared by the supplier in his return <sup>24</sup>[or he has not paid amount of tax due as indicated in his return.]



<sup>25</sup>[(m) the input goods <sup>26</sup> [or services] attributable to supplies made to un-registered person, on pro-rata basis, for which sale invoices do not bear the NIC number or NTN, as the case may be, of the recipient as stipulated in section 23.]

(2) If a registered person deals in taxable and non-taxable supplies, he can reclaim only such proportion of the input tax as is attributable to taxable supplies in such manner as may be specified by the Board.

(3) No person other than a registered person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him.

<sup>27</sup>[(4) \*\*\*\*\*]

<sup>28</sup>[(5) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the first day of December, 1998.]

<sup>29</sup>[(6) Notwithstanding anything contained in any other law for the time being in force or any provision of this Act, the <sup>30</sup>[Board, with approval of Federal Minister-in-charge] may, by notification in the official Gazette, specify any goods or class of goods which a registered <sup>31</sup>[\*\*\*\*\*] person cannot supply to any person who is not registered <sup>32</sup>[\*\*\*\*\*] under this Act.]

<sup>33</sup>[(7) \*\*\*\*\*]

## HISTORY

- 1 Section 8 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*"8. Tax credit not allowed.-- (1) Notwithstanding any other provision of this Act, a registered person shall not be entitled to reclaim input tax paid on-*

- (a) goods used for making exempt supplies under section 13; and*
- (b) any other goods which the Federal Government may, by a Notification in the official Gazette, specify.*

*(2) If a registered person deals in taxable and non-taxable supplies, he can reclaim only such proportion of the input tax as is attributable to taxable supplies."*

- 2 Clause (a) substituted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001) dated 07.02.2001. Before substitution this provision was as under:
  - "(a) *the goods used or to be used for any purpose other than for taxable supplies made or to be made by him;"*
- 3 The words inserted by the Finance Act, 2008 (I of 2008).
- 4 The words *"for the manufacture or production of taxable goods or"* omitted by the Finance Act, 2007 (IV of 2007).
- 5 The words inserted by the Finance Act, 2008 (I of 2008).
- 6 Substituted for *"Board with the approval of the Federal Minister-in-charge"* by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for *"Federal Government"* by the Finance Act, 2017 (XXVII of 2017).
- 7 Substituted for full stop by the Finance Act, 1999 (IV of 1999).
- 8 The word *"and"* omitted by the Finance Act, 2004 (II of 2004).
- 9 Clause (c) inserted by the Finance Act, 1999 (IV of 1999).
- 10 The word *"on'* omitted by the Finance Act, 2004 (II of 2004).
- 11 Substituted for *"sub-sections (1A) and"* by the Finance Act, 2004 (II of 2004).
- 12 Substituted for full stop by the Finance Act, 2004 (II of 2004).
- 13 Clause (ca) inserted by the Finance Act, 2006 (III of 2006).
- 14 The words inserted by the Finance Act, 2008 (I of 2008).
- 15 Clause (caa) inserted by the Finance Act, 2013 (XXII of 2013) *w.e.f.13.06.2013.*
- 16 Clause (d) and (e) inserted by the Finance Act, 2004 (II of 2004).
- 17 The word *"and"* omitted by the Finance Act, 2014 (IX of 2014).
- 18 Substituted for full stop by the Finance Act, 2014 (IX of 2014).
- 19 Clause (f), (g), (h) and (i) inserted by the Finance Act, 2014 (IX of 2014).
- 20 The words inserted by the Finance Act, 2015 (V of 2015).
- 21 The word *"and"* omitted by the Finance Act, 2015 (V of 2015).
- 22 Substituted for full stop by the Finance Act, 2015 (V of 2015).
- 23 Clause (j), (k) and (l) added by the Finance Act, 2015 (V of 2015).
- 24 The words inserted by the Finance Act, 2016 (XXIX of 2016).
- 25 Clause (m) substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:
  - a[(m) import of scrap of compressors falling under PCT headings 7204.4940.]*
  - a. Clause inserted by the Finance Act, 2018 (XXX of 2018).
- 26 The expression inserted by the Finance Act, 2020 (XIX of 2020).

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- 27 Sub-section (4) omitted by the Finance Act, 2004 (II of 2004). Before substitution this provision was as under:  
*“(4) No person engaged in taxable activity specified in “[section 3A] shall make any deduction or reclaim input tax, nor shall this tax be creditable as input tax for the taxable activity of any other registered person.”*  
**a.**Substituted for *“clause (d) of sub-section (2) of section 3<sup>aa</sup>, section 3A and section 3AAJ”* by the Sales Tax (Amendment) Act, 1999 (I of 1999) w.e.f. 01.12.1999 and same amendment was also made earlier by Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998) w.e.f. 01.12.1998.  
**aa.** Substituted for expression *“and section 3A”* by the Finance Act, 1997 (XXII of 1997).
- 28 Sub-section (5) inserted by the Finance Act, 1999 (IV of 1999).
- 29 Sub-section (6) inserted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001) dated 07.02.2001.
- 30 Substituted for *“Federal Government”* by Finance Act, 2019 (V of 2019) and this amendment is not adapted and enforced in AJK.
- 31 The word *“or enrolled”* appearing twice in sub-section (6) omitted by the Finance Act, 2004 (II of 2004).
- 32 The word *“or enrolled”* appearing twice in sub-section (6) omitted by the Finance Act, 2004 (II of 2004).
- 33 Sub-section (7) omitted by the Finance Act, 2004 (II of 2004). Earlier this provision was inserted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001) dated 07.02.2001. Before omission, in 2004, this provision was as under:  
*“(7) Notwithstanding anything contained in any of the provisions of this Act, the Federal Government may, by notification in the official Gazette, specify any goods or class of goods in respect of which the provisions of section 3A shall not apply.”*

<b>Delegated / Subordinate legislation currently in force</b>	
Section 8(1)	S.R.O.1232(I)/90 dated 01.12.1990.(Prohibition on claim of input tax on export of cigarettes by land route or to Afghanistan, Iran or China)
Section 8(1)(b) Section 8(6)	S.R.O.488(I)/2004 dated 12.06.2004.(Certain goods that shall not be supplied by registered person to a non-registered person)
Section 8(1)(b)	S.R.O.490(I)/2004 dated 12.06.2004.(Certain goods on which input tax shall not be claimed)
Section 8(1)(b)	S.R.O.992(I)/2005 dated 21.09.2005.(Exporters of certain goods not be entitled to claim adjustment/refund of tax paid on stocks acquired up to 05.06.2005 if not used for exports made up to 31.12.2005.)

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Section 8(1)(b)	S.R.O.549(I)/2006 dated 05.06.2006.(No input tax adjustment to registered person making taxable supply of locally produced coal)
Section 8(1)(b) Section 8(2)	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 8(6)	S.R.O.61(I)/2010 dated 04.02.2010.(Filter rods shall not be supplied to a person who is not registered under Sales Tax Act, 1990)

**<sup>1</sup>[8A. Joint and several liability of registered persons in supply chain where tax unpaid.--**Where a registered person receiving a taxable supply from another registered person is in the knowledge or has reasonable grounds to suspect that some or all of the tax payable in respect of that supply or any previous or subsequent supply of the goods supplied would go unpaid <sup>2</sup>[, of which the burden to prove shall lie on the department], such person as well as the person making the taxable supply shall be jointly and severally liable for payment of such unpaid amount of tax <sup>3</sup>[:]

<sup>4</sup>[Provided that the Board may by notification in the official gazette, exempt transaction or transactions from the provisions of this section.]

**HISTORY**

1. Section 8A inserted by the Finance Act, 2006 (III of 2006).
2. The comma and words inserted by the Finance Act, 2015 (V of 2015).
3. Substituted for the full stop by the Finance Act, 2007 (IV of 2007).
4. Proviso inserted by the Finance Act, 2007 (IV of 2007).

**<sup>1</sup>[8B.Adjustable input tax.-**(1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:

<sup>2</sup>[Provided that the restriction on the adjustment of input tax in excess of ninety per cent of the output tax, shall not apply in case of fixed assets or capital goods:]

Provided further that the Board may, by notification in the official Gazette, exclude any person or class of persons from the purview of sub-section (1).

(2) A registered person, subject to sub-section (1), may be allowed adjustment <sup>3</sup>[or refund] of input tax not allowed under sub-section (1) subject to the following conditions, namely:-

- (i) in the case of registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984, upon furnishing a statement alongwith annual audited accounts, duly certified by the auditors, showing value additions less than the limit prescribed under sub-section (1) above; or
- (ii) in case of other registered persons, subject to the conditions and restrictions as may be specified by the Board by notification in the official Gazette.

3) The adjustment or refund of input tax mentioned in sub-sections (2), if any, shall be made on yearly basis in the second month following the end of the financial year of the registered person.

(4) Notwithstanding anything contained in sub-sections (1) and (2), the Board may, by notification in the official Gazette, prescribe any other limit of input tax adjustment for any person or class of persons.

<sup>4</sup>[(4A) Notwithstanding anything contained in sub-section (1), (2) and (3), input tax allowed in case of locally manufactured electric vehicles subject to reduced rate of tax under the Eighth Schedule shall be limited to the extent of amount of output tax

and no refund or carry forward of excess input tax shall be allowed.]

(5) Any auditor found guilty of misconduct in furnishing the certificate mentioned in sub-section (2) shall be referred to the Council for disciplinary action under section 20D of Chartered Accountants, Ordinance, 1961 (X of 1961).]

<sup>5</sup>[(6) In case a Tier-1 retailer does not integrate his retail outlet in the manner as prescribed under sub-section (9A) of section 3, during a tax period or part thereof, the adjustable input tax for whole of that tax period shall be reduced by 15%.]

### HISTORY

1. Section 8B inserted by the Finance Act, 2007 (IV of 2007).
2. Proviso substituted by the Finance Act, 2011 (XVI of 2011). Before substitution this provision was as under:  
*“Provided that the tax charged on the acquisition of fixed assets shall be adjustable against the output tax in twelve equal monthly installments a[\*\*\*\*]”*
  - a. The expression *“after the start of production of a new unit”* omitted by the Finance Act, 2008 (I of 2008).
3. The words inserted by the Finance Act, 2009 (I of 2009).
4. Sub-section (4A) inserted by Finance Act, 2020 (XIX of 2020).
5. Sub-section (6) inserted by Finance Act, 2019 (V of 2019).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 8B(2)(ii)	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 8B	The Refund Claims of Recognized Agricultural Tractor Manufacturers Rules, 2012 issued vide S.R.O.363(I)/2012 dated 13.04.2012.
Section 8B	S.R.O.1190(I)/2019 dated 02.10.2019. (Non-application of Section 8B of Act on certain persons)

**9. Debit and credit note.**-- Where a registered person has issued a tax invoice in respect of a supply made by him and as a result of cancellation of supply or return of goods or a change in the nature of supply or change in the value of the supply or some such event the amount shown in the tax invoice or the return needs to be modified, the registered person may, subject to such conditions and limitations as the Board may impose, issue a debit or credit note and make corresponding adjustment against output tax in the return.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 9	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 9	Rule 22A of Sales Tax Rules, 2006 (Change in value of supply of electricity or natural gas)

<sup>1</sup>**[10.Refund of input tax.**-(1) If the input tax paid by a registered person on taxable purchases made during a tax period exceeds the output tax on account of zero rated local supplies or export made during that tax period, the excess amount of input tax shall be refunded to the registered person not later than forty-five days of filing of refund claim in such manner and subject to such conditions as the Board may, by notification in the official Gazette specify:

<sup>2</sup>[Provided that in case of excess input tax against supplies other than zero-rated or exports, such excess input tax may be carried forward to the next tax period, along with the input tax as is not adjustable in terms of sub-section (1) of section 8B, and shall be treated as input tax for that period and the Board may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, prescribe the procedure for refund of such excess input tax.]

Provided further that the Board may, from such date and subject to such conditions and restrictions as it may impose, by notification in the official Gazette, direct that refund of input tax against exports shall be paid <sup>3</sup>[at the fixed rates and in the manner as] notified in the such notification.

(2) If a registered person is liable to pay any tax, default surcharge or penalty payable under any law administered by the Board, the refund of input tax shall be made after adjustment of unpaid outstanding amount of tax or, as the case may, default surcharge and penalty.

(3) Where there is reason to believe that a person has claimed input tax credit or refund which was not admissible to him, the proceedings against him shall be completed within sixty days. For the purposes of enquiry or audit or investigation regarding admissibility of the refund claim, the period of sixty days may be extended up to one hundred and twenty days by an officer not below the rank of an Additional <sup>4</sup>[Commissioner Inland Revenue] and the Board may, for reasons to be recorded in writing, extend the aforesaid period which shall in no case exceed nine months.]

## HISTORY

1. Section 10 was substituted by the Finance Act, 2007 (IV of 2007). This provision was also substituted earlier by the Finance Act, 1998 (Act III of 1998). Earlier to this, Section 10 was substituted by the Finance Act, 1996 (Act IX of 1996). Before substitution, in 2007, Section 10 was as under :

*“10. Excess amount to be <sup>a</sup>[\*\*\*\*\*] refunded.-- (1) Subject to the provisions of sub-section (2), if in relation to a tax period, the total deduction of input tax and other adjustments as specified in section 9 exceed the output tax, the excess amount shall be <sup>b</sup>[refunded to registered person]:*

*<sup>c</sup>[Provided that any excess amount of tax shall be refunded to the registered person subject to such conditions, restrictions and limitations as the Board may, by notification in the official Gazette, specify:*



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Provided further that the Board may, by notification in the official Gazette, restrict or regulate the amount of refund claimed by a registered person as input tax credit to such extent and in such manner as it may specify therein.]

d[\*\*\*\*\*]

(2) Notwithstanding anything contained in sub-section (1), the input tax incurred e[\*\*\*\*\*] shall be refunded not later than thirty days of filing of return in such manner and subject to such conditions as the Board may, by notification in the official Gazette, specify.

(3) If a registered person is liable to pay any tax, f[default surcharge] or penalty under any law administered by the Board, the refund of input tax shall be made after adjustment of unpaid outstanding amount of tax or, as the case may be, f[default surcharge] and penalty.

(4) Where there is reason to believe that a person has claimed input tax credit or refund which was not admissible to him, the provisions regarding time limit shall not apply till the investigation, including the verification of the deposit of tax claimed as refund, is completed and the claim is either accepted or rejected.”

a.The omission of “*carried forward or*” by the Finance Act, 2005 (VII of 2005). This amendment was not adapted and enforced in AJK as envisaged in AJK Finance Act, 2005 (Act VIII of 2005).

b.Insertion of words by the Finance Act, 2005 (VII of 2005). This amendment was not adapted and enforced in AJK as envisaged in AJK Finance Act, 2005 (Act VIII of 2005).

c.Proviso substituted by Finance Act, 2005 (VII of 2005). Before substitution this provision was as under:

“Provided that any excess amount of tax carried forward, from the previous tax period may be refunded to the registered person subject to such conditions, restrictions and limitations as the Board, may by notification in the official Gazette, specify:”

d.Proviso omitted by the Finance Act, 2005 (Act VII of 2005). Before omission this provision was as under:

“Provided further that the refund of tax charged on the acquisition of plant and machinery shall also be admissible to the registered person who, at the time of taking delivery of taxable plant and machinery, its components and spare parts is not making taxable supplies, subject to such condition that he shall, within the period specified by the Board, by notification in the official Gazette, commence taxable supplies and complies with such other conditions as are specified therein.”

e.The words “*in connection with a zero rated supply*” omitted by the Finance Act, 2006 (III of 2006).

f.Substitution for “*additional tax*” the Finance Act, 2005 (VII of 2005).

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2. Proviso substituted by the Finance Act, 2008 (I of 2008). Before substitution this proviso was as under:  
*“Provided that the Board may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, prescribe the procedure for refund of excess input tax against other taxable supplies.*
3. Substituted for *“along with duty drawback at the rates”* by Finance Act, 2019 (V of 2019).
4. Substituted for *“Collector of Sales Tax”* by Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 10(1)	S.R.O.538(I)/2005 dated 06.06.2005.(Exporters of textile, leather, carpets and surgical goods shall not be entitled to claim adjustment/refund of tax paid on stocks after 30.06.2005.)
Section 10	The Ch-V & V-A of Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 10(1)	S.R.O.1202(I)/2007 dated 11.12.2007.(Procedure of refund of excess input tax on supply of electricity by Independent Power Producers (IPPs))
Section 10(1)	S.R.O.1203(I)/2007 dated 11.12.2007.(Procedure of refund of excess input tax on supply of vehicles by original equipment manufacturers (OEMs))
Section 10	The Refund Claims of Recognized Agricultural Tractor Manufacturers Rules, 2012 issued vide S.R.O.363(I)/2012 dated 13.04.2012.
Section 10	Refund to export oriented sectors i.e. textile, leather, carpets, sports and surgical

**<sup>1</sup>[11. Assessment of Tax and recovery of tax not levied or short levied or erroneously refunded.--** (1) Where a person who is required to file a tax return fails to file the return for a tax period by the due date or pays an amount which, for

some miscalculation is less than the amount of tax actually payable, an officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax, including imposition of penalty and default surcharge in accordance with sections 33 and 34:

Provided that where a person required to file a tax return files the return after the due date and pays the amount of tax payable in accordance with the tax return along with default surcharge and penalty, the notice to show cause and the order of assessment shall abate.

(2) Where a person has not paid the tax due on supplies made by him or has made short payment or has claimed input tax credit or refund which is not admissible under this Act for reasons other than those specified in sub-section (1), an officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax actually payable by that person or determine the amount of tax credit or tax refund which he has unlawfully claimed and shall impose a penalty and charge default surcharge in accordance with sections 33 and 34.

(3) Where by reason of some collusion or deliberate act any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of refund erroneously made shall be served with the notice requiring him to show cause for payment of the amount specified in the notice.

(4) Where, by reason of any inadvertence, error or misconstruction any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay the amount of tax or charge or the amount of refund erroneously made shall be served with a notice

requiring him to show cause for payment of the amount specified in the notice:

Provided that, where a tax or charge has not been levied under this sub-section the amount of tax shall be recovered as tax fraction of the value of supply.

<sup>2</sup>[(4A) Where any person, required to withhold sales tax under the provisions of this Act or the rules made thereunder, fails to withhold the tax or withholds the same but fails to deposit the same in the prescribed manner, an officer of Inland Revenue shall after a notice to such person to show cause, determine the amount in default].

(5) No order under this section shall be made by an officer of Inland Revenue unless a notice to show cause is given within five years, of the relevant date, to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:

Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed ninety days:

Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding sixty days shall be excluded from the computation of the period specified in the first proviso.

(6) Notwithstanding anything in sub-section (1), where a registered person fails to file a return, an officer of Inland Revenue not below the rank of Assistant Commissioner, shall subject to such conditions as specified by the Federal Board of Revenue, determine the minimum tax liability of the registered person.

(7) For the purpose of this section, the expression “relevant date” means--

- (a) the time of payment of tax or charge as provided under section 6; and
- (b) in a case where tax or charge has been erroneously refunded, the date of its refund.]

### HISTORY

1. Section 11 substituted by the Finance Act, 2012 (XVII of 2012. Before substitution this provision was as under:

*“<sup>a</sup>[11. Assessment of Tax. (1) Where a person who is required to file a tax return fails to file the return for a tax period by the due date or pays an amount which, for some miscalculation is less than the amount of tax actually payable, an officer of <sup>b</sup>[Inland Revenue] shall, after a notice to show cause to such person, make an order for assessment of tax, including imposition of penalty and <sup>c</sup>[default surcharge] in accordance with sections 33 and 34:*

*Provided that where a person required to file a tax return files the return after the due date and pays the amount of tax payable in accordance with the tax return along with <sup>c</sup>[default surcharge] and penalty, the notice to show cause and the order of assessment shall abate.*

*(2) Where a person has not paid the tax due on supplies made by him or has made short payment or has claimed input tax credit or refund which is not admissible under this Act for reasons other than those specified in sub-section (1), an officer of <sup>b</sup>[Inland Revenue] shall make an assessment of sales tax actually payable by that person or determine the amount of tax credit or tax refund which he has unlawfully claimed and shall impose a penalty and charge <sup>c</sup>[default surcharge] in accordance with sections 33 and 34.*

*<sup>d</sup>[(3)\*\*\*\*\*]*

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(4) No order under this section shall be made by an officer of <sup>b</sup>[Inland Revenue] unless a notice to show cause is given <sup>e</sup>[within five years] to the person in default specifying the grounds on which it is intended to proceed against him and the officer of <sup>b</sup>[Inland Revenue] shall take into consideration the representation made by such person and provide him with an opportunity of being heard<sup>f</sup>[:]

Provided that order under this section shall be made within <sup>g</sup>[one hundred and twenty] days of issuance of show cause notice or within such extended period as<sup>h</sup>[the <sup>p</sup>[Commissioner] <sup>i</sup>[\*\*\*\*\*] may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed <sup>j</sup>[sixty] days<sup>k</sup>[:]

<sup>l</sup>[Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the period specified in the first proviso.]

<sup>m</sup>[(5) Notwithstanding anything in sub-section (1), where a registered person fails to file a return, an officer of <sup>n</sup>[Inland Revenue], not below the rank of Assistant <sup>p</sup>[Commissioner], shall subject to such conditions as specified by the <sup>o</sup>[Board], determine the minimum tax liability of the registered person.]”

**a.** Section 11 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

**11. Assessment of tax.-** If a registered person does not file a return or the amount of tax shown as payable in the return is not correct, an officer of the Sales Tax Department not below the rank of Superintendent Sales Tax, shall, make an assessment of the tax and the registered person shall, subject to any other liability under the Act, pay the amount so assessed within fourteen days of the communication of the assessment order <sup>aa</sup>[:]

<sup>ab</sup>[Provided that no assessment order for payment of the amount so assessed shall be passed unless an opportunity of being heard is given to such person.]

**aa.** Substituted for full stop by the Finance Act, 1994 (XII of 1994).

**ab.** Proviso added by the Finance Act, 1994 (XII of 1994).

**b.** Words substituted for the words “*Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009

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- c. Substituted for the words “*additional tax*” by the Finance Act, 2005 (VII of 2005).
  - d. Sub-section (3) omitted by the Finance Ordinance, 2000 (XXI of 2000).  
Before omission this provision was as under:  
“(3) *The Board shall, by notification in the official Gazette, specify the officers of Sales Tax authorized to take action under the provisions of sub-section (1) and sub-section (2).*”
  - e. The words inserted by the Finance Act, 2008 (I of 2008).
  - f. Substituted for full stop by the Finance Ordinance, 2000 (XXI of 2000).
  - g. Substituted for “*ninety*” by the Finance Act, 2008 (I of 2008). Earlier it was substituted for “*forty five*” by the Finance Act, 2003 (I of 2003).
  - h. Substituted for “*an officer of Sales tax*” by the Finance Act, 2003 (I of 2003).
  - i. The expression “*or as the case may be, Collector (Adjudication)*” omitted by the Finance Act, 2007 (IV of 2007).
  - j. Substituted for “*one hundred and twenty*” by the Finance Act, 2009 (I of 2009). Earlier it was substituted for “*ninety*” by the Finance Act, 2008 (I of 2008).
  - k. Substituted for the full stop by the Finance Act, 2009 (I of 2009).
  - l. Proviso inserted by the Finance Act, 2009 (I of 2009).
  - m. Sub-section (5) inserted by the Finance Act, 2009 (I of 2009).
  - n. Substituted for “*Sales Tax Department*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - o. Substituted for “*Central Board of Revenue*” the Finance Act, 2007 (IV of 2007).
  - p. Substituted for “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
2. Sub-section (4A) inserted by the Finance Act, 2016 (XXIX of 2016).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 11(6)	Ch-XVII of the Sales Tax Rules, 2006 (Determination of minimum tax liability)

**<sup>1</sup>[11A. Short paid amounts recoverable without notice.--**

Notwithstanding any of the provisions of this Act, where a registered person pays the amount of tax less than the tax due as indicated in his return, the short paid amount of tax along with default surcharge shall be recovered from such person by stopping removal of any goods from his business premises and through attachment of his business bank accounts, without giving him a show cause notice and without prejudice to any other action prescribed under section 48 of this Act or the rules made thereunder:

Provided that no penalty under section 33 of this Act shall be imposed unless a show cause notice is given to such person.]

### HISTORY

1. Section 11A substituted by the Finance Act, 2006 (III of 2006). Before substitution this provision was as under:

*"<sup>a</sup>[11A. Short-paid amounts recoverable without notice.-- Notwithstanding any of the provisions of this Act, where a registered <sup>b</sup>[\*\*\*\*] person pays the amount of tax less than the due tax as indicated in his return, the short-paid amount of tax shall be recovered without giving a show cause notice to such person provided no <sup>c</sup>[default surcharge] or penalty shall be charged unless a show cause notice is given to such person.]"*

a. Section 11A inserted by the Finance Ordinance, 2002 (XXVII of 2002).

b. The words "*or enrolled*" omitted by the Finance Act, 2005 (VII of 2005).

c. Substituted for "*additional tax*" by the Finance Act, 2005 (VII of 2005).

**<sup>1</sup>[11B. Assessment giving effect to an order.-** (1) Except where sub-section (2) applies, where, in consequence of, or to give effect to, any finding or direction in any order made under Chapter-VIII by the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court an order of assessment of tax is to be issued to any registered person, the Commissioner



or an officer of Inland Revenue empowered in this behalf shall issue the order within one year from the end of the financial year in which the order of the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court, as the case may be, was served on the Commissioner or officer of Inland Revenue.

(2) Where, by an order made under Chapter-VIII by the Appellate Tribunal, High Court or Supreme Court, an order of assessment is remanded wholly or partly and the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is directed to pass a new order of assessment, the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, shall pass the new order within one year from the end of the financial year in which the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is served with the order:

Provided that limitation under this sub-section shall not apply, if an appeal or reference has been preferred against the order passed by Appellate Tribunal or a High Court.]

### **HISTORY**

1. Section 11B inserted by Finance Act, 2018 (XXX of 2018).

**<sup>1</sup>[11C. Power of tax authorities to modify orders, etc.-** (1) Where a question of law has been decided by a High Court or the Appellate Tribunal in the case of a registered person, on or after first day of July, 1990, the Commissioner or an officer of Inland Revenue may, notwithstanding that he has preferred an appeal against the decision of the High Court or made an application for reference against the order of the Appellate Tribunal, as the case may be, follow the said decision in the case of the said taxpayer in so far as it applies to said question of law arising in any assessment pending before the Commissioner or

an officer of Inland Revenue, until the decision of the High Court or of the Appellate Tribunal is reversed or modified.

(2) In case the decision of High Court or the Appellate Tribunal, referred to in sub-section (1), is reversed or modified, the Commissioner or an officer of Inland Revenue may, notwithstanding the expiry of period of limitation prescribed for making any assessment or order, within a period of one year from the date of receipt of decision, modify the assessment or order in which the said decision was applied so that it conforms to the final decision.]

### HISTORY

1. Section 11C inserted by Finance Act, 2020 (XIX of 2020).

<sup>1</sup>[12. \*\*\*\*\*]

### HISTORY

1. Section 12 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*“12. **Appeal against assessment order**-- A registered person not satisfied with the assessment made under section 11 may, within fourteen days of the communication of the assessment order, file an appeal specifying in writing the grounds of objection against the assessment before an officer of Sales Tax next above the officer who made the assessment<sup>a</sup>[,]*

*b[\*\*\*\*\*]”*

- a. Substituted for colon by the Finance Act, 1991.
- b. Proviso omitted by the Finance Act, 1991. Before omission this provision was as under;

*“Provided that where an assessment is made by the Collector, there shall be no right of appeal.*

### Section 13 as enforced in Pakistan:--

<sup>1</sup>[13. **Exemption**--(1) Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule shall, subject to such conditions as may be

specified by the <sup>2</sup>[Federal Government], be exempt from tax under this Act <sup>3</sup>[.]

<sup>4</sup>[\*\*\*\*\*]

<sup>5</sup>[(2) Notwithstanding the provisions of sub-section (1)

(a) <sup>6</sup> [the Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein;]

<sup>7</sup>[(b) \*\*\*\*\*]

(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause (a) <sup>8</sup>[\*\*\*\*\*].]

<sup>9</sup>[(4) \*\*\*\*\*]

<sup>10</sup>[(5) \*\*\*\*\*]

<sup>11</sup>[(6) The <sup>12</sup>[Board] shall place before the National Assembly all notifications issued under this section in a financial year.

(7) Any notification issued under sub-section (2), after 1<sup>st</sup> July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued] <sup>13</sup>[:]

<sup>14</sup> [Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with

effect from 1<sup>st</sup> July, 2016 and shall continue to be in force till the 30<sup>th</sup> June, 2018, if not earlier rescinded:

Provided further that all notifications issued on or after the first day of July, 2016 and placed before the National Assembly as required under sub-section (6) shall continue to be in force till thirtieth June, 2018, if not earlier rescinded by the Federal Government.]

**Section 13 as enforced in Azad Jammu & Kashmir:--**

<sup>1</sup>[**13. Exemption.-** (1) Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule shall, subject to such conditions as may be specified by the <sup>2</sup>[Azad Government of State of Jammu and Kashmir], be exempt from tax under this Act <sup>3</sup>[.]

<sup>4</sup>[\*\*\*\*\*]

<sup>5</sup>[(2) Notwithstanding the provisions of sub-section (1)

- (a) <sup>6</sup>[the Azad Government of the State of Jammu and Kashmir may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein;]

<sup>7</sup>[(b) \*\*\*\*\*]

(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause (a) <sup>8</sup>[\*\*\*\*\*].]

<sup>9</sup>[(4) \*\*\*\*\*]

<sup>10</sup>[(5) \*\*\*\*\*]

<sup>11</sup>[(6) The <sup>12</sup>[Board] shall place before the National Assembly all notifications issued under this section in a financial year.

(7) Any notification issued under sub-section (2), after 1st July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued ]<sup>13</sup>[:]

<sup>14</sup>[Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from 1st July, 2016 and shall continue to be in force till the 30th June, 2018, if not earlier rescinded:

Provided further that all notifications issued on or after the first day of July, 2016 and placed before the National Assembly as required under sub-section (6) shall continue to be in force till thirtieth June, 2018, if not earlier rescinded by the Federal Government.]

## HISTORY

1 Section 13 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*"13.Exemption.- (1) The Federal Government may, by Notification in the official Gazette, exempt any taxable supplies made by a registered person in Pakistan or any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to such conditions and limitations as may be specified.*

*2) The Board may, by special order in each case stating the reasons, exempt any supply from the payment of the whole or any part of the tax chargeable under this Act.*

<sup>a</sup>[(3) *The exemption from chargeable under this Act may be allowed from any previous date specified in the notification issued under sub-section (1) or, as the case may be, order made under sub-section (2).*”

- a. Sub-section (3) inserted by the Finance Act, 1992.
- 2 Substituted for “**Board**” by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999).
- 3 Substituted for “**Board**” by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999).
- 4 Provisos omitted by the Tax Laws Amendment Ordinance, 2000 (XVI of 2000) dated 24.05.2000. Earlier these provisos were inserted by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999). Before omission this provision was as under:

*“Provided that the Federal Government may, by notification in the official Gazette, withdraw any exemption granted under the Sixth Schedule to the extent specified in the notification.*

*Provided further that the aforesaid power to withdraw an exemption shall not be construed to include the power to revive or to restore the exemption so withdrawn.”*

- 5 Sub-section (2) and (3) inserted by the Tax Laws Amendment Ordinance, 2000 (XVI of 2000) dated 24.05.2000. Earlier sub-section (2) and (3) with different contents was omitted, w.e.f. 01.12.1999, by the Sales Tax (Amendment) Act, 1999 (I of 1999). The same amendment was earlier made w.e.f. 01.12.1998, by the Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998). Before omission the above provisions were as under:

*“(2) Notwithstanding the provisions of sub-section (1)--*

*(a) the Federal Government may, by notification in the official Gazette, exempt any taxable supplies made in Pakistan or any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein; and*

*(b) the Board may, by special order in each case stating the reasons, exempt any supply from the payment of the whole or any part of the tax chargeable under this Act.*

*(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause (a) or, as the case may be, order made under clause (b) of that sub-section.”*

- 6 Clause substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

(a) the <sup>a</sup>[Federal Government may] <sup>b</sup>[\*\*\*\*\*] whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas <sup>c</sup>[,] implementation of bilateral and multilateral agreements] <sup>d</sup>[and

matters relating to international financial institutions or foreign government-owned financial institutions], by notification in the official Gazette, exempt any taxable supplies made <sup>e</sup>[\*\*\*\*\*] or <sup>f</sup>[import or supply of] any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein; <sup>g</sup>[\*\*\*\*\*]

- a. Substituted for *“Board with approval of the Federal Minister-in-charge may pursuant to the approval of the Economic Coordination Committee of the Cabinet”* by Finance Act, 2018 (XXX of 2018). Earlier the words *“Board with approval of the Federal Minister-in-charge”* were substituted for *“Federal Government”* by Finance Act, 2017 (XXVII of 2017) w.e.f. 20.06.2017.
- b. The insertion of words by the Finance Act, 2015 (V of 2015). This amendment was not adapted/enforced in AJK as envisaged in AJK Finance Act, 2015 (Act VI of 2015).
- c. Substituted for *“and”* by the Finance Act, 2016 (XXIX of 2016).
- d. Words inserted by the Finance Act, 2016 (XXIX of 2016). The words *“and matters relating to international financial institutions or foreign government-owned financial institutions”* omitted by AJK Finance Act, 2018 (Act IV of 2018).
- e. The words *“in Pakistan”* omitted by the Finance Act, 2003 (I of 2003).
- f. The words inserted by the Finance Act, 2008 (I of 2008).
- g. The word *“and”* omitted by the Finance Act, 2015 (V of 2015).
- 7 Clause (b) omitted by the Finance Act, 2015 (V of 2015). Earlier this amendment was made by the Finance (Amendment) Ordinance, 2015 dated 30.04.2015. Before omission this provision was as under:
- “(a) The Board may, by special order in each case stating the reasons, exempt any <sup>a</sup>[import or supply of goods of such description or class, as may be specified] from the payment of the whole or any part of the tax chargeable under this Act.”*
- a. Substituted for *“supply”* by the Finance Act, 2004 (II of 2004).
- 8 The expression *“or, as the case may be, order made under clause (b) of that sub-section”* omitted by the Finance Act, 2015 (V of 2015).
- 9 Sub-section (4) omitted by the Finance Act, 2006 (III of 2006). Before omission this provision was as under:
- “(4) Where a person does not desire to avail any tax exemption, he may, after voluntary registration, opt to pay sales tax at the rate applicable to such supplies under the provisions of section 3 <sup>a</sup>[\*\*\*\*\*] subject to condition that he shall not thereafter be deregistered till the expiry of two years from the date of such registration.”*
- a. The expression *“, other than fixed tax specified in clause (d) of sub-section (2) of that section,”* omitted, w.e.f. 01.12.1999, by the Sales Tax (Amendment) Act, 1999 (I of 1999). The same amendment was earlier made w.e.f. 01.12.1998, by the Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998).

- 10 Sub-section (5) omitted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000). Before omission this provision was as under:

*“(5) Notwithstanding the omission of sub-section (2), the Federal Government may, by notification in the official Gazette, rescind a notification issued by it or by the Board under sub-section (2) prior to the first day of December, 1998.”*

- 11 Sub-section (6) and (7) inserted by the Finance Act, 2015 (V of 2015).  
 12 Substituted for **“Federal Government”** by Finance Act, 2017 (XXVII of 2017).  
 13 Substituted for full stop by Finance Act, 2017 (XXVII of 2017) *w.e.f.* 20.06.2017.  
 14 Provisos added by Finance Act, 2017 (XXVII of 2017) *w.e.f.* 20.06.2017.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 13(1)	S.R.O.77(I)/95 dated 19.01.1995.(Exemption of tax on supplies of end products by all industries set ups in Special Industrial Zones)
Section 13(1)	AJK Notification No.FD/Tax 1145-1245/95, dated 08.02.1995 (5 Year’s Sales Tax Exemption to newly established industrial undertakings in AJK)
Section 13(2)(a)	S.R.O.628(I)/2000 dated 06.09.2000.(Exemption of tax on import of goods for exclusive use of Pak Arab Refinery Ltd subject to certain conditions)
Section 13(2)(a)	S.R.O.130(I)/2002 dated 01.03.2002.(Exemption of customs duty & sales tax on import for use of President, Prime Minister and Governors)
Section 13(2)	The Exemption of Supplies against International Tender for Earthquake Rehabilitation Rules, 2006 issued vide S.R.O.274(I)/2006 dated 21.03.2006.
Section 13(2)(a)	S.R.O.911(I)/2007 dated 08.09.2007.(Price Differential Claim (PDC) excluded from value of High Speed Diesel for levy of sales tax)



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Section 13(2)(a)	S.R.O.326(I)/2008 dated 29.03.2008.(Exemption of customs duties/sales tax/federal excise duties/income tax on import and export of goods from an Export Oriented Unit)
Section 13(2)(a)	S.R.O.483(I)/2008 dated 28.05.2008.(Exemption of tax on import and supply of certain machinery and equipment by authorized financial service providers)
Section 13(2)(a)	S.R.O.539(I)/2008 dated 11.06.2008.(Exemption of tax on import of raw materials for manufacture of Dextrose and Saline Infusion giving sets)
Section 13(2)(a)	S.R.O.172(I)/2013 dated 05.03.2013.(Smuggled/non-duty paid vehicles allowed to be released on payment of redemption fine alongwith duties and taxes)
Section 13(2)(a)	S.R.O.499(I)/2013 dated 12.06.2013.(Exemption of Customs Duty, Sales Tax and withholding tax on import of Hybrid Electric Vehicles (HEVs))
Section 13(2)(a)	S.R.O.84(I)/2015 dated 28.01.2015.(Exemption of sales tax on import and supply of raw material for manufacture of pharmaceutical products)
Section 13(2)(a)	S.R.O.837(I)/2015 dated 25.08.2015.(Exemption of sales tax on supply of wheat bran)
Section 13(2)(a)	S.R.O.643(I)/2016 dated 27.07.2016.(Exemption of sales tax on import of three sets of Braun-i-Scan Body Scanner- Dual View, Model BRAU1950, received as donation from the Kingdom of Suadi Arabia)

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	by the Anti Narcotics Force)
Section 13(2)(a)	S.R.O.898(I)/2016 dated 26.09.2016.(Exemption of sales tax and federal excise duty on import of 35 armoured and security vehicles)
Section 13(2)(a)	S.R.O.116(I)/2017 dated 23.02.2017.(Exemption of sales tax on supply of furniture and other equipments for IT labs of 3 colleges in AJK)
Section 13(2)(a)	S.R.O.641(I)/2017 dated 13.07.2017.(Exemption of tax on goods supplied and services rendered to German Development Agency ( <i>Deutsche Gesellschaft fur Internationale Zusammenarbeit</i> ) GIZ)
Section 13(2)(a)	S.R.O.833(I)/2018, dated 03.07.2018 (Grant of Exemption from payment of Customs duties, Income Tax, Sales Tax & Federal Excise Duty on import of vintage or classic cars and jeeps)
Section 13(2)(a)	S.R.O.1212(I)/2018 dated 05.10.2018 (Exemption from whole sales tax chargeable for erstwhile FATA/PATA)
Section 13(2)(a)	STGO 107 of 2019 (Enforcement of Sales Tax payable by Wholesalers/Distributors of products originating from AJ&K)
Section 13(2)(a)	S.R.O.555(I)/2020 dated 19.06.2020 (Exemption on import and supply of certain goods for use in prevetion of COVID-19)

**Chapter-III**  
**REGISTRATION**

<sup>1</sup>[**14. Registration.--** (1) Every person engaged in making taxable supplies in Pakistan, including zero-rated supplies, in the course or furtherance of any taxable activity carried on by him, falling in any of the following categories, if not already registered, is required to be registered under this Act, namely:--

- (a) a manufacturer who is not running a cottage industry;
- (b) a retailer who is liable to pay sales tax under the Act or rules made thereunder, excluding such retailer required to pay sales tax through his electricity bill under sub-section (9) of section 3;
- (c) an importer;
- (d) an exporter who intends to obtain sales tax refund against his zero-rated supplies;
- (e) a wholesaler, dealer or distributor; and
- (f) a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act.

(2) Persons not engaged in making of taxable supplies in Pakistan, if required to be registered for making imports or exports, or under any provisions of the Act, or any other Federal law, may apply for registration.

(3) The registration under this Act shall be regulated in such manner as the Board may, by notification in the official Gazette, prescribe.]

## HISTORY

1. Section 14 substituted by the Finance Act, 2015 (V of 2015). Before substitution this provision was as under:

*<sup>a</sup>[14. Registration.- Under this Act, registration will be required for such persons and be regulated in such manner and subject to rules as the Board may, by notification in the official Gazette, prescribe.]*

- a. Section 14 substituted by the Finance Act, 2004 (II of 2004). Before substitution this provision was as under:

*<sup>aa</sup>[14. Requirement of Registration.-- (1) The following persons engaged in making of taxable supplies in Pakistan (including zero-rated supplies) in the course or furtherance of any taxable activity carried on by them, if not already registered, are required to be registered under this Act, namely:-*

- (a) a manufacturer whose annual turnover from taxable supplies made in any period during the last twelve months ending any tax period exceeds two and half million rupees;*
- (b) a retailer whose value of supplies in any period during the last twelve months ending any tax period exceeds twenty million rupees;*
- (c) an importer; and*
- (e) a wholesaler (including dealer) and distributor:*

*Provided that buyers or importers of taxable plant and machinery who intend to make taxable supplies in due course and wish to claim any credit or refund of tax paid on the said plant and machinery shall also be required to be registered under this Act.]”*

- aa. Section 14 was substituted by the Finance Act, 1998 (III of 1998). Earlier this section was substituted by the Finance Act, 1996 (IX of 1996). Before substitution, in 1998, this provision was as under:

*“14.Requirement of Registration.-- Every person who makes a taxable supply in Pakistan (including a zero-rated supply) in the course or furtherance of any taxable activity carried on by him and whose total turnover from taxable supplies made in any period during the last twelve months ending any tax period exceeds rupees on million, if not already registered, is required to be registered under this Act:*

*Provided that buyers or importers of taxable plant and machinery who intend to make taxable supplies in due course and wish to claim any credit or refund of tax paid on the said plant and machinery shall also be required to be registered under this Act:*

*Provided further that the exporters who are not engaged in the manufacture of goods shall be exempt from the requirement of registration till such time this exemption is withdrawn by the Board, by notification in the official Gazette.”*

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<b>Delegated / Subordinate legislation currently in force</b>	
Section 14	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 14	Circular dated 18.02.2014.(New risk-based sales tax registration system RegSys)

1[15.\*\*\*\*\*]

**HISTORY**

1. Section 15 omitted by the Finance Act, 2004 (II of 2004). Earlier this section was substituted by the Finance Act, 1996 (IX of 1996). Before omission, in 2004, this provision was as under:

*“15. Application for Registration.--(1) A person <sup>a</sup>[required] to be registered under this Act shall make an application in the prescribed form to the Collector <sup>b</sup>[before making taxable supplies].*

*(2) An application to register shall be made to such Collector as the Board may, by notification in the official Gazette, specify.”*

- a. Substituted for “*requiring*” by the Finance Act, 1998 (III of 1998).  
b. Substituted for “*within thirty days of the time when he is first required to be registered*” by the Finance Act, 1998 (III of 1998).

1[16.\*\*\*\*\*]

**HISTORY**

1. Section 16 omitted by the Finance Act, 2003 (I of 2003). Earlier this section was substituted by the Finance Act, 1996 (IX of 1996). Before omission, in 2003, this provision was as under:

*“16. Registration of branches, divisions, etc.-- A registered person, or a person liable for registration who conducts his taxable activity through distinct different branches, divisions or manufacturing units located in different collectorates may make an application for registration in accordance with section 15 for such branches, divisions or manufacturing units separately, subject to such conditions and in such manner as the Board may, by notification in the official Gazette, specify.”*

1[17.\*\*\*\*\*]

## HISTORY

1. Section 17 omitted by the Finance Act, 2004 (II of 2004). Before omission, in 2004, this provision was as under:

*“17. Certificate of Registration. – If the Collector or such other officer as the case may be authorized by him in this behalf is satisfied that the application for registration is complete in all respect, he shall register the applicant and issue a certificate of registration <sup>a</sup>[in such form as the Board may, by notification in the official Gazette, specify].”*

- a. Substituted for “(to person) indicating the registration number assigned to the applicant” by the Finance Act, 1996 (IX of 1996).

1[18. \*\*\*\*\*]

## HISTORY

1. Section 18 omitted by the Finance Act, 2004 (II of 2004). Before omission, in 2004, this provision was as under:

*“a[18. Voluntary Registration.--(1) A person who makes or intends to make taxable supplies but is not required to be registered under this Act, may make an application for registration in such form and manner as the Board may, by notification in the official Gazette, specify.*

*b[(2) \*\*\*\*\*]*

*c[(3) A <sup>d</sup>[\*\*\*\*\*] retailer making taxable supplies may, on his own accord, apply for registration in accordance with the provision of sub-section (1).*

*e[\*\*\*\*\*]]”*

- a. Section 18 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“18. Voluntary Registration.-- If any person not otherwise liable for registration opts for registration he may made an application for registration in the prescribed manner to the Collector and on receipt of his application that person may be registered for the purposes of this Act.”*

- b. Sub-section (2) omitted by the Finance Act, 2003 (I of 2003). Before omission this provision was as under:

*“(2) A person registered in pursuance to application made under sub-section (1), shall not be de-registered before expiry of two years from the date of registration.”*

- c. Sub-section (3) omitted by the Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:

*“(3) The importers, distributors or wholesalers making taxed supply of goods may, on their own accord, apply for registration in accordance with sub-section (1):*

*Provided that on registration, such importers, distributors and wholesalers shall not charge output tax on the supplies made by them, but they shall issue replacement invoices in respect of such supplies."*

d. The expression "**distributor, wholesaler or**" omitted by the Finance Act, 1999 (IV of 1999).

e. Proviso omitted by the Finance Act, 2003 (I of 2003). Before omission this proviso was as under:

*"Provided that on registration, notwithstanding anything contained in this Act, such distributor, wholesaler or retailer shall not be entitled to be de-registered before expiry of two years from the date of registration."*

1[19.\*\*\*\*\*]

## HISTORY

1. Section 19 omitted by the Finance Act, 2004 (II of 2004). Before omission this provision was as under:

**"19. Compulsory Registration.-** *If a person who is required to be registered<sup>a</sup>[or enrolled] under this Act does not apply for registration<sup>a</sup>[or enrollment]t and the Collector or such other officer as may be authorized by him in this behalf, after such inquiry as he thinks fit, is satisfied that such person was required to be registered<sup>a</sup>[or enrolled], the Collector or such other officer shall register<sup>a</sup>[or enroll] that person and that he shall be deemed to have registered<sup>a</sup>[or enrolled] from the date he became liable for registration<sup>a</sup>[or enrollment] b[:]*

<sup>c</sup>*[Provided that if it is subsequently established that a person who was not liable to be registered<sup>a</sup>[or enrolled] but was wrongly registered<sup>a</sup>[or enrolled] under this section due to inadvertence, error or misconstruction, the Collector shall cancel such registration<sup>a</sup>[or enrollment] and such person shall, subject to the provisions of section 3B, not be liable to pay any tax, additional tax or penalty under any of the provisions of this Act or rules made thereunder.]"*

a. The words inserted by the Finance Act, 2003 (I of 2003).

b. Substituted for full stop by the Finance Ordinance, 2001 (XXV of 2001), dated 18.06.2001.

c. Proviso added by the Finance Ordinance, 2001 (XXV of 2001), dated 18.06.2001.

1[20.\*\*\*\*\*]

## HISTORY

1. Section 20 omitted by the Finance Act, 2004 (II of 2004). Before omission this provision was as under:

*"20. Change in the Particulars of Registration.- In case there is a change in the name, address or other particulars as stated in the registration application, the registered person shall notify the change to the Collector or the local Sales Tax Officer within fourteen days of such change."*

**<sup>1</sup>[21. De-registration, blacklisting and suspension of registration.--** (1) The Board or any officer, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Notwithstanding anything contained in this Act, in cases where the <sup>2</sup>[Commissioner] is satisfied that a registered person is found to have issued fake invoices <sup>3</sup>[\*\*\*\*\*] or has <sup>4</sup>[otherwise] committed tax fraud, he may blacklist such person or suspend his registration in accordance with such procedure as the Board may, by notification in the official Gazette, prescribe.]

<sup>5</sup>[(3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales Tax refund or input tax credit, and once such person is blacklisted, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such blacklisting, shall <sup>6</sup>[\*\*\*\*\*] be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.]

<sup>7</sup>[(4) Notwithstanding anything contained in this Act, where the Board, the concerned Commissioner or any officer authorized by the Board in this behalf has reasons to believe that a registered person is engaged in issuing fake or flying invoices, claiming fraudulent input tax or refunds, does not physically exist or conduct actual business, or is committing any other fraudulent activity, the Board, concerned Commissioner or such Officer may after recording reasons in writing, block the refunds or



input tax adjustments of such person and direct the concerned Commissioner having jurisdiction for further investigation and appropriate legal action.]

## HISTORY

1. Section 21 substituted by the Finance Act, 2004 (II of 2004). Before substitution, in 2004, this provision was as under:

*“a[21. De-registration.- (1) Every registered person who ceases to carry on his business or whose supplies become exempt from tax, shall apply to the Collector for cancellation of his registration, and the Collector, after satisfying himself<sup>b</sup>[either through an audit or otherwise] that no tax liability is outstanding against that person, may cancel the registration of that person from such date as he may specify but not later than four months from the date of such application or the date all the dues outstanding against such person are deposited by him, whichever is the later:*

*Provided that the Collector may, for reasons to be recorded in writing, extend the aforesaid period by a further period of two months.*

*(2) A registered person whose total taxable turnover of his taxable activity during the last twelve month remains below the limit specified in section c[14], may apply to the Collector for,—*

- (a) cancellation of his registration; and*
- (b) his enrolment as turnover tax payer and the Collector, if satisfied that the applicant has ceased to be liable for registration, may, cancel the registration of that person and may enroll him as turnover tax payer from such date as he may specify:*

*Provided that if such liability ceases during the currency of a financial year, the cancellation of registration and enrolment as turnover tax payer shall take effect from the beginning of next financial year.*

*(3) The person making application under sub-section (1) or sub-section (2) shall<sup>d</sup>, upon completion of the audit, which may have been initiated upon his application for de-registration, discharge any outstanding liability which may have been raised therein by filing a final return under the provision of section 28].*

*(4) If a registered person fails to file tax return under section 26 for six consecutive months, the officer of sales tax, not below the rank of Assistant Collector may, without prejudice to any action that may be taken under any other provision of this Act, after issuing a notice in writing and after giving an opportunity of being heard to such person, cancel the registration after satisfying himself that no tax liability is outstanding against such person<sup>e</sup>[:]*

*f[Provided that in cases where the Collector is satisfied that a registered person is found to have issued fake invoices, evaded tax or has committed tax fraud, he may blacklist such person or suspend his registration or as the case may be, enrolment pending further inquiry:*

*Provided further that order suspending registration, enrolment or blacklisting such registered or enrolled person, shall be in writing and copy*

thereof shall be communicated to the registered or enrolled person, as the case may be, and show cause notice for recovery of evaded amount of tax and de-registration or de-enrollment may be issued within ninety days of completion of inquiry.]

(5) The obligations and liabilities of the person whose registration is cancelled under sub-section (1), (2) or (4) relating to the period when he conducted business as a registered person shall not be affected by the fact that his registration has been cancelled or that he has ceased to be a registered person.

§[(6) Any enrolled person under section 3A may apply for de-enrollment and the provisions of this section shall *mutatis mutandis* apply].”

a. Section 21 substituted by the Finance Act, 1998 (III of 1998). Before substitution this provision was as under:

“**21. De-registration.**-- (1) Every registered person who ceases to carry on his business <sup>aa</sup>[or whose supplies become exempt from tax] shall communicate this fact to the Collector or the local Sales Tax Office within fourteen days of the date of cessation, and the Collector or such other officer as may be authorized by him may, after satisfying himself that no tax liability is outstanding against that person, cancel the registration of that person from such date as may be determined by him.

(2) A registered person who ceases to be liable for registration under this Act, may apply to the Collector for the cancellation of his registration, and the Collector if satisfied that he has so ceased may, on an application made by that person, cancel the registration of that person from such date as he may specify: Provided that if such liability ceases during the currency of a financial year the cancellation shall take effect from the beginning of next financial year.

(3) The obligations and liabilities of the person whose registration is cancelled under sub-section (1) or sub-section (2) relating to the period when he conducted business as a registered person shall not be affected by the fact that his registration has been cancelled or that he has ceased to be a registered person.

<sup>ab</sup>[(4) Notwithstanding anything contained in the preceding sub-sections, a person shall cease to be liable for registration when the total taxable turnover of his taxable activity during the last twelve months remains below one million rupees.]”

aa. Words inserted by the Finance Act, 1996 (Ix of 1996).

ab. Sub-section (4) added by the Finance Act, 1996 (Ix of 1996).

b. Substituted for “*through an audit*” by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

c. Substituted for “*3A*” by the Finance Act, 2003 (I of 2003).

d. Substituted for “*continue to file the return under section 26 till his registration is cancelled by the Collector*” by the Finance Act, 2003 (I of 2003).

e. Substituted for full stop by the Finance Act, 2003 (I of 2003).

f. Provisos inserted by the Finance Act, 2003 (I of 2003).

g. Sub-section (6) added by the Finance Act, 1999 (IV of 1999).

2. Words substituted for the words “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the

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Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

3. The expression “, *evaded tax*” omitted by the Finance Act, 2005 (VII of 2005).
4. The word inserted by the Finance Act, 2005 (VII of 2005).
5. Sub-section (3) inserted by the Finance Act, 2011 (XVI of 2011).
6. The expression “*unless the registered buyer has fulfilled his responsibilities under section 73*” omitted by the Finance Act, 2013 (XXII of 2013).
7. The sub-section (4) inserted by the Finance Act, 2013 (XXII of 2013).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 21	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 21	Circular dated 08.05.2012.(Suspension of Registered Persons)

<sup>1</sup>[**21A. Active taxpayers list.**-The Board shall have the power to maintain active taxpayers list in the manner as may be prescribed by rules and such rules may provide for the restrictions and limitations to be imposed on a person who ceases to be an active taxpayer.]

### **HISTORY**

1. Section 21A inserted by the Finance Act, 2015 (V of 2015).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 21A	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

## Chapter-IV

### BOOK KEEPING AND INVOICING REQUIREMENTS

<sup>1</sup>[**22.Records.**- (1) A registered person making taxable supplies shall maintain and keep at his business premises or registered office in English or Urdu language the following records of goods purchased <sup>2</sup>[, imported] and supplied (including zero-rated and exempt supplies) made by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period--

- (a) records of supplies made shall indicate the description, quantity and value of goods, name and address of the person to whom supplies were made and the amount of the tax charged;
- (b) records of goods purchased shall show the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the tax on purchases;
- <sup>3</sup>[(c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports;]
- <sup>4</sup>[(d)] records of zero-rated and exempt supplies;
- <sup>5</sup>[(da) double entry sales tax accounts;]
- <sup>6</sup>[(e)] invoices, credit notes, debit notes, bank statements, <sup>7</sup>[banking instruments in terms of section 73,] inventory records, <sup>8</sup>[utility bills, salary and labour bills, rental agreements, sale-purchase agreements and lease agreements]; <sup>9</sup>[\*\*\*\*\*]

<sup>10</sup>[(ea) record relating to gate passes, inward or outward and transport receipts.]

<sup>11</sup>[(f)] such other records as may be specified by the Board:

<sup>12</sup>[Provided that the persons paying <sup>13</sup>[\*\*\*\*\*] retail tax shall keep such record as may be specified by the Board.]

<sup>14</sup>[(1A) Notwithstanding anything in any other law for the time being in force, the Board may require, by notification in the official Gazette, a registered person or class of registered persons to declare and use only as many number of business bank accounts as may be specified by the Board in such notification to make or receive payments on account of purchase and sale transactions for the purpose of this Act or rules made thereunder and to make payment of due tax from such accounts only.]

(2) The Board may, by notification in the official Gazette, specify for any class of taxable persons or any other person registered under this Act to keep such other records for the purposes of this Act.

<sup>15</sup>[(2A) The Board may, by notification in the official Gazette, specify for any class of taxable persons registered under this Act to use such electronic fiscal cash registers as are approved by the Board in the manner as may be prescribed.]

<sup>16</sup>[(3) The Board may, by notification in the official Gazette, prescribe the procedure or software for electronically maintenance of records, filing of sales tax returns or refunds and for any other matter or approve any software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons.]]

<sup>17</sup>[(4) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (XLVII of 1984), shall be

required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of due tax by the registered person.]

## HISTORY

1. Section 22 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“22. Records.--(1) A registered person shall maintain and keep at his business premises in English or Urdu language the following records of goods purchased and supplied (including zero-rated and supplies exempt from tax) made by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period--*

- (a) records of supplies made shall indicate the description, quantity and value of goods, name and address of the person to whom supplies were made and the amount of the tax charged;
- (b) records of goods purchased shall show the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the tax on purchases;
- (c) records of zero-rated and exempt supplies;
- (d) invoices, credit notes, debit notes, bank statements, inventory records and such other records as may be <sup>a</sup>[specified by the Board];

*Provided that in case of manufacturer, the records shall be kept at the manufacturing premises.*

*(2) In case of purchase from a non-registered person of second-hand goods or such other goods as the Federal Government may specify by Notification in the official Gazette, the recipient shall keep such records as would permit the following particulars to be readily ascertained--*

- (a) the name and address of supplier;
- (b) the date on which the goods were acquired;
- (c) description of goods; and
- (d) quantity and value of goods.”

- a. Substituted for “**prescribed**” by the Finance Act, 1991.
2. The expression inserted by the Finance Act, 2005 (VII of 2005).
  3. Clause (c) inserted by the Finance Act, 2005 (VII of 2005).
  4. The existing clause (c) re-numbered as clause (d) by the Finance Act, 2005 (VII of 2005).
  5. Clause (da) inserted by the Finance Act, 2006 (III of 2006).
  6. The existing clause (d) re-numbered as clause (e) by the Finance Act, 2005 (VII of 2005).
  7. The expression inserted by the Finance Act, 2004 (II of 2004).
  8. The expression inserted by the Finance Act, 1999 (IV of 1999).
  9. “**and**” omitted by the Finance Act, 2013 (XXII of 2013).
  10. The clause (ea) inserted by the Finance Act, 2013 (XXII of 2013).
  11. The existing clause (e) re-numbered as clause (f) by the Finance Act, 2005 (VII of 2005).

12. Proviso substituted by the Finance Act, 1997 (XXII of 1997). Before substitution this provision was as under:  
*“Provided that the registered importers, distributors and wholesales not charging output tax on taxed supplies made by them or persons paying turnover tax shall keep such records as may be specified by the Board.”*
13. The words **“turnover tax or”** omitted by the Finance Act, 2005 (VII of 2005).
14. Sub-section (1A) inserted by the Finance Act, 2007 (IV of 2007).
15. Sub-section (2A) inserted by the Finance Act, 1999 (IV of 1999).
16. Sub-section (3) substituted by the Finance Act, 2003 (I of 2003). Before substitution this provision was as under:  
*“(3) Where a person who is required to maintain records under this Act may keep the record on electronic data in such form and manner as may be approved by the Board.”*
17. Sub-section (4) inserted by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 22(1)(c)	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

**23. Tax Invoices.**--(1) A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars <sup>1</sup>[, in Urdu or English language], namely:--

- (a) name, address and registration number of the supplier;
- <sup>2</sup>[(b) name, address and registration, number of the recipient and NIC or NTN of the unregistered person, as the case may be, excluding supplies made by a retailer where the transaction value inclusive of sales tax amount does not exceed rupees <sup>3</sup>[one hundred] thousand, if sale is being made to an ordinary consumer.

**Explanation.**—For the purpose of this clause, ordinary consumer means a person who is buying goods for his own consumption and not for the purpose of resale or processing:

Provided that the condition of NIC or NTN shall be effective from 1<sup>st</sup> August, 2019;]

- (c) date of issue of invoice;
- (d) description <sup>4</sup>[, including count, denier and construction in case of textile yarn and fabric,] and quantity of goods;
- (e) value exclusive of tax;
- (f) amount of sales tax; and

<sup>5</sup>[(ff) \*\*\*\*\*]

- (g) value inclusive of tax:

<sup>6</sup>[Provided that the Board may, by notification in the official Gazette, specify such modified invoices <sup>7</sup>[\*\*\*\*\*] for different persons or classes of persons:

Provided further that not more than one tax invoice shall be issued for a taxable supply <sup>8</sup>[:]

<sup>9</sup>[Provided also that if it is subsequently proved that CNIC provided by the purchaser was not correct, liability of tax or penalty shall not arise against the seller, in case of sale made in good faith.]

<sup>10</sup>[(2) No person other than a registered person or a person paying <sup>11</sup>[\*\*\*\*\*retail tax] shall issue an invoice under this section.

<sup>12</sup>[(3) A registered person making a taxable supply may, subject to such conditions, restrictions and limitations as the Board may, by notification in the official Gazette, specify, issue invoices to another registered person electronically and to the Board as well as to the <sup>13</sup>[Commissioner], as may be specified.]



14[(4) The Board may, by notification in the Official Gazette, prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.]

## HISTORY

1. The words inserted by Finance Act, 2019 (V of 2019).
2. Substituted by Finance Act, 2019 (V of 2019). Before substitution this clause was as under:

*(b) name<sup>a</sup>[, address and registration number] of the recipient;*

a. Substituted for “**and address**” by the Finance Act, 1998 (III of 1998).
3. Substituted for “**fifty**” by the Finance Act, 2020 (XIX of 2020).
4. The words inserted by Finance Act, 2019 (V of 2019).
5. Clause (ff) omitted by the Finance Act, 2004 (II of 2004). Originally this clause was inserted by the Finance Act, 1998 (III of 1998). Before omission, in 2004, this provision was as under:

*“(ff) amount of sales tax as specified in sub-section (1A) of section 3;”*
6. Provisos substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“Provided that the Federal Government, keeping in view the nature of a business activity or value of a supply, may, by Notification in the official Gazette, dispense with the requirement of the issuance of tax invoice or prescribe a modified invoice containing such particulars as may be specified therein:*

*Provided further that--*

  - (i) *not more than one tax invoice shall be issued for a taxable supply;*
  - (ii) *where a person claims to have lost the original tax invoice, the supplier may provide a copy clearly marked “copy only” to that person.”*
7. The expression “, **including replacement invoices**” omitted by the Finance Act, 1997 (XXII of 1997).
8. Substituted for full stop by Finance Act, 2019 (V of 2019).
9. Proviso added by Finance Act, 2019 (V of 2019).
10. Sub-section (2) inserted by the Finance Act, 1996 (IX of 1996).
11. The words “**or retail tax**” inserted by the Finance Act, 1997 (XXII of 1997). Subsequently “**turnover tax or**” was omitted by the Finance Act, 2004 (II of 2004).
12. Sub-section (3) inserted by the Finance Act, 2005 (VII of 2005).
13. Words substituted for the words “**Collector**” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
14. Sub-section (4) inserted by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 23(1)	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 23	STGO 105/2019 (Definition/Rules for CNIC/Good faith for Sales Tax)

**<sup>1</sup>[24.Retention of record and documents for <sup>2</sup>[six] years.–**  
 A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of <sup>2</sup>[six] years after the end of the tax period to which such record or documents relate <sup>3</sup>[or till such further period the final decision in any proceedings including proceedings for assessment, appeal, revision, reference, petition and any proceedings before an Alternative Dispute Resolution Committee is finalized].]

## HISTORY

1. Section 24 substituted by the Finance Act, 1996 (IX of 1996). Before substitution, in 1996, this provision was as under:
 

*“<sup>a</sup>[24. Retention of records for five years.-- A registered person shall retain the prescribed records for a period of five years after the end of the tax period to which those relate.]”*

  - a. Section 24 substituted by the Finance Act, 1991. Before substitution this provision was as under:
 

*“24. Retention of records for five years.-- A registered person required to maintain records under sub-section (1) of Section 23 shall retain such records in Pakistan for a period of five years after the end of the tax period to which those relate.”*
2. Substituted for “<sup>a</sup>[five]” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - a. The words substituted for “*three*” by the Finance Act, 2007 (IV of 2007).
3. Insertion by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[25. Access to record, documents, etc.--<sup>2</sup>[1]] A person who is required to maintain any record or documents under this Act <sup>3</sup>[or any other law] shall, as and when required by <sup>4</sup>[Commissioner], produce record or documents which are in his possession or control or in the possession or control of his agent; and where such record or documents have been kept on electronic data, he shall allow access to <sup>5</sup>[the officer of Inland Revenue authorized by the Commissioner] and use of any machine on which such data is kept.]

<sup>6</sup>[(2) The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained under sub-section (1), may, once in a year, conduct audit:

Provided that in case the Commissioner has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of Inland Revenue, not below the rank of Assistant Commissioner, to conduct an inquiry or investigation under section 38:

Provided further that nothing in this sub-section shall bar the officer of Inland Revenue from conducting audit of the records of the registered person if the same were earlier audited by the office of the Auditor-General of Pakistan<sup>7</sup> [.]

<sup>8</sup>[\*\*\*\*\*]

<sup>9</sup>[(2A) For the purpose of sub-section (2) of section 25, the Commissioner may conduct audit proceedings electronically through video links, or any other facility as prescribed by the Board.]

<sup>10</sup>[(3)] After completion of Audit under this section or any other provision of this Act, the officer of Inland Revenue may, after

obtaining the registered person's explanation on all the issues raised in the audit shall pass an order under section (11)<sup>11</sup>[\*\*\*\*\*].]

<sup>12</sup>[4) \*\*\*\*\*]

<sup>13</sup>[(4A) \*\*\*\*\*]

<sup>14</sup>[(5) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with <sup>15</sup>[default surcharge] voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with <sup>15</sup>[default surcharge] during the audit, or at any time before issuance of show cause notice <sup>16</sup>[\*\*\*\*\*], he may deposit the evaded amount of tax, <sup>15</sup>[default surcharge] under section 34, and twenty-five per cent of the penalty payable under section 33:

Provided further that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with <sup>15</sup>[default surcharge] after issuance of show cause notice, he shall deposit the evaded amount of tax, <sup>15</sup>[default surcharge] under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.]

<sup>17</sup>[*Explanation.*— For the purpose of sections 25, 38, 38A, 38B and 45A and for removal of doubt, it is declared that the powers of the Board, Commissioner or officer of Inland Revenue under these sections are independent of the powers of the Board under section 72B and nothing contained in section 72B restricts the powers of the Board, Commissioner or Officer of Inland

revenue to have access to premises, stocks, accounts, records, etc. under these sections or to conduct audit under these sections.]

## HISTORY

1. Section 25 substituted by the Finance Act, 1996 (IX of 1996). Before substitution, in 1996, this provision was as under:

*“25. Access to records, documents etc.- A registered person shall, as and when required by an officer of sales tax, produces records which are in his possession or control as may be required by such officer.”*
2. The brackets and number “(1)” inserted by the Finance Act, 2003 (I of 2003).
3. The words inserted by the Finance Act, 1999 (IV of 1999).
4. Substituted for “*an officer of Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
5. Substituted for “*such officer of Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
6. Sub-section (2) substituted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Before substitution this provision was as under:

*<sup>a</sup>[(2) The officer of<sup>b</sup>[Inland Revenue], on the basis of record, obtained under sub-section (1), may, once in a year, conduct audit:*

*Provided that in case the <sup>c</sup>[Commissioner] has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of <sup>b</sup>[Inland Revenue], not below the rank of Assistant <sup>c</sup>[Commissioner], to conduct an inquiry or investigation under section 38 <sup>d</sup>[:]*

*<sup>e</sup>[Provided further that nothing in this sub-section shall bar the <sup>b</sup>[Inland Revenue] officer for conducting audit of the records of the registered person if the same were earlier audited by the office of the Auditor-General of Pakistan.]*

  - a. Sub-section (2) inserted by the Finance Act, 2003 (I of 2003).
  - b. Substituted for “*Sales Tax*” by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - c. Substituted for “*Collector*” by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - d. Substituted for full stop by the Finance Act, 2008 (I of 2008).
  - e. Proviso inserted by the Finance Act, 2008 (I of 2008).

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7. Substituted for colon by Finance Act, 2019 (V of 2019).
8. Proviso omitted by Finance Act, 2019 (V of 2019). Before omission this provision was as under:

*<sup>a</sup>[Provided also that audit under this section shall be conducted only once in every three years.]*

  - a. Proviso added by Finance Act, 2018 (XXX of 2018).
9. Sub-section (2A) inserted by the Finance Act, 2020 (XIX of 2020).
10. Sub-section substituted by the Finance Act, 2010 (XVI of 2010). Originally this provision was inserted by the Finance Act, 2003 (I of 2003). Before substitution, in 2010, this provision was as under:

*(3) The Assistant <sup>a</sup>[Commissioner] (Audit), shall issue audit observation pointing out the contraventions of the Act or rules, as the case may be, and the amount of tax evaded therein, on the basis of scrutiny of such records, as prescribed under the Act or rules or in any other manner by the Board. The registered person may, within a period of fifteen days of the receipt of audit observation, submit his point of view in writing.]*

  - a. Substituted for "**Collector**" by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
11. The expression "**or section 36, as the case may be**" omitted by the Finance Act, 2015 (V of 2015).
12. Sub-section (4) was inserted by the Finance Act, 2003 (I of 2003) and was omitted by the Finance Act, 2010 (XIV of 2010). Before omission this provision was as under:

*"(4) If, within the period prescribed in sub-section (3), no reply is received or the reply furnished by the registered person is found unsatisfactory, the Assistant <sup>a</sup>[Commissioner] shall issue an audit report specifying the amount of tax or charge that has not been levied or has been short levied or has been erroneously refunded or any other violation of any provision of Act or rules made thereunder."*

  - a. Substituted for "**Collector**" by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
13. Sub-section (4A) inserted by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. Earlier this amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. On expiry of Ordinance, this provision also loosed its enforceability. Before expiry this provision was as under:

*"(4A) After completion of the audit under this section or any other provision of law, the officer of Inland Revenue may, if considered necessary, after obtaining the registered person's explanation on all the issues raised in the audit shall pass an order under section 11 or section 36, as the case may be, imposing the correct amount of tax, charging default surcharge, imposing penalty and recovery of any amount erroneously refunded."*
14. Sub-section (5) inserted by the Finance Act, 2003 (I of 2003).
15. Substituted for "**additional tax**" by the Finance Act, 2005 (VII of 2005).

16. The words "*in lieu of audit report*" omitted by the Finance Act, 2010 (XVI of 2010).
17. The explanation inserted by the Finance Act, 2013 (XXII of 2013).

<sup>1</sup>**[25A. Drawing of samples.--**Where an authorized officer of <sup>2</sup>[Inland Revenue] considers it necessary to take a sample of any goods or raw materials, for the purpose of determining their liability to sales tax or for the purpose of establishing their value or for any other reason, he may remove a minimum quantity of goods or raw materials sufficient to enable a proper examination or analysis to be made. At the time of taking the sample the person in possession of the goods shall be informed and given the opportunity to sign the representative samples, so drawn, and take a corresponding sample for his record. Any sample taken under this section shall be taken against a proper receipt a copy each of which shall be kept in the record by the registered person and the <sup>3</sup>[Large Taxpayers Unit or Regional Tax Office, as the case may be].]

### HISTORY

1. Section 25A inserted by the Finance Act, 1999 (IV of 1999).
2. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
3. Substituted for "**Collectorate**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>**[25AA. Transactions between Associates.--**The Commissioner or an officer of Inland Revenue may, in respect of any transaction between persons who are associates, determine

the transfer price of taxable supplies between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction.]

### **HISTORY**

1. Section 25AA inserted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.



## Chapter-V

### RETURNS

<sup>1</sup>[26. <sup>2</sup>[\*\*\*\*\*] **Return.**-(1) Every registered person <sup>3</sup>[\*\*\*\*\*] shall furnish not later than the due date a true <sup>4</sup>[, complete] and correct return in the prescribed form to a designated bank <sup>5</sup>[or any other office] specified by the Board, indicating the purchases and the supplies made during a tax period, the tax due and paid and such other information, as may be prescribed <sup>6</sup>[;]

<sup>7</sup>[Provided that the Board may, by notification in the official Gazette, require any person or class of persons to submit return on quarterly basis:

Provided further that the Board may, by notification in the official Gazette, require any person or class of persons to submit such return as may be prescribed annually in addition to the monthly return or quarterly return:

Provided also that the return filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Board shall also be deemed to be a return for the purpose of sub-section (1) and the Board may, by notification in the official Gazette, make rules for determining eligibility of the data of such returns and e-intermediaries who will digitize the data of such returns and transmit the same electronically under their digital signatures.]

<sup>8</sup>[\*\*\*\*\*]

<sup>9</sup>[(2) \*\*\*\*\* ]

<sup>10</sup>[(3) A registered person may, subject to approval of the <sup>11</sup>[Commissioner Inland Revenue] having jurisdiction, file a revised return within <sup>12</sup>[one hundred and twenty] days of the

filing of return under sub-section (1) or, as the case may be, sub-section (2), <sup>13</sup>[or under clause (a) or clause (b) of section 27], to correct any omission or wrong declaration made therein<sup>14</sup>[:]

<sup>15</sup>[Provided that the approval under this sub-section shall not be required if revised return is filed within sixty days of filing of return and either the tax payable therein is more than the amount paid or the refund claimed therein is less than the amount claimed, under the return sought to be revised.]

<sup>16</sup>[(4) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with <sup>17</sup>[default surcharge], whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that in case the registered person wishes to deposit the amount of tax as pointed out by the officer of <sup>18</sup>[Inland Revenue] during the audit, or at any time before issuance of the show cause notice <sup>19</sup>[\*\*\*\*\*], he may deposit the evaded amount of tax, <sup>17</sup>[default surcharge] under section (34), and twenty-five percent of the penalty payable under section 33 along with the revised return:

Provided further that in case the registered person wishes to deposit the amount after issuance of show cause notice, he shall deposit the evaded amount of sales tax <sup>20</sup>[\*\*\*\*\*], <sup>17</sup>[default surcharge] under section 34, and full amount of leviable penalty under section 33 along with the revised return and thereafter, the show cause notice, shall stand abated.]

<sup>21</sup>[(5) The Board may, by notification in the official Gazette, require any person or class of persons, for any goods of such description or class, to furnish such summary or details or

particulars pertaining to the imports, purchases and supplies during any tax period or periods, in such format as may be specified.]

## HISTORY

1. Section 26 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“26. Monthly Return.-- (1) Every registered person shall furnish not later than the due date a true and correct return in the prescribed form to the local Sales Tax Office indicating the purchases and the supplies made during the tax period and the tax <sup>a</sup>[paid] in respect of that period.*

*(2) If there is a change in the rate of tax during a tax period there shall be furnished a separate return in respect of each portion of tax period showing the application of different rates of tax.*

*(3) In case a registered person has more than one branch, division, or manufacturing unit within the jurisdiction of a Collector, he shall furnish a separate return in respect of each branch, division or manufacturing unit to the respective Sales Tax Office:*

*Provided that the Board may, if satisfied that there will be no loss of revenue, on an application made by a registered person, allow him to furnish a single return in respect of his all branches, divisions or manufacturing units to any local Sales Tax Office within the jurisdiction of a Collector.”*

a.Substituted for “payable” by the Finance Act, 1991.
2. The word “*Monthly*” omitted by the Finance Act, 2006 (III of 2006).
3. The words “*making taxable supplies*” omitted by the Finance Act, 1999 (IV of 1999).
4. The words inserted by the Finance Act, 2020 (XIX of 2020).
5. The words inserted by the Finance Act, 2006 (III of 2006).
6. Substituted for full stop by the Finance Act, 2006 (III of 2006).
7. Provisos inserted by the Finance Act, 2006 (III of 2006).
8. Proviso omitted by the Finance Act, 1997 (XXII of 1997). Before omission this provision was as under:

*“Provided that the registered importers, distributors and wholesalers making taxed supply shall not be required to file the return.”*
9. Sub-section (2) omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this provision was as under:

*“(2) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of tax period showing the application of different rates of tax shall be furnished.”*
10. Sub-section (3) was inserted by the Finance Act, 2003 (I of 2003) and was substituted by the Finance Act, 2006 (III of 2006). Before substitution this provision was as under:

*“(3) A registered person may file a revised return to correct any omission or wrong declaration made in a return filed under sub-section (1) or sub-section (2).”*

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11. Substituted for "*Collector of Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
12. Substituted for "*ninety*" by the Finance Act, 2008 (I of 2008).
13. Insertion by the Finance Act, 2011 (XVI of 2011).
14. Substituted for full stop by Finance Act, 2019 (V of 2019).
15. Proviso added by Finance Act, 2019 (V of 2019).
16. Sub-section (4) was inserted by the Finance Act, 2003 (I of 2003).
17. Substituted for "*additional tax*" by the Finance Act, 2005 (VII of 2005).
18. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
19. The expression "*in lieu of the audit report*" omitted by the Finance Act, 2010 (XVI of 2010).
20. The expression "*along with the amount of further tax as per provision of sub-section (1A) of section 3, if applicable*" omitted by the Finance Act, 2004 (II of 2004).
21. Sub-section (5) inserted by the Finance Act, 2004 (II of 2004).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 26	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 26(2)	Circular dated 12.04.2011. (e-filing of return under section 26 of Sales Tax Act, 1990 for the tax period March, 2011)
Section 2(9)	Rule 18 of Sales Tax Rules, 2006 (To specify the dates for payment and filing return by Electricity distribution companies, IPPs, Gas transmission and distribution companies, petroleum exploration and production companies and CNG dealers)

<sup>1</sup>[26A.\*\*\*\*\*]

## HISTORY

1. Section 26A omitted by the Finance Act, 2004 (II of 2004). Earlier this provision was inserted by the Finance Act, 1996 (IX of 1996). Before omission, in 2004, this provision was as under:

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**“26A. Turnover tax return.**-(1) Every person required to pay turnover tax shall furnish a true and correct return in the prescribed form to the Office of the Collector having jurisdiction indicating the value of supplies made in a tax period, the tax paid and such other information as may be prescribed.

<sup>a</sup>(2) A return for the period or any part of the period from the 1st January to the 31st March shall be furnished on or before the <sup>b</sup>[15<sup>th</sup>] April, in that year.

(3) A return for the period or any part of the period from the 1st April to the 30th June shall be furnished on or before the <sup>b</sup>[15<sup>th</sup>] July, in that year.

(4) A return for the period or any part of the period from the 1st July to the 30th September shall be furnished on or before the <sup>b</sup>[15<sup>th</sup>] October, in that year.

(5) A return for the period or any part of the period from the 1st October to the 31st December shall be furnished on or before the <sup>b</sup>[15<sup>th</sup>] January, in the following year.]

<sup>c</sup>(6) Notwithstanding the provisions of this section, a retailer required to pay turnover tax shall furnish not later than due date a true and correct return in the prescribed form to the designated branch of the bank specified by the Board.]

<sup>d</sup>(7) An enrolled person may file a revised return to correct any omission or wrong declaration made in a return filed under sub-section (1) or sub-section (6).

(8) Notwithstanding the penalties prescribed in section 33, if a enrolled person wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with additional tax, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that in case the enrolled person wishes to deposit the amount of tax as pointed out by the Officer of Sales Tax during the audit, or at any time before issuance of the show cause notice in lieu of the audit report, he may deposit the evaded amount of tax, additional tax under section 34, and twenty-five per cent of the penalty payable under section 33 along with revised return:

Provided further that in case the enrolled person wishes to deposit the amount after issuance of the show cause notice, he shall deposit the evaded amount of sales tax along with amount of further tax as per provision of sub-section (1A) of section 3, if applicable, additional tax under section 34, and full amount of the leviable penalty under section 33 along with revised return thereafter, the show cause notice, shall stand abated.]”

a.Substituted for sub-sections (2) & (3) by the Finance Act, 1997 (XXII of 1997). Before substitution these provisions were as under:--

“(2).A return for the period (or any part of the period) from the 1<sup>st</sup> January to the 30<sup>th</sup> June in each year shall be made on or before the 20<sup>th</sup> July, in that year.

(3). A return for the period (or pany part of the period) from the 1<sup>st</sup> July to the 31<sup>st</sup> December in a year shall be made on or before the 20<sup>th</sup> January in the following year.”

- b. Substituted for “20th” by the Finance Act, 1998 (III of 1998).
- c. Sub-section (6) added by the Tax Laws Amendment Ordinance, 2000 (XIV of 2000) dated 24.05.2000.
- d. Sub-sections (7) and (8) added by the Finance Act, 2003 (I of 2003).

<sup>1</sup>[26AA.\*\*\*\*\*]

## HISTORY

1. Section 26AA was omitted by the Finance Act, 2008 (I of 2008). Before omission this provision was as under:

*“<sup>a</sup>[26AA. Retail Tax Return.--(1) Every registered retailer making taxable supplies shall furnish not later than due date a true and correct return in the prescribed form to the designated branch of the bank specified by the Board.*

*(2) If there is a change in the rate of tax during a tax period, a separate return for each portion of tax period, showing the application of different rates of tax, shall be furnished.]*

*<sup>b</sup>[(3) A registered retailer may file a revised return to correct any omission or wrong declaration made in a return filed under sub-section (1) or sub-section (2).]*

*<sup>c</sup>[(4) Notwithstanding the penalties prescribed in section 33, if a registered retailer wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with <sup>d</sup>[default surcharge], whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:*

*Provided that in case a registered retailer wishes to deposit the amount of tax as pointed out by the Officer of Sales Tax during the audit, or at any time before issuance of the show cause notice in lieu of the audit report, he may deposit the evaded amount of tax, <sup>d</sup>[default surcharge] under section 34, and twenty-five per cent of the penalty payable under section 33 along with revised return:*

*Provided further that in case the registered retailer wishes to deposit the amount after issuance of the show cause notice, he shall deposit the evaded amount of sales tax<sup>e</sup>[\*\*\*\*\*], <sup>d</sup>[default surcharge] under section 34, and full amount of the leviable penalty under section 33 along with revised return thereafter, the show cause notice, shall stand abated.]”*

- a. Section 26AA substituted by the Tax Laws Amendment Ordinance, 2000 (XVI of 2000) dated 24.05.2000. Earlier this provision was inserted by the Finance Act, 1997 (XXII of 1997). Before substitution, in 2000, this provision was as under:--

*“26AA. Retail Tax Return.-- <sup>a</sup>[(1) Every registered retailer making taxable supplies shall furnish a true and correct return in the prescribed form to the designated branch of the bank specified by the Board.]*

(2) A return for the period or any part of the period from the 1<sup>st</sup> January to the 31<sup>st</sup> March shall be furnished on or before the <sup>ab</sup>[15<sup>th</sup>] April, in that year.

(3) A return for the period or any part of the period from the 1<sup>st</sup> April to the 30<sup>th</sup> June shall be furnished on or before the <sup>ab</sup>[15<sup>th</sup>] July, in that year.

(4) A return for the period or any part of the period from the 1<sup>st</sup> July to the 30<sup>th</sup> September shall be furnished on or before the <sup>ab</sup>[15<sup>th</sup>] October, in that year.

(5) A return for the period or any part of the period from the 1<sup>st</sup> October to the 31<sup>st</sup> December shall be furnished on or before the <sup>ab</sup>[15<sup>th</sup>] January, in the following year

<sup>ac</sup>[(6) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of tax period, showing the application of difference rates of tax, shall be furnished].”

aa. Sub-section (1) substituted by the Finance Act, 1998 (III of 1998).

Before substitution this provision was as under:--

“(1) Every person required to pay retail tax shall furnish a true and correct return in the prescribed form to the office of the Collector having jurisdiction indicating the value of supplies made in a tax period, the tax paid and such other information as may be prescribed.”

ab. Substituted for “20<sup>th</sup>” by the Finance Act, 1998 (III of 1998).

ac. Sub-section (6) added by the Finance Act, 1998 (III of 1998).

b. Sub-section (3) added by the Finance Act, 2003 (I of 2003).

c. Sub-section (4) added by the Finance Act, 2003 (I of 2003).

d. Substituted for “*additional tax*” by the Finance Act, 2005 (VII of 2005).

e. Omission of “*along with the amount of further tax as per provision of sub-section (1A) of section 3, if applicable*” by the Finance Act, 2004 (II of 2004).

<sup>1</sup>[**27.Special Returns.**—In addition to the return specified under section 26 --

(a) a person registered <sup>2</sup>[ <sup>3</sup>[\*\*\*\*\*] under this Act] shall furnish special return within such date and in such form indicating information such as quantity manufactured or produced, purchases made, goods supplied or payment of arrears made, *etc.*, for such period as the Board may, by a notification in official gazette, specify; and

(b) the<sup>4</sup>[Commissioner] may require any person whether, registered or not, to furnish a return (whether on his

own behalf or as an agent or trustee) in a prescribed form and such person shall furnish the return not later than the date specified in this regard.]

### HISTORY

1. Section 27 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this provision was as under:  
*“27. Special Return.- In addition to the return specified in <sup>a</sup>[sections 26, 26A and 26AA], the Collector may require any person whether, registered or not, to furnish a return (whether on his own behalf or as an agent or trustee) in a prescribed form and such person shall furnish the return not later than the date specified in this regard.”*  
a.Substituted for *“section 26”* by the Sales Tax (Amendment) Ordinance, 2000 (XVI of 2000) dated 24.05.2000.
2. Substituted for *“under section 14”* by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.
3. The words *“or enrolled”* omitted by the Finance Act, 2004 (II of 2004).
4. Substituted for *“Collector”* by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 27	S.R.O.179(I)/2013 dated 07.03.2013.(Payment of tax @ 2 % without penalty and default surcharge by certain persons who declared their supplies as zero-rated during 01.04.2011 to 28.02.2013)

<sup>1</sup>[**28.Final Return.**--If a person applies for de-registration in terms of section 21, he shall before such de-registration, furnish a final return to the <sup>2</sup>[Commissioner] in the specified form in such manner and at such time as directed by the <sup>2</sup>[Commissioner]].

### HISTORY

1. Section 28 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this provision was as under:



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*"28. Final Return.-- If a person ceases to be a registered person he shall, not later than one month after such cessation furnish a final return to the local Sales Tax Office in a prescribed form in respect of the last tax period or part thereof during which he conducted his taxable activity before he ceased to be a registered person."*

2. Substituted for "**Collector**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 28	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

**29. Return deemed to have been made.--**A return purporting to be made on behalf of a person <sup>1</sup>[by his duly appointed representative] shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary.

### HISTORY

1. The words inserted by the Finance Act, 1996 (IX of 1996).

## Chapter-VI

### APPOINTMENT OF OFFICERS OF SALES TAX AND THEIR POWERS

<sup>1</sup>[30. **Appointment of Authorities.**--(1) For the purposes of this Act, the Board may, appoint in relation to any area, person or class of persons, any person to be --

- (a) a Chief Commissioner Inland Revenue;
- (b) a Commissioner Inland Revenue ;
- (c) a Commissioner Inland Revenue (Appeals);
- (d) an Additional Commissioner Inland Revenue;
- (e) a Deputy Commissioner Inland Revenue;
- <sup>2</sup>[(ea) District Taxation Officer Inland Revenue;]
- (f) an Assistant Commissioner Inland Revenue;
- <sup>3</sup>[(fa) Assistant Director Audit Inland Revenue;]
- (g) an Inland Revenue Officer;
- (h) a Superintendent Inland Revenue;
- (i) an Inland Revenue Auditor Officer <sup>4</sup>[\*\*\*\*\*];
- <sup>5</sup>[(ia) an Inspector Inland Revenue; and]
- (j) an officer of Inland Revenue with any other designation.

(2) The Chief Commissioner Inland Revenue and Commissioner Inland Revenue (Appeals) shall be subordinate to the Board and Commissioner Inland Revenue shall be subordinate to the Chief Commissioner Inland Revenue.

6[(2A) The Chief Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Board may direct.

(2B) The Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Chief Commissioner, to whom they are sub-ordinate may direct.]

(3) Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue 7[, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue 8[, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer 9[, Inspector Inland Revenue], and officer of Inland Revenue with any other designation shall be subordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are subordinate, may direct.

(4) Deputy Commissioner Inland Revenue 10[, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue 11[, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer, 12[Inspector Inland Revenue Officer] an officer of Inland Revenue with any other designation shall be subordinate to the Additional Commissioner Inland Revenue.]

## HISTORY

1. Section 30 substituted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this provision was as under:

*“a[30.Appointment of Officers.-- For the purposes of this Act, the Board may, by notification in the official Gazette, appoint in relation to any area, any case or class of cases specified in the notification, any person to be - -*

*(a) a Collector of Sales Tax;*

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- (b) a Collector of Sales Tax <sup>b</sup>[(Appeals)];
- (c) an Additional Collector of Sales Tax;
- (d) a deputy Collector of Sales Tax;
- (e) an Assistant Collector of Sales Tax;
- (f) a Superintendent of Sales Tax;
- <sup>c</sup>[(ff) a Senior Auditor of Sales Tax;
- (g) an officer of sales tax with any other designation.]”

a. Section 30 substituted by Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:--

**“30.Appointment of Officers.--** For the purposes of this Act, the Board may, by notification in the official Gazette, appoint, in relation to any area, any case or class of cases specified in the notification, any person to be:

- (a) a Collector of Sales Tax;
- (b) a Collector of Sales Tax (Appeals);
- (c) a Deputy Collector of Sales Tax;
- (d) an Assistant Collector of Sales Tax;
- (e) a Superintendent of Sales Tax; or
- (f) an officer of sales tax with any other designation.”

b. Substituted for words **“(Adjudication)”** by the Finance Act, 2005 (VII of 2005). Earlier the word **“(Adjudication)”** was substituted for word **“(Appeals)”** by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001).

c. Clause (ff) added by the Finance Act, 2008 (I of 2008).

2. Clause (ea) inserted by Finance Act, 2017 (XXVII of 2017).
3. Clause (fa) inserted by Finance Act, 2017 (XXVII of 2017).
4. The word **“and”** omitted by The Finance Act, 2011 (XVI of 2011).
5. Clause (ia) added by the Finance Act, 2011 (XVI of 2011).
6. Sub-section (2A) and (2B) inserted by Finance Act, 2017 (XXVII of 2017).
7. The comma and words inserted by Finance Act, 2017 (XXVII of 2017).
8. The comma and words inserted by Finance Act, 2017 (XXVII of 2017).
9. The expression inserted by the Finance Act, 2011 (XVI of 2011).
10. The comma and words inserted by Finance Act, 2017 (XXVII of 2017).
11. The comma and words inserted by Finance Act, 2017 (XXVII of 2017).
12. The expression inserted by the Finance Act, 2011 (XVI of 2011).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 30	AJK Notification No.1 of 99 dated 01.01.1999 (Appointment and Jurisdiction of Sales Tax Officers)
Section 30	S.R.O.42(I)/2010 dated 23.01.2010.(Authorization of Officer of Directorate General of Post Clearance Audit to exercise powers of Officers of Inland Revenue)
Section 30	S.R.O.282(I)/2010 dated 29.04.2010.(Authorization of Officer of

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	Directorate General of Internal Audit to exercise powers of Officers of Inland Revenue)
Section 30	S.R.O.330(I)/2010 dated 18.05.2010.(Appointment of certain Commissioner Inland Revenue (Appeals) and their jurisdiction)
Section 30	S.R.O.1038(I)/2010 dated 12.11.2010.(Authorization of Officers of Directorate General of Internal Audit (Inland Revenue) to exercise powers of Officer of Inland Revenue)
Section 30	C.No.1(6)IR-Judicial/2009 dated 11.11.2009 (Appointment of Authorities)
Section 30	AJK Notification No.CBR/C-448/1233-63/2011, dated 22.12.2011 (Assignment of Powers and Functions to Commissioner Inland Revenue AJK)

**<sup>1</sup>[30A. Directorate General, (Intelligence and Investigation) Inland Revenue.--** (1) The Directorate General (Intelligence and Investigation) Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, <sup>2</sup>[appoint].

(2) The Board may, by notification in the official Gazette, –

- (a) specify the functions and jurisdiction of the Directorate General and its officers; and
- (b) confer the powers of authorities specified in section 30 upon the Directorate General and its officers

**HISTORY**

1. Section 30A substituted by Finance Act, 2018 (XXX of 2018). Earlier it was inserted by the Finance Act, 2005 (VII of 2005). Before substitution, 2018, this provision was as under:

**“30A. Directorate General, (Intelligence and Investigation) <sup>1</sup>[Inland Revenue].--** The Directorate General (Intelligence and Investigation) <sup>2</sup>[Inland Revenue] shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.”

a.Substituted for “*CBR*” by the Finance Act, 2011 (XVI of 2011). Earlier the word “*CBR*” was replaced for “*Customs and Excise*” by the Finance Act, 2007 (IV of 2007).

2. Substituted for “*post*” by Finance Act, 2019 (V of 2019).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 30A	S.R.O. 1301(I)/2018 dated 29.10.2018 (Functions, powers and jurisdiction of the Directorate General, Intelligence and Investigation-IR and its officers)
Section 30A	S.R.O. 1302(I)/2018 dated 29.10.2018 (Posting of officers of Directorate General, Intelligence and Investigation-IR)

**<sup>1</sup>[30B. Directorate General <sup>2</sup>[\*\*\*\*\*] Internal Audit.--**The Directorate General <sup>2</sup>[\*\*\*\*\*] Internal Audit shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

## HISTORY

1. Section 30B inserted by the Finance Act, 2005 (VII of 2005).
2. The words “*of Inspection*” omitted by the Finance Act, 2007 (IV of 2007).

**<sup>1</sup>[30C. Directorate General of Training and Research.--**The Directorate General of Training and Research shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

### HISTORY

1. Section 30C inserted by the Finance Act, 2005 (VII of 2005).

**<sup>1</sup>[30D. Directorate General of Valuation <sup>2</sup>[\*\*\*\*\*].--**The Directorate General of Valuation <sup>2</sup>[\*\*\*\*\*] shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

### HISTORY

1. Section 30D inserted by the Finance Act, 2005 (VII of 2005).
2. The words "*and Post Clearance Audit*" omitted by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 30D	S.R.O.494(I)/2007 dated 09.06.2007.(Charter of functions of Directorate General of Customs Valuation)

**<sup>1</sup>[30DD. Directorate of Post Clearance Audit.-** The Directorate of Post Clearance Audit shall consist of a Director and as many Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

### HISTORY

1. Section 30DD inserted by the Finance Act, 2007 (IV of 2007).

**<sup>1</sup>[30DDD. Directorate General of Input Output Co-efficient Organization.--**The Directorate General of Input Output Co-efficient Organization (IOCO)-Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other

officers as the Board may, by notification in the official Gazette, appoint.]

### HISTORY

1. Section 30DDD inserted by the Finance Act, 2016 (XXIX of 2016).

**<sup>1</sup>[30E. Powers and Functions of Directorate, etc.-**The Board may, by notification in the official Gazette, specify the functions, jurisdiction and powers of the Directorates General as specified in the preceding sections and their officers by notification in the official Gazette.]

### HISTORY

1. Section 30E inserted by the Finance Act, 2005 (VII of 2005).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 30E	S.R.O.494(I)/2007 dated 09.06.2007.(Charter of functions of Directorate General of Customs Valuation)
Section 30E	S.R.O.42(I)/2010 dated 23.01.2010.(Authorization of Officer of Directorate General of Post Clearance Audit to exercise powers of Officers of Inland Revenue)
Section 30E	S.R.O.282(I)/2010 dated 29.04.2010.(Authorization of Officer of Directorate General of Internal Audit to exercise powers of Officers of Inland Revenue)
Section 30E	S.R.O.1038(I)/2010 dated 12.11.2010.(Authorization of Officers of Directorate General of Internal Audit (Inland Revenue) to exercise powers of Officer of Inland Revenue)
Section 30E	S.R.O. 1301(I)/2018 dated 29.10.2018 (Functions, powers and jurisdiction of the Directorate General, Intelligence and Investigation-IR and its officers)



**31. Powers.**--An officer of <sup>1</sup>[Inland Revenue] appointed under Section 30 shall exercise such powers and discharge such duties as are conferred or imposed on him under this Act; and he shall also be competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties as it deems fit.

### HISTORY

1. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[**32. Delegation of powers.**--<sup>2</sup>[(1) The Board or the Chief Commissioner, with the approval of the Board, may, by an order and subject to such limitations or conditions as may be specified therein, empower by name or designation, -

- (a) any Additional Commissioner Inland Revenue or Deputy Commissioner Inland Revenue to exercise any of the powers of a Commissioner Inland Revenue under this Act;
- (b) any Deputy Commissioner Inland Revenue or Assistant Commissioner Inland Revenue to exercise any of the powers of an Additional Commissioner Inland Revenue under this Act;
- (c) any Assistant Commissioner Inland Revenue to exercise any of the powers of a Deputy Commissioner Inland Revenue under this Act;

- (d) any other officer of Inland Revenue to exercise any of the powers of an Assistant Commissioner Inland Revenue under this Act.]

3[(2) \*\*\*\*\*]

- (3) The officer to whom any powers are delegated under this section shall not further delegate such powers.]

### HISTORY

1. Section 32 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“32. Delegation of Powers.--(1) The Board may, by Notification in the official Gazette, and subject to such limitations or conditions, if any, as may be specified therein, empower by name or designation;*

- (a) any Deputy Collector of Sales Tax or Assistant Collector of Sales Tax to exercise any of the powers of a Collector of Sales Tax under this Act;*
- (b) any Assistant Collector of Sales Tax to exercise any of the powers of a Deputy Collector of Sales Tax under this Act;*
- (c) any other officer of Sales Tax to exercise any of the powers of an Assistant Collector of Sales Tax under this Act.*

*(2) Unless the Board in any case otherwise directs, the Collector may authorize any officer subordinate to him to exercise throughout his jurisdiction, or within any specified area, any of the powers of the Collector or of any other officer of sales tax under this Act.*

*(3) The officer to whom any powers are delegated under this section shall not further delegate the said powers.”*

2. Sub-section (1) substituted by the Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Before substitution this provision was as under:

*“(1) The Board, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, empower by name or designation--*

- <sup>a</sup>[(a) any Additional Commissioner Inland Revenue or Deputy Commissioner Inland Revenue to exercise any of the powers of a Commissioner Inland Revenue under this Act;*
- (b) any Deputy Commissioner Inland Revenue or Assistant Commissioner Inland Revenue to exercise any of the powers of an Additional Commissioner Inland Revenue under this Act;*
- (c) any Assistant Commissioner Inland Revenue to exercise any of the powers of a Deputy Commissioner Inland Revenue under this Act; and*
- (d) any other officer of Inland Revenue to exercise any of the powers of an Assistant Commissioner Inland Revenue under this Act.]”*

- a. Clauses (a) to (d) substituted by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the

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Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this provision was as under:

- "(a) any Additional Collector of Sales Tax or Deputy Collector of Sales Tax to exercise any of the powers of a Collector of Sales Tax under this Act;*
  - (b) any Deputy Collector of Sales Tax or Assistant Collector of Sales Tax to exercise any of the powers of a Additional Collector of Sales Tax under this Act;*
  - (c) any Assistant Collector of Sales Tax to exercise any of the powers of a Deputy Collector of Sales Tax under this Act; and*
  - (d) any other officer of Sales Tax to exercise any of the powers of an Assistant Collector of Sales Tax under this Act."*
3. Sub-section (2) omitted by the Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Before omission this provision was as under:
- "(2) Unless the Board in any case otherwise directs, the <sup>a</sup>[Commissioner] may authorize any officer subordinate to him to exercise within any specified area, any of the powers of the Commissioner or of any other officer of <sup>b</sup>[Inland Revenue] under this Act".*
- a. Substituted for "**Collector**" by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - b. Substituted for "**Sales Tax**" by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[32A. <sup>2</sup>[**Audit by Special Audit Panels**].--<sup>3</sup>(1) The Board may appoint as many special audit panels as may be necessary, comprising two or more members from the following, --

- (a) an officer or officers of Inland Revenue;
- (b) a firm of chartered accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961);
- (b) a firm of cost and management accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966); or
- (d) any other person as directed by the Board, to conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be determined by the Board

or the Commissioner Inland Revenue on a case-to-case basis. In addition, the Board may, where it considers appropriate, also get such audit conducted jointly with similar audits being conducted by provincial administrations of sales tax on services.]

(2) Notwithstanding that records of a registered person have been audited by an officer appointed under section 30, the Board or a <sup>4</sup>[Commissioner] may direct <sup>5</sup>[special audit panel] appointed under sub-section (1) to audit the records of any registered person.

(3) <sup>6</sup>[Every member of special audit panel] appointed under sub-section (1), shall have the powers of an officer of <sup>7</sup>[Inland Revenue] under sections 25, 37 and 38.

<sup>8</sup>[(4) Each special audit panel shall be headed by a chairman who shall be an officer of Inland Revenue.

(5) If any one member of the special audit panel, other than the chairman, is absent from conducting an audit, the proceedings of the audit may continue and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.

(6) The Board may prescribe rules in respect of constitution, procedure and working of special audit panel.]

## HISTORY

1. Section 32A inserted by the Finance Act, 1998 (III of 1998).
2. Substitution for the words "*Special Audit by Chartered Accountant or Cost Accountants*" by the Finance Act, 2015 (V of 2015).
3. Sub-section (1) substituted by the Finance Act, 2015 (V of 2015). Before substitution this provision was as under:

*"<sup>a</sup>[(1) The Board <sup>b</sup>[or the Commissioner] may, <sup>c</sup>[\*\*\*\*\*] appoint a Chartered Accountant as defined under Chartered Accountant Ordinance, 1961 (Ord X of 1961) or a firm of Chartered Accountant or a Cost and Management Accountant within the meaning of the Cost and Management Accountants*

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Act, 1966 (Act XIV of 1966) or a firm Cost and Management Accountants, for conducting special audit of records of registered person <sup>d</sup>[ : ] ]

<sup>e</sup>[Provided that the Board <sup>b</sup>[or the Commissioner] may, <sup>c</sup>[\*\*\*\*\*] appoint a firm of Chartered Accountants as defined under Chartered Accountant Ordinance, 1961 (Ord X of 1961) or a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (Act XIV of 1966) or a firm Cost and Management Accountants to conduct audit of refund claims.]

a.Sub-section (1) substituted by the Finance Act, 1999 (IV of 1999). Before substitution this provision was as under:

*“(1) The Board may, by notification in the official gazette, appoint an auditor who is a Chartered Accountant within the meaning of Chartered Accountants Ordinance, 1961 (Ord X of 1961), or a Cost and Management Accountant within the meaning of the Cost and Management Accountant Act, 1966 (Act XIV of 1966), for conducting of special audit of records of registered person.”*

b.The words inserted by the Finance Act, 2010 (XVI of 2010), w.e.f. 05.06.2010.

c.The words *“by notification in the official Gazette”* omitted by the Finance Act, 2010 (XVI of 2010), w.e.f. 05.06.2010.

d.Substituted for full stop by the Finance Act, 2006 (III of 2006).

e.Proviso added by the Finance Act, 2006 (III of 2006).

4. Substituted for *“Collector”* by Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
5. Substituted for words *“an auditor”* by the Finance Act, 2015 (V of 2015).
6. Substituted for words *“An auditor”* by the Finance Act, 2015 (V of 2015).
7. Substituted for *“Sales Tax”* by Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
8. Sub-section (4), (5) and (6) inserted by the Finance Act, 2015 (V of 2015).

**1[32AA. \*\*\*\*\*]**

### HISTORY

1. Section 32AA omitted by the Finance Act, 2008 (I of 2008). Before omission this provision was as under:

*“<sup>a</sup>[32AA. Audit of Retailer.--(1) An officer of Sales Tax not below the rank of auditor or deputy superintendent may, subject to such conditions and limitations as may be imposed by the Board or Collector, carry out audit of any retailer assigned to him by Assistant Collector and such audit may*

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*include surveillance, video filming, gathering of information through pretending or actual customer of the taxable activities of such retailer.*

*(2) A retailer who pays <sup>b[\*\*\*\*]</sup> retail tax under section 3AA may in lieu of audit of his business by an officer of Sales Tax, opt for audit by a Chartered Accountant or a Cost and Management Accountant authorized by <sup>c[Board]</sup> in terms of section 32A provided he pays half of the fee payable to such Chartered Accountant or, as the case may be, Cost and Management Accountant."*

**a.** Section 32AA inserted by the Tax Laws Amendment Ordinance, 2000 (XVI of 2000) dated 24.05.2000.

**b.** The expression "*turnover tax under section 3A or*" omitted by the Finance Act, 2004 (II of 2004).

**c.** Substituted for "*Central Board of Revenue*" by the Finance Act, 2007 (IV of 2007).

## Chapter-VII

### OFFENCES AND PENALTIES

<sup>1</sup>[33. Offences and penalties.- <sup>2</sup>[\*\*\*\*] Whoever commits any offence described in column (1) of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column (2) thereof:--

**TABLE**

Offences.	Penalties.	Section of the Act to which offence has reference
(1)	(2)	(3)
1 Where any person fails to furnish a return within the due date.	such person shall pay a penalty of <sup>3</sup> [ten] thousand rupees:  Provided that in case a person files a return within <sup>4</sup> [ten] days of the due date, he shall pay a penalty of <sup>5</sup> [two] hundred rupees for each day of default.	26
2 Any person who fails to issue an invoice when required under this Act.	such person shall pay a penalty of five thousand rupees or three per cent of the amount of the tax	23

- involved, whichever is higher.
- 3 Any person who un-authorizedly issues an invoice in which an amount of tax is specified. such person shall pay a penalty of ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher. 3, 7 and 23
- 4 Any person who fails to notify the changes of material nature in the particulars of registration of taxable activity. such person shall pay a penalty of five thousand rupees. 14
- 5 Any person who fails to deposit the amount of tax due or any part thereof in the time or manner laid down under this Act or rules or orders made thereunder. such person shall pay a penalty of ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher: 3, 6, 7 and 48
- Provided that, if the amount of tax or any part thereof is paid within <sup>4</sup>[ten] days from the due date, the defaulter shall pay a penalty of five hundred rupees for



each day of default:

Provided further that no penalty shall be imposed when any miscalculation is made for the first time during a year:

Provided further that if the amount of tax due is not paid even after the expiry of a period of sixty days of issuance of the notice for such payments by an officer of <sup>6</sup>[Inland Revenue, not below the rank of Assistant Commissioner Inland Revenue], the defaulter shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both.

6 Any person who repeats erroneous 7 and 26 such person shall pay a penalty of five

calculation in the thousand rupees or return during a year three per cent of the whereby amount of the tax tax less than the involved, whichever is actual tax due is higher. paid.

- 7 Any person who is required to apply for registration under this Act fails to make an application for registration before making taxable supplies. such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher: 14

Provided that such person who is required to get himself registered under this Act, fails to get registered within sixty days of the commencement of taxable activity, he shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the amount of tax involved, or with

- both.
- 8 Any person who fails to maintain records required under this Act or the rules made thereunder. such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher. 22 and 24
- 9 Where a registered person who, without any reasonable cause, in non compliance with the provisions of section 25, - - (a) fails to produce the record on receipt of first notice; such person shall pay a penalty of five thousand rupees; (b) fails to produce the record on receipt of second notice; and such person shall pay a penalty of ten thousand rupees; and (c) fails to produce the record on receipt of third notice. such person shall pay a penalty of fifty thousand rupees. 25
- 10 Any person who fails to furnish the information required by the such person shall pay a penalty of ten thousand rupees. 26

Board through a notification issued under sub-section (5) of section 26.

- 11 Any person who, -- such person shall pay a 2(37) and  
(a) submits a false or forged document to any officer of 7[Inland revenue]; or penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the amount of tax involved, or with both.
- (b) destroys, alters, mutilates or falsifies the records including a sales tax invoice; or
- (c) knowingly or fraudulently makes false statement, false declaration, false representation, false personification, gives any false information or issues or uses a document which is forged or false.
- 12 Any person who denies or obstructs such person shall pay a 25, 38 , 9[,38A

the access of an authorized officer to the business premises, registered office or to any other place where records are kept, or otherwise refuses access to the stocks, accounts or records or fails to present the same when required under section 25, 38<sup>8</sup>[, 38A or 40B].

thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both. and 40B]

- 13 Any person who commits, causes to commit or attempts to commit the tax fraud, or abets or connives in commissioning of tax fraud. such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both. 2(37)

- 14 Where any person violates any embargo placed on removal of goods in connection with recovery of tax. such person shall pay a penalty of twenty five thousand rupees or ten per cent of the amount of the tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of tax involved, or with both. 48
- 15 Any person who obstructs the authorized officer in the performance of his official duties. such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. 31 and General
- 16 Any person who fails to make payment in the manner prescribed under section 73 of this Act. such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher. 73
- 17 Any person who such person shall pay a 71 and

- fails to fulfill any of the conditions, limitations or restrictions prescribed in a Notification issued under any of the provisions of this Act. penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher. General
- 18 Where any officer of <sup>10</sup>[Inland Revenue] authorized to act under this Act, acts or omits or attempts to act or omit in a manner causing loss to the sales tax revenue or otherwise abets or connives in any such act. such officer of <sup>10</sup>[Inland Revenue] shall be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both. General
- 19 Any person who contravenes any of the provisions of this Act <sup>11</sup>[or the rules made thereunder] for which no penalty has, specifically, been provided in this section. such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher. General]

12[20. \*\*\*\*\*]

13[21 Where any such person shall pay General.  
person repeats an twice the amount of  
offence for which penalty provided  
a penalty is under the Act for the  
provided under said offence.  
this Act.

22 Any person who,-- such person shall pay a 50A.]

- (a) knowingly and without lawful authority gains access to or attempts to gain access to the computerized system; or
- (b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; or
- (c) falsifies any record or information stored in the computerized system; or



- (d) knowingly or dishonestly damages or impairs the computerized system; or
- (e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; or
- (f) unauthorizedly uses unique user identifier of any other registered user to authenticate a transmission of information to the computerized system; or
- (g) fails to comply

with or  
contravenes any  
of the conditions  
prescribed for  
security of  
unique user  
identifier.

- 14[23. Any person who (i) Such cigarette stock 40C(2)]  
manufactures, shall be liable to  
possesses, outright  
transports, confiscation and  
distributes, stores or destruction. Any  
sells cigarette packs person committing  
with counterfeited, the offence shall  
tax stamps, pay a penalty of  
banderoles, stickers, twenty-five  
labels or barcodes or thousand rupees or  
without tax stamps, one hundred per  
banderoles, stickers, cent of the amount  
labels or barcodes of tax involved,  
whichever is  
higher. He shall,  
further be liable,  
upon conviction by  
a Special Judge, to  
imprisonment for a  
term which may  
extend to three  
years, or with  
additional fine  
which may extend  
to an amount equal  
to the loss of tax

involved, or with both.

(ii) In case of transport of cigarettes with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, or without tax stamps, banderoles, stickers, labels or barcodes, permanent seizure of the vehicle used for transportation of non-conforming or counterfeit cigarette packs; and

(iii) In case of repeat sale of cigarettes without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale be sealed for a period not exceeding 15 days.

<sup>15</sup>[24 Any person, who is integrated for monitoring, tracking, reporting Such person shall pay a penalty of five hundred thousand rupees or two hundred per cent of the sub-section (9A) of section 3

or recording of sales, amount of tax and production and involved, whichever is section similar business higher. He shall, 40C transactions with the further be liable, upon Board or its conviction by a Special computerized Judge, to simple system, conducts imprisonment for a such transactions in a term which may extend a manner so as to to two years, or with avoid monitoring, additional fine which tracking, reporting, may extend to two or recording of such million rupees, or with transactions, or both. or issues an invoice Any person who abets which does not carry commissioning of such the prescribed offence, shall be liable, invoice number or upon conviction by a barcode or bears Special Judge, to duplicate invoice simple imprisonment number or for a term which may counterfeit barcode, extend to one year, or or any person who with additional fine abets commissioning which may extend to of such offence. two hundred thousand rupees, or with both.

- 25 Any person, who is Such person shall be sub- required to integrate liable to pay a penalty section his business for up to one million (9A) of monitoring, rupees, and if section 3 tracking, reporting continues to commit and of sales, production the same offence after section and similar business period of 16[two] 40C transactions with the

Board or its months after computerized imposition of penalty system, fails to get as aforesaid, his himself registered business premises shall under the Act, and if be sealed <sup>17</sup>[till such registered, fails to time he integrate his integrate in the business in the manner manner as required as stipulated under under law. sub-section (9A) of section 3 or section 40C, as the case may be].

- 26 Any person, being manufacturer or importer of an item which is subject to tax on the basis of retail price, who fails to print the retail price in the manner as stipulated under the Act. Such person shall pay a sub-  
penalty of ten thousand section  
rupees or five *per cent* (27) of  
of tax involved, section 2  
whichever is higher: and clause  
Further, such goods (a) sub-  
shall also be liable to section (2)  
confiscation. of section  
3  
However, the  
adjudication authority,  
after such confiscation,  
may allow redemption  
of such goods on  
payment of fine which  
shall not be less than  
twenty percent of the  
total retail price of such  
goods.

- 27 Any person, being owner of the goods, Such person shall pay a section  
penalty of ten thousand

which are brought to rupees or five *per cent* 40D]  
Pakistan in violation of the amount of tax  
of section 40D. involved, whichever is  
higher:

Further, such goods shall also be liable to confiscation.

However, the adjudication authority, after such confiscation, may allow redemption of such goods on payment of fine which shall not be less than twenty percent of value, or retail price in case of items falling in the Third Schedule, of such goods.

<sup>18</sup>[<sup>28</sup> Any person who is required to share information under section 56AB, fails to do so in the manner as required under the law Such person shall pay a penalty of twenty five thousand rupees for first default and fifty thousand rupees for each subsequent default. 56AB]

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### HISTORY

1. Section 33 substituted by the Finance Act, 2005 (VII of 2005). Before substitution this provision was as under:

*<sup>a</sup>[33. **General Penalties.**--(1) Any person who fails to furnish a return within the due date shall pay a penalty of <sup>b</sup>[five thousand] rupees <sup>c</sup>[:]*

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<sup>d</sup>[Provided that in case a person files a return within fifteen days of the due date, he shall pay a penalty of one hundred rupees for each day of default.]

(2) Any person who--

- (a) fails to issue an invoice when required under this Act;
- (b) unauthorizably issues an invoice in which an amount of tax is specified;
- (c) fails to notify the changes of material nature in the particulars of registration of taxable activity;
- <sup>e</sup>[(cc) fails to deposit the amount of tax due or any part thereof in the time and manner laid down under this Act or rules or orders made thereunder;
- (d) repeats erroneous calculations in the return during a year whereby amount of tax less than the actual tax due is paid,

shall pay a penalty of <sup>f</sup>[five] thousand rupees or <sup>g</sup>[three] per cent of the amount of the tax involved, whichever is higher:

<sup>h</sup>[Provided that in case the amount of sales tax payable in the return does not exceed five thousand rupees, he shall pay penalty of one thousand rupees:]

Provided <sup>i</sup>[further] that no penalty shall be imposed when any miscalculation is made for the first time during a year.

(3) Any person who--

- (a) is required to apply for registration <sup>j</sup>[\*\*\*\*\*] under this Act fails to make an application <sup>k</sup>[for registration before making taxable supplies;]
- (b) fails to maintain records required under this Act or the rules made thereunder <sup>l</sup>[;or]
- <sup>m</sup>[(c) fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26.]

shall pay a penalty of <sup>n</sup>[ten] thousand rupees or <sup>o</sup>[five] per cent of the amount of tax involved, whichever is higher.

(4) Any person who--

- (a) submits a false or forged document to any officer of Sales Tax;
- (b) destroys, alters, mutilates or falsifies the records;
- (c) knowingly or fraudulently makes false statement, false declaration, false personification, gives any false information or issues or uses a document which is forged or false;
- (d) denies or obstructs the access of an authorized officer to business premises, registered office or to any other place where records are kept;
- (e) commits, causes to commit or attempts to commit the tax fraud.

shall pay a penalty of <sup>p</sup>[twenty five] rupees or <sup>q</sup>[one hundred] per cent of the amount of tax involved, whichever is higher.

(5) Any person who causes or attempts to commit or abets the commission of any of the acts specified in the preceding sub-sections shall pay the penalties specified therein.

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(6) Where any of the acts specified in sub-sections (3) and (4) of the section is committed by a corporate body or an association of persons, whether incorporated or not, the Chief Executive of that body shall pay a penalty of <sup>r</sup>[twenty five] thousand rupees, in addition to other penalties adjudged against him under any other provisions of this Act.

<sup>s</sup>[(6A) A registered <sup>t</sup>[\*\*\*\*\*] person or retailer who without any reasonable cause fails to comply with the provisions of section 25, shall pay,

- (a) for failing to produce the record on receipt of first notice, a penalty of two thousand five hundred rupees;
- (b) for failing to produce the record on receipt of second notice, a penalty of ten thousand rupees; and
- (c) for failing to produce the record on receipt of third notice, an penalty of fifty thousand rupees.]

(7) Any person who contravenes any of the provisions of this Act for which no penalty has, specifically, been provided in this Act, shall pay a penalty of <sup>u</sup>[two thousand and five] hundred rupees or <sup>v</sup>[three] per cent of the amount of tax involved, whichever is higher.”

a. Section 33 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:--

“33. **General Penalties.**--(1) Any person who--

- (a) is required to apply for registration under this Act fails to apply for registration; or
- (b) fails to furnish a return within the due date; or
- (c) fails to notify the change in the particulars of registration; <sup>aa</sup>[\*\*\*\*\*]

<sup>ab</sup>[(d) \*\*\*\*\*]

shall be liable to a penalty <sup>ac</sup>[which may extend to one thousand rupees per day for such failure, but shall not be less than five hundred rupees per day].

(2) Any person who--

- (a) does not issue a tax invoice or issues a tax invoice which is incorrect in material particulars; or
- (b) furnishes a return which is incorrect in material particulars; or
- (c) submits a false or forged documents to any office of the Sales Tax and thereby evades or attempts to evade payment of tax; or
- (d) does not maintain records required under the Act or the rules made thereunder, or destroys, alters, mutilates or falsifies any such records or does not retain the records as required under the Act; or
- (e) knowingly makes false statement, false declaration or gives any false information; or
- (f) is not a registered person and issues an invoice in which an amount of tax is specified; or
- (g) attempts to commit or abets the commission of any of the acts specified at (a) to (f) above;

Shall be liable to a penalty of twenty-five thousand rupees or <sup>ad</sup>[th amount of tax due for the month immediately preceding the month in which any of the acts specified in clauses (a) to (f) is committed, whichever is higher].



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(3) Where any of the acts specified in clauses (a) to (g) of sub-section (2) is committed by a corporate body or an association of persons whether incorporated or not, the Chief Executive of that body shall be liable to a penalty of ten thousand rupees.

<sup>ae</sup>[(4) Any person who contravenes any provision of this Act for which no penalty has, specifically, been provided in this Chapter, shall be liable to a penalty of five thousand rupees.]”

- aa. The word “or” omitted by the Finance Act, 1993.
- ab. Clause (d) omitted by the Finance Act, 1993. Before omission this provision was as under:  
“(d) contravenes any other provision of this Act;”
- ac. Substituted for “of five thousand rupees” by the Finance Act, 1994 (XII of 1994).
- ad. Substituted for “twice the amount of tax involved which ever is the greater” by the Finance Act, 1994 (XII of 1994).
- ae. Sub-section (4) inserted by the Finance Act, 1993.
- b. Substituted for words “two thousand and five hundred” by the Tax Laws (Amendment) Ordinance, 2001 (XIII of 2001) dated 15.03.2001.
- c. Substituted for full stop by the Finance Act, 2003 (I of 2003).
- d. Proviso inserted by the Finance Act, 2003 (I of 2003).
- e. Clause (cc) added by the Finance Act, 1997 (XXII of 1997).
- f. Substituted for “ten” by the Finance Ordinance, 2000 (XXI of 2000).
- g. Substituted for “five” by the Finance Ordinance, 2000 (XXI of 2000).
- h. Proviso added by the Finance Act, 2004 (II of 2004).
- i. The words inserted by the Finance Act, 2004 (II of 2004).
- j. The words “or enrollment” omitted by the Finance Act, 2004 (II of 2004).
- k. Substitution for “within the specified period; or” by the Finance Act, 2004 (II of 2004).
- l. Substitution for comma by the Finance Act, 2004 (II of 2004).
- m. Clause (c) inserted by the Finance Act, 2004 (II of 2004).
- n. Substituted for “twenty” by the Finance Ordinance, 2000 (XXI of 2000).
- o. Substituted for “ten” by the Finance Ordinance, 2000 (XXI of 2000).
- p. Substituted for “fifty” by the Finance Ordinance, 2000 (XXI of 2000).
- q. Substituted for “thirty” by the Finance Act, 2004 (II of 2004).
- r. Substituted for “fifty” by the Finance Ordinance, 2000 (XXI of 2000).
- s. Sub-section (6A) inserted by the Finance Act, 2003 (I of 2003).
- t. The words “or enrolled” omitted by the Finance Act, 2004 (II of 2004).
- u. Substituted for “five thousand” by the Finance Ordinance, 2000 (XXI of 2000).
- v. Substituted for “five” by the Finance Ordinance, 2000 (XXI of 2000).
2. The figure/brackets “(1)” omitted by the Finance Act, 2008 (I of 2008).
3. Substituted for “five” by Finance Act, 2019 (V of 2019).
4. Substituted for word “fifteen” by the Finance Act, 2015 (V of 2015).
5. Substituted for “two” by Finance Act, 2019 (V of 2019).
6. Substituted for “Sales Tax not below the rank of Assistant Collector of Sales Tax” by Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance,

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- 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
7. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010.
  8. Substituted for "*or 38A*" by the Finance Act, 2009 (I of 2009).
  9. Substituted for "*and 38A*" by the Finance Act, 2009 (I of 2009).
  10. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  11. The words added by the Finance Act, 2016 (XXIX of 2016).
  12. S. No. 20 and contents against it were omitted by the Finance Act, 2008 (I of 2008). Earlier this provision was added by the Finance Act, 2006 (III of 2006). Before omission, in 2008, this provision was as under:

20. <i>Any person who fails to submit summary of sale and purchase invoices required under a notification issued under this Act.</i>	<i>Such person shall pay a penalty of twenty-five thousands rupees.</i>	26(5)
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  13. Sr. No. 21 and 22 and entries relating thereto were inserted by the Finance Act, 2006 (III of 2006).
  14. Sr. No. 23 and entries relating thereto were inserted by the Finance Act, 2017 (XXVII of 2017).
  15. Sr. No. 24 to 27 and entries relating thereto added by the Tax Laws (Amendment) Act, 2020 dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
  16. Substituted for "*six*" by the Finance Act, 2020 (XIX of 2020).
  17. Substituted for "*and an embargo shall be placed on his sales*" by the Finance Act, 2020 (XIX of 2020).
  18. Sr. No. 28 inserted by the Finance Act, 2020 (XIX of 2020).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 33	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

**1[33A.Proceedings against authority and persons.--**(1) Subject to section 51, the Board shall prescribe rules for initiating criminal proceedings against any authority mentioned in sections 30 to 30DDD, including any officer or official subordinate to the aforesaid authority, who willfully and deliberately commits or omits an act which results in undue benefit or advantage to the authority or the officer or official or to any other person.

(2) Where proceedings under sub-section (1) have been initiated against the authority or officer or official, the Board shall simultaneously intimate the relevant Government agency to initiate criminal proceedings against the person referred to in sub-section (1).

(3) The proceedings under this section shall be without prejudice to any other liability that the authority or officer or official or the person may incur under any other law for the time being in force.

### HISTORY

1. Section 33A inserted by Finance Act, 2019 (V of 2019).

**<sup>1</sup>[34. Default Surcharge.--** (1) Notwithstanding the provisions of section 11, if a registered person does not pay the tax due or any part thereof, whether wilfully or otherwise, in time or in the manner specified under this Act, rules or notifications issued thereunder or claims a tax credit, refund or makes an adjustment which is not admissible to him, or incorrectly applies the rate of zero per cent to supplies made by him, he shall, in addition to the tax due, pay default surcharge at the rate mentioned below:--

(a) <sup>2</sup>[\*\*\*\*\*] the person liable to pay any amount of tax or charge or the amount of refund erroneously made, shall pay default surcharge at the rate of <sup>3</sup><sup>4</sup>[twelve] per cent per annum], of the amount of tax due or the amount of refund erroneously made; <sup>5</sup>[and]

<sup>6</sup>[(b) \*\*\*\*\*]

(c) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of two per cent per month, of the amount of tax evaded or the amount of

refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid.

- (2) For the purpose of calculation of default surcharge, --
- (a) in the case of inadmissible input tax credit or refund, the period of default shall be reckoned from the date of adjustment of such credit or, as the case may be, refund is received; and
  - (b) in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the 16th day of a month (following the due date of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid.

**Explanation.**--For the purpose of this section tax due does not include the amount of penalty.

### HISTORY

1. Section 34 substituted by the Finance Act, 2005 (VII of 2005). Before substitution this provision was as under:

*"<sup>a</sup>[34. Additional Tax.--<sup>b</sup>(1) Notwithstanding the provisions of section 11, if a registered person or enrolled person does not pay the tax due or any part thereof in time or in the manner specified under this Act, rules or notifications issued thereunder or claims a tax credit, refund or makes an adjustment which is not admissible to him, or incorrectly applies the rate of zero per cent to supplies made by him, he shall, in addition to the tax due, pay additional tax at the rate of <sup>c</sup>[one] per cent of the tax due per month or any part thereof.]*

*(2) For the purpose of calculation of additional tax, --*

- (a) in the case of inadmissible input tax credit or refund, the period of default shall be reckoned from the date of adjustment of such credit or, as the case may be, refund is received; and*
- (b) in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the <sup>d</sup>[16<sup>th</sup>] day of a month (following the due date of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid.*

*<sup>e</sup>[\*\*\*\*\*]*

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*[Explanation.-- For the purpose of this section tax due does not include the amount of penalty.]*"

a. Section 34 was substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:--

**"34.Additional Tax.--** Notwithstanding the provisions of section 11, if a registered person fails to pay the tax within the time specified in Section 6, he shall, in addition to the tax due, be liable to pay additional tax and surcharge at the following rates:--

- (a) 5 per cent of the tax due during the first month or part thereof;
- (b) 10 per cent of the tax due for the next month or part thereof;
- (c) 100 per cent of tax due for the succeeding period;
- (d) surcharge at the rate of 1 per cent for every month or part thereof on the total accumulated amount that remains unpaid after the expiry of three months.

*Explanation:--* (1) For the purpose of calculating additional tax, the period of default shall be reckoned from the 21<sup>st</sup> of a month (following the due date) to the day preceding the date on which the tax is actually paid;

(2) In this Section, the expression "tax due" includes the additional tax."

b. Sub-section (1) substituted by the Finance Act, 1997 (XXII of 1997). Before substitution this provision was as under:

*"(1) Notwithstanding the provisions of section 11, if a registered person does not pay the tax or part thereof within the time specified in section 6 or claims a tax credit or refund which is not admissible to him, or incorrectly applies the rate of zero per cent to supplies made by him, he shall, in addition to the tax due, pay additional tax at the following rate, namely:-*

- (a) five per cent of the tax due per month or any part thereof during the first three month; and
- (b) two per cent of the tax due per month or any part thereof for the succeeding periods,"

c.Substituted **"two"** by the Finance Act, 2003 (I of 2003). Earlier the word "two" was replaced with **"one and half"** by the Tax Laws (Amendment) Ordinance, 2001 (XIII of 2001). Before that it was substituted for **"five"** by the Finance Ordinance, 2000 (XXI of 2000).

d. Substituted for **"21st"** by the Sales Tax (Amendment) Act, 1999 (I of 1999) *w.e.f.* 01.12.1998. Earlier this amendment was made by the Sales Tax (Second Amendment) Ordinance, 1998 (XIV of 1998).

e. Explanation Omitted by the Finance Ordinance, 2000 (XXI of 2000). Before omission this provision was as under:

*"Explanation.-- For the purpose of this section, the expression "tax due" includes the additional tax"*

f.Explanation inserted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001) dated 07.02.2001

2. The expression **"for the first six months of default"** omitted by the Finance Act, 2008 (I of 2008).
3. Substitution for **"one <sup>a</sup>[and half] per cent per month"** by the Finance Act, 2009 (I of 2009).
  - a. The words added by the Finance Act, 2008 (I of 2008).

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4. Substituted for “*KIBOR plus three*” by the Finance Act, 2018 (XXX of 2018).
5. The words added by the Finance Act, 2008 (I of 2008).
6. Clause (b) omitted by the Finance Act, 2008 (I of 2008). Before omission this provision was as under:

“(b) *from the seventh month onwards, the person liable to pay any amount of tax or surcharge or the amount of refund erroneously made, shall pay default surcharge at the rate of one and a half per cent per month, of the amount of tax due or the amount of refund erroneously made, till such time the entire liability including the amount of default surcharge is paid; and*”

### **<sup>1</sup>[34A. Exemption from penalty and <sup>2</sup>[default surcharge].--**

The Federal Government may, by a notification in the official Gazette, or the <sup>3</sup>[Board] by a special order published in Gazette for reasons to be recorded in writing, exempt any person or class of persons from payment of the whole or part of the penalty and <sup>2</sup>[default surcharge] imposed under sections 33 and 34 subject to such conditions and limitations as may be specified in such notification or, as the case may be, special order.]

## HISTORY

1. Section 34A substituted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2011. Earlier this section was inserted by the Sales Tax (Amendment) Act, 1999 (I of 1999). Before substitution, in 2001, this provision was as under:

*“34A. Exemption from penalty and additional tax.--The Federal Government or a person duly authorized by the Federal Government in this behalf, for reasons to be recorded in writing, by notification in the official Gazette, exempt any person or class of persons from payment of the whole or part of the penalty and additional tax imposed under sections 33 and 34 subject to such conditions and limitations as may be specified in the notification.”*

2. Substituted for “*additional tax*” by the Finance Act, 2005 (VII of 2005).
3. Substituted for “*Central Board of Revenue*” by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 34A	S.R.O.548(I)/2012 dated 22.05.2012.(Exemption of penalty and default surcharge on payment of Principal Amount of

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	sales tax & federal excise duty)
Section 34A	S.R.O.774(I)/2012 dated 27.06.2012.(Exemption of penalty and default surcharge on payment of Principal Amount of sales tax & federal excise duty)
Section 34A	S.R.O.179(I)/2013 dated 07.03.2013.(Payment of tax @ 2 % without penalty and default surcharge by certain persons who declared their supplies as zero-rated during 01.04.2011 to 28.02.2013)
Section 34A	S.R.O.494(I)/2013 dated 10.06.2013.(Exemption of penalty and default surcharge on payment of Principal Amount of sales tax & federal excise duty)
Section 34A	Circular dated 29.06.2012.(Clarification of SRO 774(I)/2012)

**1[35. \*\*\*\*\*]**

**HISTORY**

1. Section 35 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*“35. Removal of goods without transport permit.--(1) If a manufacturer<sup>a</sup>[or a wholesaler] makes a taxable supply from his business premises without the cover of a transport permit as may be prescribed such supply shall be liable to confiscation and the registered person, his agent or any other person concerned with such supply shall be liable to a penalty of twenty five thousand rupees or twice the amount of the tax involved, whichever is greater.*

*(2) Where any goods are confiscated under this section, the officer imposing the penalty, shall give the owner of the goods an option to pay in lieu of confiscation of such goods redemption fine as the officer may deem fit in addition to any tax and other charges due in respect of the goods.”*

- a. The words inserted by the Finance Act, 1994 (XII of 1994).

**1[35A. \*\*\*\*\*]**

**HISTORY**

1. Section 35A omitted by the Finance Act, 1996 (IX of 1996). Earlier it was added by the Finance Act, 1992. Before omission, in 1996, this provision was as under:

*“35A. Extent of confiscation.--(1) Confiscation of any goods under this Act includes any package in which they are found, and all other contents thereof.*

*(2) Every conveyance of whatever kind used in the removal of any goods liable to confiscation under this Act shall also be liable to confiscation.*

*Provided that, where a conveyance liable to confiscation has been seized by an Officer of Sales Tax, the appropriate officer may, in such circumstances as may be prescribed by rules, order its release, pending the adjudication of the case involving its confiscation if the owner of the conveyance furnishes him with a sufficient guarantee from a scheduled bank for the due production of the conveyance at any time and place it is required by the appropriate officer to be produced.*

*(3) Confiscation of any conveyance under this Act includes her tackle, apparel and furniture.”*

<sup>1</sup>[36. \*\*\*\*\*]

## HISTORY

1. Section 36 omitted by the Finance Act, 2012 (XVII of 2012). Before omission, in 2012, this provision was as under:

*“<sup>a</sup>[36. Recovery of tax not levied or short-levied or erroneously refunded.--(1) Where by reason of some collusion or a deliberate act any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of refund erroneously made shall be served with a notice, within five years of the relevant date, requiring him to show cause for payment of the amount specified in the notice.*

*(2) Where, by reason of any inadvertence, error or misconception, any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay the amount of tax or charge or the amount of refund erroneously made shall be served with a notice within three years of the relevant date, requiring him to show cause for payment of the amount specified in the notice:*

*Provided that, where a tax or charge has not been levied under this sub-section, the amount of tax shall be recovered as tax fraction of the value of supply.*

*(3) The officer of <sup>b</sup>[Inland Revenue] empowered in this behalf shall, after considering the objections of the person served with a notice to show cause under sub-section (1) or sub-section (2), determine the amount of tax or charge payable by him and such person shall pay the amount so determined <sup>c</sup>[:]*

*<sup>d</sup>[Provided that order under this section shall be made within <sup>e</sup>[one hundred and twenty] days of issuance of show cause notice or within such extended period as <sup>f</sup>[the <sup>g</sup>[Commissioner] <sup>h</sup>[\*\*\*\*\*]] may, for reasons to be*



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recorded in writing, fix, provided that such extended period shall in no case exceed <sup>i</sup>[sixty] days<sup>j</sup>[:]]

<sup>k</sup>[Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the periods specified in the first proviso.]

<sup>l</sup>[\*\*\*\*\*]

(4) For the purposes of this section, the expression "relevant date" means--

- (a) the time of payment of tax or charge as provided under section 6;
- and
- (b) in a case where tax or charge has been erroneously refunded, the date of its refund.]"

a. Section 36 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:--

<sup>aaa</sup>[36. **Recovery of tax not levied or short-levied or erroneously refunded.**--(1) Where by reason of some collusion or a deliberate act any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of refund erroneously made shall be served with a notice, within five years of the relevant date, requiring him to show cause for payment of the amount specified in the notice.

(2) Where, by reason of any inadvertence, error or misconstruction, any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay the amount of tax or charge or the amount of refund erroneously made shall be served with a notice within three years of the relevant date, requiring him to show cause for payment of the amount specified in the notice.

(3) The appropriate officer shall, after considering the objections of the person served with a notice to show cause under sub-section (1) or sub-section (2), if any, determine the amount of tax or charge payable by him and such person shall pay the amount so determined.

Explanation:-- For the purpose of this section, the expression "relevant date" means--

- (a) the time of payment of tax or charge as provided under section 6;
- and
- (b) in a case where tax or charge has been erroneously refunded, the date of its refund.]"

aa. Section 36 substituted by the Finance Act, 1994 (XII of 1994). Before substitution this provision was as under:--

<sup>aaa</sup>[36. **Recovery of tax short-levied.**-- (1) Where for any reason the tax due has not been levied or paid or has been short-levied or short-paid or any tax has been erroneously refunded, the person liable to pay the tax or to whom such refund has been erroneously made shall pay the tax due on written demand made within five years from the date on which the tax became due or was paid or adjusted in the account-current, if any, or from the date of making the refund <sup>aaa</sup>[:]

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*aab* [Provided that where for any reason a tax due has not been levied or paid or has been short levied or short paid or any tax has been erroneously refunded under the substituted provisions of the Sales Tax Act, 1951 (III of 1951), the period of five years shall commence from the first day of July, 1990:

*Provided further that where a show cause notice under sections 3 and 28 of the substituted Sales Tax Act, 1951 (III of 1951), had been issued to a person before coming into force of the Sales Tax Act, 1990, it shall be deemed that such notice was issued under the provisions of the Sales Tax Act, 1990.]*

*(2) In case the person liable to pay tax objects in writing, to the demand of tax, he shall be provided an opportunity of being heard."*

**aaa.** Substituted for full stop by the Finance Act, 1993.

**aab.** Provisos added by the Finance Act, 1993.

**b.** Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

**c.** Substituted for full stop by the Finance Ordinance, 2000 (XXI of 2000).

**d.** Proviso inserted by the Finance Ordinance, 2000 (XXI of 2000).

**e.** Substituted for "**ninety**" by the Finance Act, 2008 (I of 2008). Earlier it was substituted for "**forty five**" by the Finance Act, 2003 (I of 2003).

**f.** Substituted for "**an officer of Sales Tax**" by the Finance Act, 2003 (I of 2003).

**g.** Substituted for "**Collector**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

**h.** The expression "**or, as the case may be, Collector (Adjudication)**" omitted by the Finance Act, 2009 (I of 2009).

**i.** Substituted for "**one hundred and twenty**" by the Finance Act, 2009 (I of 2009). Earlier it was substituted for "**ninety**" by the Finance Act, 2008 (I of 2008).

**j.** Substituted for full stop by the Finance Act, 2003 (I of 2003).

**k.** Proviso inserted by the Finance Act, 2009 (I of 2009).

**l.** Proviso omitted by the Finance Act, 2005 (VII of 2005). Earlier this proviso was inserted by the Finance Act, 2003 (I of 2003). Before omission, in 2005, this provision was as under:

*"Provided further that where a registered person is served with audit observation, the period of--*

*(i) five years prescribed in sub-section (1); and*

*(ii) three years prescribed in sub-section (2),*

*for the issuance of show cause notice shall be treated as extended from the date of serving of audit observation (s) to the date of issuance of show cause notice."*

**37. Power to summon persons to give evidence and produce documents in inquiries under the Act.--**

(1) Any officer of <sup>1</sup>[Inland Revenue] shall have powers to summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any inquiry which such officer is making for any of the purposes of this Act.

(2) Any person summoned under sub-section (1) shall be bound to attend either in person or by an authorised agent, as the officer of <sup>1</sup>[Inland Revenue] may direct;

Provided that a person who is exempted from personal appearance in a Court under section 132 and 133 of the Code of Civil Procedure (Act V of 1908), shall not be required to appear in person.

(3) Any inquiry before an officer of <sup>1</sup>[Inland Revenue] shall be deemed to be a judicial proceeding within the meaning of section 193 and <sup>2</sup>[228] of the Pakistan Penal Code (Act XLV of 1860).

## HISTORY

1. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
2. Substituted for "*223*" by the Finance Act, 1994 (XII of 1994).

<sup>1</sup>[**37A. Power to arrest and prosecute.--**(1) An officer of <sup>2</sup>[Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue] or any other officer of equal rank authorized by the <sup>3</sup>[Board] in this behalf, who on the basis of material evidence has reason to believe that any person has

committed a tax fraud <sup>4</sup>[or any offence warranting prosecution under this Act] <sup>5</sup>[\*\*\*\*\*],<sup>6</sup>[may cause arrest of such person.]

(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).

<sup>7</sup>[(3) \*\*\*\*\*]

(4) Notwithstanding anything contained in sub-section (1) to sub-section (3) or any other provision of this Act, where any person has committed a tax fraud <sup>4</sup>[or any offence warranting prosecution under this Act], the <sup>8</sup>[Commissioner] may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such <sup>9</sup>[default surcharge] and penalty as is determined under the provisions of this Act.

(5) Where the person suspected of tax fraud <sup>4</sup>[or any offence warranting prosecution under this Act] is a company, every director or officer of that company whom the authorized officer has reason to believe is personally responsible for actions of the company contributing the tax fraud <sup>4</sup>[or any offence warranting prosecution under this Act] shall be liable to arrest; provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, <sup>9</sup>[default surcharge] and penalty imposed under this Act.]

## HISTORY

1. Section 37A was inserted by the Finance Act, 1994 (XII of 1994). This section was substituted by the Finance Act, 1996 (IX of 1996). Before substitution, in 1996, this provision was as under:

*"37A. Power to arrest and prosecute. – (1) An officer of Sales Tax not below the rank of an Assistant Collector or Sales Tax or any other officer of equal rank authorized by the Central Board of Revenue in this behalf, who on*

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*the basis of material evidence has reason to believe that any person has evaded tax on a supply or supplies made by him, may arrest such person.*

*(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).*

*(3) Where any person evades tax or furnishes inaccurate particulars thereof, he shall be punishable with imprisonment for a term which may extend to five years, or with fine, or with both.*

*(4) Notwithstanding anything contained in sub-section (1) to sub-section (3) or any other provision of this Act, where any person has evaded tax, the Collector may, either before or after the institution of any proceedings for recovery of tax, compound the offence and order that such person shall pay the amount of tax due along with such penalty and additional tax or without such penalty as may be agreed."*

2. Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
3. Substitution for "**Central Board of Revenue**" by the Finance Act, 2007 (IV of 2007).
4. Insertion by the Finance Act, 2007 (IV of 2007).
5. The words "**in respect of a supply or supplies made by him**" omitted by the Finance Act, 2007 (IV of 2007).
6. Substituted for "**may arrest a person**" by the Finance Act, 2003 (I of 2003).
7. Sub-section (3) omitted by the Finance Act, 2005 (VII of 2005). Before omission this provision was as under:

*"(3) Where any person commits a tax fraud, he shall be punishable with imprisonment for a term which may extend to five years, or with fine which may extend to any amount equal to the loss of tax involved, or with both."*
8. Substituted for "**Collector**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
9. Substituted for "**additional tax**" by the Finance Act, 2005 (VII of 2005).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 37A	AJK Notification No.CBR/3088-3103/2006, dated 16.11.2006 (Authorization of Officers to cause arrest of persons)

### **<sup>1</sup>[37B. Procedure to be followed on arrest of a person.--(1)**

When <sup>2</sup>[an officer of Inland Revenue] authorized in this behalf arrests a person under Section 37A, he shall immediately

intimate the fact of the arrest of that person to the Special Judge who may direct such Officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.

(2) Notwithstanding anything contained in the sub-section (1), any person arrested under this Act shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.

(3) When any person is produced under sub-section (2) before the Special Judge, he may, on the request of such person, after perusing the record, if any, and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit:

Provided that nothing herein contained shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Act.

(4) When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorizing his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct

such person to be forthwith taken to, and produced before, the Special Judge and he shall be so taken.

(5) Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Judicial Magistrate from remanding any such person to the custody of<sup>3</sup>[an officer of Inland Revenue] holding inquiry against that person if such Officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order:

Provided that in no case the period of such custody shall exceed fourteen days.

(6) When any person is arrested under this Act, <sup>3</sup>[an officer of Inland Revenue] shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty-four hours of his arrest, excluding the time necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody.

(7) While holding an inquiry under sub-section (6), <sup>3</sup>[an officer of Inland Revenue] shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.

(8) If <sup>3</sup>[an officer of Inland Revenue], after holding an inquiry as aforesaid, is of the opinion that there is no sufficient evidence or

reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.

(9) The Special Judge to whom a report has been made under sub-section (8), may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

(10) <sup>3</sup>[An officer of Inland Revenue] empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day; and such register or authenticated copies of its aforesaid entries shall be produced before the Special Judge, whenever such Officer is so directed by him.

(11) After completing the inquiry, <sup>3</sup>[an officer of Inland Revenue] shall, as early as possible, submit to Special Judge a complaint in the same form and manner in which the officer incharge of a police-station submits a report, before a court.

(12) Any Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with



the provisions of section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(13) Without prejudice to the foregoing provisions of this section, the <sup>4</sup>[Board, with the approval of the Federal Minister-in-charge] may, by notification in the official Gazette, authorize any other officer working under the <sup>5</sup>[Board] to exercise the powers and perform the functions of <sup>2</sup>[an officer of Inland Revenue] under this section, subject to such conditions, if any, that it may deem fit to impose.]

### HISTORY

1. Section 37B inserted by the Finance Act, 1995 (I of 1995).
2. Substituted for "*a Sales Tax Officer*" by Finance Act, 2019 (V of 2019).
3. Substituted for "*the Sales Tax Officer*" by Finance Act, 2019 (V of 2019).
4. Substituted for "*Federal Government*" by Finance Act, 2019 (V of 2019) and this amendment is not adapted and enforced in AJK.
5. Substituted for "*Central Board of Revenue*" by the Finance Act, 2007 (IV of 2007).

<sup>1</sup>[**37C. Special Judges.**— (1) The Federal Government may by notification in the official Gazette, appoint as many Special Judges as it considers necessary and, where it appoints more than one Special Judge, it shall specify in the notification the headquarter of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act.

(2) No person shall be appointed as a Special Judge unless he is or has been a Sessions Judge.]

### HISTORY

1. Section 37C inserted by the Finance Act, 2010 (XVI of 2010). Earlier a Section 37C with different contents was omitted by the Finance Act, 2005 (VII of 2005) that was originally inserted by the Finance Act, 1997 (XXII of 1997). Before omission, in 2005, that provision was as under:  
"*37C. Prosecution and punishment for evasion of tax, etc.--(1) Where--*

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- (a) a person does not pay the amount of tax due in time and in the manner specified for its payment and also fails to pay even after the expiry of a period of sixty days of issuance of the notice for such payment by a Sales Tax Officer, not below the rank of an Assistant Commissioner of Sales Tax, he shall be liable to punishment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both'
- (b) a person who is required to get himself registered under this Act fails to get registered within sixty days <sup>a</sup>[of the commencement of taxable activity], he shall be liable to punishment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both;
- (c) a person refuses to allow access to premises, stocks, accounts or records, etc., to the Sales Tax Officer or refuses or fails to present the same as the case may be, when required under section 25 or 38 of this Act, he shall be liable to punishment for a term which may extend to three years, or with fine which may extend to amount equal to the loss of tax involved, or with both;
- (d) any officer of sales tax or any other person authorized to act under this Act, acts or omits or attempts to act or omit in a manner causing loss to the sales tax revenue or to other purposes of this Act, or abets or connives at any such act or any attempt to practice any such act, he shall be liable to punishment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both; or
- (e) a registered person fails to file the return for two consecutive tax periods without any lawful excuse or violates any embargo placed on removal of goods in connection with recovery of tax, he shall be liable to punishment for a term which may extend to one year, or with fine which may extend to any amount equal to the amount of tax involved, or with both.

(2) In respect of offences under sub-section (1) the provisions of section 37A and 37B so far as applicable shall apply."

a. Substituted for "of the expiry of the period given in section 15 read with clause (a) of sub-section (3) of section 33" by the Finance Act, 2004 (II of 2004).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 37A	AJK Notification No.LD/(AD)4/1/2003, dated 14.04.2006 (AJK Appointment of Special Judge)

**<sup>1</sup>[37D.Cognizance of Offences by Special Judges.-** (1) Notwithstanding anything contained in this Act or any other law for the time being in force, a Special Judge may, within the limits

of his jurisdiction, take cognizance of any offence punishable under this Act,--

- (a) upon a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or
- (b) upon receiving a complaint or information of facts constituting such offence made or communicated by any person; or
- (c) upon his own knowledge acquired during any proceeding before him under this Act or under any other law for the time being in force.

(2) Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with trial of the accused.

(3) Upon the receipt of a complaint or information under clause (b), or acquired in the manner referred to in clause (c) of sub-section (1), the Special Judge may, before issuing a summon or warrant for appearance of the person complained against, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, or direct any Magistrate or any officer of Inland Revenue or any police officer to hold such inquiry and submit a report, and such Magistrate or officer shall conduct such inquiry and make report accordingly.

(4) If, after conducting such inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that,--

- (a) there is no sufficient ground for proceeding, he may dismiss the complaint, or

- (b) there is sufficient ground for proceeding, he may proceed against the person complained against in accordance with law.
- (5) A Special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).]

### HISTORY

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

**<sup>1</sup>[37E. Special Judge, etc. to have exclusive jurisdiction.--** Notwithstanding anything contained in this Act or in any other law for the time being in force,--

- (a) no court other than the Special Judge having jurisdiction, shall try an offence punishable under this Act;
- (b) no other court or officer, except in the manner and to the extent specifically provided for in this Act, shall exercise any power, or perform any function under this Act;
- (c) no court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under Chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Act; and
- (d) no court, other than the Special Judge or the High Court, shall entertain any application or petition or pass any order or give any direction under Chapters XXXVII, XXXIX, XLIV or XLV of the aforesaid Code.]

## HISTORY

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

### **<sup>1</sup>[37F. Provisions of Code of Criminal Procedure, 1898, to**

**apply.**-- (1) The provision of the Code of Criminal procedure, 1898 (Act V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to the proceedings of the court of a Special Judge and such court shall be deemed to be a court of Sessions for the purpose of the said Code and the provisions of Chapter XXIIA of the foresaid Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Act.

(2) For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence punishable under this Act were one of the offences referred to in sub-section (1) of section 337 of the said Code.]

## HISTORY

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

**<sup>1</sup>[37G. Transfer of cases.**-- (1) Where more than one Special Judge are appointed within the territorial jurisdiction of a High Court, the High Court, and where not more than one Special Judge is so appointed, the Federal Government, may by order in writing direct the transfer, at any stage of the trial, of any case from the court of one Special Judge to the Court of another Special Judge for disposal, whenever it appears to the High Court or, as the case may be, the Federal Government, that such transfer may promote the ends of justice or tend to the general convenience of the parties or witnesses.

(2) In respect of a case transferred to a Special Judge under sub-section (1), such Special Judge shall not by reason of the said

transfer, be bound to recall and rehear any witness whose evidence has been recorded in the case before the transfer and may act upon the evidence already recorded or produced before the court which tried the case before the transfer.]

### **HISTORY**

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

**<sup>1</sup>[37H. Place of Sittings.--** A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.]

### **HISTORY**

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

**<sup>1</sup>[37I. Appeal to the High Court.--** (1) Any person, including the Federal Government, the Board, the Commissioner or Director of Intelligence and Investigation or any other officer authorized in this behalf by the Board, aggrieved by any order passed or decision made by a Special Judge under this Act or under the Code of Criminal Procedure, 1898 (Act V of 1898), may, subject to the provisions of Chapters XXXI and XXXII of the said Code, within sixty days from the date of the order or decision, prefer an appeal to the High Court.

(2) Except as otherwise provided in sub-section (1), the provisions of the Limitation Act, 1908 (IX of 1908), shall apply to an appeal preferred under sub-section (1).]

### **HISTORY**

1. Section 37D to Section 37 I inserted by the Finance Act, 2010 (XVI of 2010).

**<sup>1</sup>[38. Authorized officers to have access to premises, stocks, accounts and records.--**

(1) Any officer authorized in this behalf by the Board <sup>2</sup>[or the Commissioner] <sup>3</sup>[\*\*\*\*\*] shall have free access <sup>4</sup>[including real-time electronic access] to business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained belonging to any registered person or a person liable for registration or whose business activities are covered under this Act or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the goods, stocks, records, data, documents, correspondence, accounts and statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents, including those which are required under any of the Federal, Provincial or local laws maintained in any form or mode and may take into his custody such records, statements, diskettes, documents or any part thereof, in original or copies thereof in such form as the authorised officer may deem fit against a signed receipt.

(2) The registered person, his agent or any other person specified in sub-section (1) shall be bound to answer any question or furnish such information or explanation as may be asked by the authorised officer.

(3) The department of direct and indirect taxes or any other Government department, local bodies, autonomous bodies, corporations or such other institutions shall supply requisite information and render necessary assistance to the authorised officer in the course of inquiry or investigation under this section.]

<sup>5</sup>[(4) For the purpose of sub-section (1), the Board may make rules relating to electronic real-time access for audit or a survey of persons liable to tax.]

### HISTORY

1. Section 38 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:  
*“38. Authorised officers to have access to premises, stocks accounts and records.-- (1) Any officer authorized by the <sup>a</sup>[Board or] Collector in this behalf shall have free access to the business premises of a registered person, and such officer may, after due notice to the registered person, inspect the stocks and accounts, and may at any time check his records.”*
  - a. The words inserted by the Finance Act, 1992.
2. The words inserted by the Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010.
3. The words “*or the Collector*” omitted by the Finance Act, 2009 (I of 2009).
4. The expression inserted by the Finance Act, 2020 (XIX of 2020).
5. The sub-section (4) inserted by the Finance Act, 2020 (XIX of 2020).

<sup>1</sup>**[38A. Power to call for information.--**The <sup>2</sup>[Commissioner] may, by notice in writing, require any person, including a banking company, to furnish such information or such statement in connection with any investigation or inquiry in cases of tax fraud, as may be specified in such notice <sup>3</sup>[ : ] ]

<sup>4</sup>[Provided that the <sup>2</sup>[Commissioner] may require any regulatory authority to provide information concerning the licenses and authorizations issued by it.]

### HISTORY

1. Section 38A inserted by the Finance Act, 2004 (II of 2004).
2. Substituted for “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
3. Substituted for full stop by the Finance Act, 2007 (IV of 2007).
4. Proviso inserted by the Finance Act, 2007 (IV of 2007).



**<sup>1</sup>[38B. Obligation to produce documents and provide information.--**(1) Notwithstanding anything contained in this Act or any other law for the time being in force, any person required to maintain the record under the Act, on demand by an officer, not below the rank of <sup>2</sup>[an Assistant] <sup>3</sup>[Commissioner Inland Revenue], by notice in writing, as and when specified in the notice, shall,--

- (a) produce for examination, such documents or records which the officer of <sup>4</sup>[Inland Revenue] considers necessary or relevant to the audit, inquiry or investigation under the Act;
- (b) allow the officer of <sup>4</sup>[Inland Revenue] to take extracts from or make copies of such documents or records; and
- (c) appear before the officer of <sup>4</sup>[Inland Revenue] and answer any question put to him concerning the documents and records relating to the audit or inquiry or investigation referred to in clause (a) above.

(2) An officer of <sup>4</sup>[Inland Revenue] conducting an audit, inquiry or, as the case may be, an investigation under the Act, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization, which, in the opinion of the officer of <sup>4</sup>[Inland Revenue], is relevant to such audit, inquiry or investigation.

(3) The Board may require, in writing, any person, department, company or organization, as the case may be, to provide any information or data held by that person, department, company or organization, which, in the opinion of the Board, is required

for purposes of formulation of policy or administering the Customs, Sales Tax, Federal Excise or Income Tax.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Board or the officer of <sup>4</sup>[Inland Revenue] under sub-section (2) or (3), within the time specified in the notice issued by the Board or, as the case may be, the officer of <sup>4</sup>[Inland Revenue].]

### HISTORY

1. Section 38B inserted by the Finance Act, 2006 (III of 2006).
2. Substituted for “*a Deputy*” by the Finance Act, 2011 (XVI of 2011).
3. Substituted for “*Collector of Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
4. Substituted for “*Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

1[39 \*\*\*\*\*]

### HISTORY

1. Section 39 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*“39. Seizure of goods liable to confiscation.-- Any officer of Sales Tax empowered by the<sup>a</sup>[Board or] Collector in this behalf may seize any goods liable to confiscation and any documents or things which in his opinion will be useful as evidence in any proceeding under this Act and where it is not practicable to seize any such goods or things, he may serve on the owner of the goods or any person holding them in his possession or charge an order that he shall not remove, part with, change or otherwise deal with the goods except with prior permission of such officer.”*

a.The words inserted by the Finance Act, 1992.

<sup>1</sup>[**40. Searches under warrant.**-(1) Where any officer of  
<sup>2</sup>[Inland Revenue] has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the magistrate, enter that place and cause a search to be made at any time.

2) The search made under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).]

### HISTORY

1. Section 40 substituted by the Finance Act, 2004 (II of 2004). Before omission this provision was as under:

*“40. Searches how to be made.-- All searches made under this Act or the rules made thereunder shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).”*

2. Substituted for “Sales Tax” by Finance Act, 2010 (XVI of 2010) w.e.f. 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[**40A \*\*\*\*\***]

### HISTORY

1. Section 40A omitted by the Finance Act, 2006 (III of 2006). Originally this provision was inserted by the Finance Act, 1994 (XII of 1994). Before omission, in 2006, this provision was as under:

*“<sup>a</sup>[**40A. Search without warrant.**-(1) Notwithstanding the provisions of section 40, where any Officer of Sales Tax not below the rank of an Assistant Collector of Sales Tax has reasons to believe that <sup>b</sup>[\*\*\*\*\*] any documents or things which, in his opinion, may be useful for, or relevant to, any proceeding under this Act are concealed or kept in any place and that there is a danger that they may be removed before a search can be effected under section 40, he may, after preparing a statement in writing of the grounds of the belief for which search is to be made, search or cause search to be made <sup>c</sup>[in his presence,] for such <sup>d</sup>[\*\*\*\*\*] documents or things in that place.*

(2) Any officer or person who makes a search or causes a search to be made under sub-section (1) shall leave a signed copy of the statement referred to in that section in or about the place searched and shall, at the time the search is made or as soon as is practicable thereafter, deliver a signed copy of such statement to the occupier of the place at his last known address.

(3) No suit, prosecution or other legal proceedings shall be instituted, except with the previous sanction in writing of the Federal Government against any person in respect of anything done or purporting to be done in respect of exercise of any powers conferred by sub-section (1) or sub-section (2).]"

a.Substituted for "40A" by the Finance Act, 1996 (IX of 1996).

b.The words "*any goods liable to confiscation or*" omitted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001).

c.The expression inserted by the Finance Act, 2005 (VII of 2005).

d.The comma and word "*goods*," omitted by the Sales Tax (Amendment) Ordinance, 2001 (VII of 2001).

**1[40B. Posting of 2[Inland Revenue] Officer.--** Subject to such conditions and restrictions, as deemed fit to impose, the 3[Board] 4[\*\*\*\*\*], may post Officer of 2[Inland Revenue] to the premises of registered person or class of such persons to monitor production, sale of taxable goods and the stock position<sup>5</sup>[.]

6[\*\*\*\*\*]

7[\*\*\*\*\*]

## HISTORY

1. Section 40B inserted by the Finance Act, 2003 (I of 2003). Earlier a section 40B with different contents was omitted by the Finance Act, 1996 (IX of 1996) that was originally inserted by the Finance Act, 1995 (I of 1995). Before omission, in 1996, this provision was as under:

*"40B. Power to stop and search conveyance.--(1) Where the Sales Tax Officer has reason to believe that within the territories of Pakistan, including territorial waters, any conveyance has been, is being, or is about to be, used in the removal of any taxable goods or in the carriage of any illegal removal of taxable goods, he may, at any time, stop any conveyance and--*

- (a) rummage and search any part of the conveyance;*
- (b) examine and search any goods therein; and*
- (c) break open the lock of any door, fixture or package for making search.*

*(2) Where in the circumstances referred to in subsection (1), it becomes necessary to stop any conveyance, the Sales Tax Officer may use or cause to*

*be used all lawful means for stopping it or preventing its escape including, if all other means fail, firing upon it."*

2. Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
3. Substituted for "**Central Board of Revenue**" by the Finance Act, 2007 (IV of 2007).
4. The words "**or Chief Commissioner**" omitted by the Finance Act, 2018 (XXX of 2018). Earlier these words were inserted, *w.e.f.* 13.06.2013, by the Finance Act, 2013 (XXII of 2013).
5. Substituted for colon by the Finance Act, 2018 (XXX of 2018).
6. Proviso omitted by the Finance Act, 2018 (XXX of 2018). Before omission this provision was as under:

*"Provided that if a <sup>a</sup>[Commissioner], on the basis of material evidence, has reason to believe that a registered person is involved in evasion of sales tax or tax fraud, he may, by recording the reason in writing, post an officer of <sup>b</sup>[Inland Revenue] to the premises of such registered person to monitor production or sale of taxable goods and the stock position."*

- a. Substituted for "**Collector**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  - b. Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
7. Explanation omitted by the Finance Act, 2018 (XXX of 2018). Earlier it was inserted by the Finance Act, 2014 (IX of 2014). Before omission this provision was as under:  
*"Explanation.-- For the removal of doubt, it is declared that the powers of the Board, Chief Commissioner and Commissioner under this section are independent of the provisions of section 40."*

**<sup>1</sup>[40C. Monitoring or Tracking by Electronic or other means.-** (1) Subject to such conditions, restrictions, and procedures, as it may deem fit to impose or specify, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any goods or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be

implemented through electronic or other means as may be prescribed

(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, bandrole stickers, labels, <sup>2</sup>[barcodes,] *etc.* in any such form, style and manner as may be prescribed by the Board in this behalf.]

<sup>3</sup>[(3) Such tax stamps, banderols, stickers, labels, barcodes *etc.*, shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board for the purpose, against price approved by the Board, which shall include the cost of equipment installed by such licensee in the premises of the said registered person.]

### HISTORY

1. Section 40C inserted by the Finance Act, 2013 (XXII of 2013).
2. The comma and word inserted by the Finance Act, 2015 (V of 2015).
3. Sub-section (3) inserted by the Finance Act, 2015 (V of 2015).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 40C	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

<sup>1</sup>[40D. Provisions relating to goods supplied from tax-exempt areas.- (1) The conveyances carrying goods supplied from the tax-exempt areas, shall be accompanied by such documents in respect of the goods carried as may be prescribed under rules.

(2) The Regional Tax Office having jurisdiction may establish check-posts on the routes originating from tax-exempt areas for the purposes of examining the goods carried and the documents related thereto. An officer not below the rank of Inspector, Inland Revenue, as authorized by the Commissioner, Inland

Revenue, and assigned to such check-posts, may stop vehicles on such routes as coming from tax-exempt areas and examine documents for ascertaining their validity and conformity to the goods carried.

(3) In the absence of the prescribed documents or any discrepancy in such documents, the goods so carried shall be seized along with the vehicle carrying the goods by the officer as aforesaid under proper acknowledgement.

(4) The notices to the owner of the goods and the vehicle to show cause against imposition of penalty shall be issued within fifteen days of the seizure as aforesaid.

(5) For the purposes of this section, the expression "tax-exempt areas" means Azad Jammu and Kashmir, Gilgit-Baltistan, Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.]

### HISTORY

1. Section 40D inserted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.

1[41 \*\*\*\*\*]

### HISTORY

1. Section 41 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:  
*"41. Goods seized how dealt with.--(1) All goods seized under Section 39 [may] be given in the custody of the owner to be kept at a safe place, and the owner shall be responsible for the safe custody of the said goods:  
Provided that if the owner refuses to take custody of the goods, the same shall be deposited in a State warehouse appointed by the Collector for this purpose.  
(2) When any goods liable to confiscation under this Act are seized under Section 39, the Collector or any other officer authorized by him in this behalf may, notwithstanding that the case is pending adjudication under section 43,*

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45 or 46 or a proceeding in any Court, cause the goods to be sold and have the proceeds kept in deposit pending adjudication of the case or the final judgment by the Court.

(3) If on final adjudication of the case, the goods sold under sub-section (2) are found not liable to confiscation, the sale proceeds, after necessary deduction of taxes or dues leviable thereon shall be paid to the owner in the prescribed manner."

a. Substituted for "*shall*" by the Finance Act, 1992.

1[42 \*\*\*\*\*]

**HISTORY**

1. Section 42 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*"42. Disposal of confiscated goods.--Goods confiscated under this Act, shall be disposed of in such manner as may be prescribed."*



## Chapter-VIII

### 1[ APPEALS]

2[43 \*\*\*\*\*]

#### HISTORY

1. Substituted for "*Adjudication of cases*" by the Finance Act, 1996 (IX of 1996).
2. Section 43 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*"43. Adjudication.--Cases relating to confiscation of goods or imposition of a penalty under this Act shall be adjudicated by such officer of Sales Tax as the Board may, by a Notification in the official Gazette, authorize."*

1[44 \*\*\*\*\*]

#### HISTORY

1. Section 44 omitted by the Finance Act, 1996 (IX of 1996). Before omission this provision was as under:

*"44. Issue of show-cause notice before confiscation of goods or imposition of penalty.-- No order under this Act shall be passed for the confiscation of any goods or for imposition of any penalty unless the owner of the goods, if any, or the <sup>a</sup>[person concerned]:--*

*(a) is served a notice in writing (unless the owner or the <sup>b</sup>[person concerned] accepts the notice orally) of the ground on which it is proposed to confiscate the goods or to impose the penalty.*

*(b) is given an opportunity of making a representation against such confiscation <sup>c</sup>[or imposition of penalty] in writing (unless the owner or <sup>b</sup>[person concerned] indicates in writing his preference to present an oral representation) within such reasonable time as the officer of Sales Tax may specify; and*

*(c) is given a reasonable opportunity of being heard in person or through a counsel or duly authorized agent."*

a. Substituted for "*concerned registered person*" by the Finance Act, 1991.

b. Substituted for "*registered person*" by the Finance Act, 1991.

c. The words inserted by the Finance Act, 1991.

1[45 \*\*\*\*\*]

## HISTORY

1. Section 45 omitted by the by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.. Before omission this provision was as under:

*“<sup>a</sup>[45. Powers of Adjudication.-- <sup>b</sup>(1)] In cases involving assessment of tax, charging of <sup>c</sup>[default surcharge], imposition of penalty and recovery of amount erroneously refunded <sup>d</sup>[or any other contravention] under this Act or the rules made thereunder, the jurisdiction and powers of adjudication of the Sales Tax Officers shall be as follows:--*

- |                        |   |  |
|------------------------|---|--|
| <i><sup>e</sup>(i)</i> | <i>Additional Collector</i>                               | <i>Cases falling under sub-section (2) of section 11 and section 36 without any restriction as to the amount of tax involved or amount erroneously refunded.</i>   |
| <i>(ii)</i>            | <i>Deputy Collector</i>                                   | <i>(a) Cases falling under sub-section (1) of section 11.<br/>(b) Cases falling under sub-section (2) of section 11 and section 36 provided that the amount of tax involved or amount erroneously refunded exceeds one million rupees, but does not exceed two and a half million rupees .</i> |
| <i>(iii)</i>           | <i>Assistant Collector</i>                                | <i>Cases falling under sub-section (2) of section 11 and section 36 provided that the amount of tax involved or amount erroneously refunded exceeds ten thousand rupees, but does not exceed one million rupees .</i>  |
| <i>(iv)</i>            | <i>Superintendent</i>                                     | <i>Cases falling under sub-section (2) of section 11 and section 36 provided that the amount of tax involved or amount erroneously refunded does not exceed ten thousand rupees .]</i>   |
| <i><sup>f</sup>(v)</i> | <i>An officer of sales tax with any other designation</i> | <i>Such cases as may be notified by the Board:]</i>  |

*Provided that the Board may, by notification in the official Gazette, vary the jurisdiction and powers of any officer of Sales Tax or a class of officer of Sales Tax.*

*Provided further that the Board shall have powers to regulate the system of adjudication including transfer of cases and extension of time limit in exceptional circumstances.]*

§[*Explanation*.-- For the purpose of this section, tax means the principal amount of sales tax <sup>h</sup>[other than <sup>c</sup>[default surcharge], and in case where only <sup>c</sup>[default surcharge] is involved, the amount of <sup>c</sup>[default surcharge].]

<sup>i</sup>[(2) Notwithstanding anything contained in sub-section (4) of section 11 and sub-section (3) of section 36 or any other provision of the Act or any other law for the time being in force and notwithstanding any decision or judgment of any forum, authority or court, the time for adjudication in all the cases pending as on 30<sup>th</sup> June, 2006, shall be deemed always to have been extended up to 31<sup>st</sup> December, 2006, from the date on which the time-limit prescribed under sub-section (4) of section 11 and sub-section (3) of section 36, expires.]”

a.Section 45 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution, in 2000, this provision was as under:

“<sup>aa</sup>45. *Appeals*.--(1) Any person, including the Sales Tax Department aggrieved by any decision or order made under this Act by an officer of Sales Tax below in rank than a Collector may, within thirty days of the date of communication of such decision or order, appeal to the Collector of Sales Tax (Appeals):

Provided that an appeal preferred after the expiry of thirty days may be admitted by the Collector of Sales Tax (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period <sup>ab</sup>[:]

<sup>ac</sup>[Provided further that the appeal shall be accompanied by a fee of five hundred rupees to be paid in such manner as the Board may prescribe.]

(2) The Collector of Sales Tax (Appeals) may, <sup>ad</sup>[\*\*\*\*] after giving both parties to the appeal an opportunity of being heard, pass such order as he think fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against;

Provided that the Collector of Sales Tax (Appeals) may also confirm, vary, alter, set aside or annul the penalty imposed under this Act for reasons to be recorded in writing.

<sup>ae</sup>[(2a) In deciding an appeal, the Collector of Sales Tax (Appeals) may make such further inquiry as may be necessary but he shall not remand the case to an officer who made the order for deciding it afresh.]

(3) Any person desirous of filing an appeal under sub-section (1) against any decision or order relating to any tax demanded or any penalty imposed under the Act shall, before filing the appeal, deposit the tax demanded and the penalty imposed:

Provided that, where in any case, appellate authority is of the opinion that the deposit of tax demanded or the penalty imposed is likely to cause undue hardship to the appellant, it may dispense with such deposit subject to such conditions as it may deem fit to impose.

Provided further that in any particular case, the Collector of Sales (Appeals) may direct that pending decision of appeal, the tax demanded or penalty

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*imposed, shall be paid by the appellant in suitable instalments spreading over a period not exceeding six months from the date of such direction.]”*

**aa.** Section 45 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:--

*“45. Appeals.-- (1) Any person, including the Sales Tax Department aggrieved by any decision or order made under this Act by an officer of Sales Tax lower in rank than a Collector may, within thirty days of the date of communication of such decision or order, appeal to the Collector (Appeals):*

*Provided that an appeal preferred after the expiry of thirty days may be admitted by the Collector (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period.*

*(2) The Collector (Appeals) may, after making such further inquiry as may be necessary and after giving the appellant an opportunity of being heard, pass such order as he thinks fit, remanding, confirming, altering or annulling the decision or order appealed against.*

*(3) Any person desirous of appealing under sub-section (1) against any decision or order relating to any tax demanded or any penalty levied under the Act shall, before filing the appeal, deposit the tax demanded or the penalty levied or both the tax and penalty **aaa**[:]*

**aab***[Provided that, where in any case, the appellate authority is of the opinion that the deposit of tax demanded or the penalty levied is likely to cause undue hardship to the appellant, it may dispense with such deposit in whole or a part thereof, subject to such conditions as it may deem fit to impose.]”*

**aaa.** Substituted for full stop by the Finance Act, 1993.

**aab.** Proviso added by the Finance Act, 1993.

**ab.** Substituted for full stop by the Finance Act, 1999 (IV of 1999).

**ac.** Proviso added by the Finance Act, 1999 (IV of 1999).

**ad.** The words *“after making such further inquiry as may be necessary and”* omitted by the Finance Act, 1999 (IV of 1999).

**ae.** Sub-section (2a) inserted by the Finance Act, 1999 (IV of 1999).

**b.** The existing provision was number as sub-section (1) by the Finance Act, 2006 (III of 2006).

**c.** Substituted for *“additional Tax”* by the Finance Act, 2005 (VII of 2005).

**d.** Insertion by the Finance Act, 2004 (II of 2004).

**e.** Substitution for S. No. (i), (ii) and (iii) by the Finance Act, 2005 (VII of 2005). Before substitution this provision was as under:--

- |                                  |   |
|----------------------------------|---|
| <i>“(i) Collector</i>            | <i>Cases falling under sub-section (2) of section 11 and section 36 without any restriction as to the amount of tax involved or amount erroneously refunded or any other contravention.</i>                     |
| <i>(ii) Additional Collector</i> | <i>Cases falling under sub-section (2) of section 11 and section 36 provided that the amount of tax involved or amount erroneously refunded or any other contravention does not exceed ten million rupees .</i> |
| <i>(iii) Deputy Collector</i>    | <i>(a) Cases falling under sub-section (1) of section</i>   |

11.

(b) *Cases falling under sub-section (2) of section 11 and section 36 provided that the amount of tax involved or amount erroneously refunded or any other contravention does not exceed two and a half million rupees .”*

f.Existing S. No. (iv) re-numbered as (v) by the Finance Act, 2005 (VII of 2005). Earlier this provision was inserted by the Finance Ordinance, 2002 (XXVII of 2002).

g.Explanation added by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000).

h.Substituted for *“other than further tax or additional tax and in a case where only further tax, whether or not with additional tax, is involved, the amount of further tax and in all other cases additional tax”* by the Finance Act, 2004 (II of 2004).

i.Sub-section (2) inserted by the Finance Act, 2006 (III of 2006).

**<sup>1</sup>[45A. Power of the Board <sup>2</sup>[and <sup>3</sup>[Commissioner] ] to call for records.--** (1) The Board may, of its own motion <sup>4</sup>[, or otherwise], call for and examine the record of any departmental proceedings under this Act or the rules made thereunder for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an Officer of <sup>5</sup>[Inland Revenue], it may pass such order as it may think fit:

Provided that no order imposing or enhancing any penalty or fine requiring payment of a greater amount of sales tax than the originally levied shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(2) No proceeding under <sup>6</sup>[this section] shall be initiated in a case where an appeal under Section <sup>7</sup>[45B] or Section 46 is pending.

(3) No order shall be made under this Section after the expiry of <sup>8</sup>[five] years from the date of original decision or order of the subordinate officer referred to in sub-section (1).

<sup>9</sup>[(4) The <sup>3</sup>[Commissioner] may, *suo moto*, call for and examine the record of any proceeding under this Act or the rules made thereunder for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by an officer of <sup>5</sup>[Inland Revenue] subordinate to him, and pass such order as he may deem fit.] ]

## HISTORY

1. Section 45A inserted by the Finance Act, 1993.
2. Substituted for expression “, *Collector and Collector (Adjudication)*” by the Finance Act, 2005 (VII of 2005). Earlier this was substituted for “*and Collector*” by the Finance Act, 2003 (I of 2003).
3. Substituted for “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
4. The comma and words inserted by the Finance Act, 2015 (V of 2015).
5. Substituted for “*Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
6. Substituted for expression “*sub-section (1)*” by the Finance Act, 2008 (I of 2008).
7. Substituted for “*45*” by the Finance Ordinance, 2002 (XXVII of 2002).
8. Substituted for “*three*” by the Finance Ordinance, 2000 (XXI of 2000).
9. Sub-section (4) substituted by the Finance Act, 2005 (VII of 2005). Before substitution this provision was as under:

*“<sup>a</sup>[(4) The Collector or Collector (Adjudication), may, in respect of any case decided by an officer subordinate to him, exercise all or any of the powers of the Board specified in sub-section (1).]”*

a. Sub-section (4) substituted by the Finance Act, 2003 (I of 2003). Before substitution this provision was as under:

*“(4) The Collector may exercise the powers conferred on the Board by sub-section (1) in respect of any case decided by an officer of subordinate to him.”*

<sup>1</sup>[**45-B. Appeals.**-- <sup>2</sup>[(1) Any person, other than the Sales Tax Department, aggrieved by any decision or order passed under sections 10, 11, 25, 36, or 66, by an officer of Inland Revenue may,

within thirty days of the date of receipt of such decision or order, prefer appeal to the Commissioner Inland Revenue (Appeals):

Provided that an appeal preferred after the expiry of thirty days may be admitted by the Commissioner Inland Revenue (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period <sup>3</sup>[.]

4[\*\*\*\*\*]

<sup>5</sup>[(1A) An appeal under sub-section (1) shall - -

- (a) be in the prescribed form;
- (b) be verified in the prescribed manner;
- (c) state precisely the grounds upon which the appeal is made;
- (d) be accompanied by the prescribed fee specified in sub-section (1B); and
- (e) be lodged with the Commissioner (Appeals) within the time set out in sub-section (1).

(1B) The prescribed fee shall be - -

- (a) in the case of an appeal against an assessment - -
  - (i) where the appellant is a company, five thousand rupees; or
  - (ii) where the appellant is not a company, two thousand and five hundred rupees; and
- (b) in any other case -
  - (i) where the appellant is a company, five thousand rupees; or

- (ii) where the appellant is not a company, one thousand rupees.]

<sup>6</sup>[<sup>7</sup>[1C)] Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose orders appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.]

(2) The <sup>8</sup>[Commissioner Inland Revenue] (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against <sup>9</sup>[:]

<sup>10</sup>[Provided that such order shall be passed not later than <sup>11</sup>[one hundred and twenty] days from the date of filing of appeal or within such extended period as the <sup>12</sup>[Commissioner] (Appeals) may, for reasons to be recorded in writing fix:

Provided further that such extended period shall, in no case, exceed <sup>13</sup>[sixty] days <sup>14</sup>[:]

<sup>15</sup>[Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of aforesaid periods.]

(3) In deciding an appeal, the <sup>8</sup>[Commissioner of Inland Revenue] (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for *de novo* consideration.



16[(4) \*\*\*\*\*]

17[(5) The Commissioner (Appeals) shall not admit any documentary material or evidence which was not produced before the Officer of Inland Revenue unless the Commissioner (Appeals) is satisfied that the appellant was prevented by sufficient cause from producing such material or evidence before the Officer of Inland Revenue.]

## HISTORY

1. Section 45-B inserted by the Finance Ordinance, 2002 (XXVII of 2002).
2. Sub-section (1) substituted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this provision was as under:

*“(1) Any person, <sup>a</sup>[other than] the Sales Tax Department, aggrieved by any decision or order passed under section <sup>b</sup>[10, 11, 36, 45 or 66], by an officer of Sales Tax <sup>c</sup>[\*\*\*\*\*] may, within thirty days of the date of receipt of such decision or order, prefer appeal to the Collector of Sales Tax (Appeals): Provided that an appeal preferred after the expiry of thirty days may be admitted by the Collector of Sales Tax (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period:*

*Provided further that the appeal shall be accompanied by a fee of one thousand rupees to be paid in such manner as the Board may prescribe.”*

- a. Substituted for **“including”** by the Finance Act, 2005 (VII of 2005).
  - b. Substituted for **“11, 36 or 45”** by the Finance Act, 2004 (II of 2004).
  - c. The words **“below in rank to additional collector”** omitted by the Finance Act, 2005 (VII of 2005).
3. Substituted for colon by the Finance Act, 2020 (XIX of 2020).
  4. Proviso omitted by the Finance Act, 2020 (XIX of 2020). Before omission this provision was as under:

*“Provided further that the appeal shall be accompanied by a fee of one thousand rupees to be paid in such manner as the Board may prescribe.”*
  5. Sub-section (1A) and (1B) inserted by the Finance Act, 2020 (XIX of 2020).
  6. Sub-section (1A) re-numbered as (1C) by the Finance Act, 2020 (XIX of 2020).
  7. Sub-section (1A subsequently re-numbered as 1C) inserted by the Finance Act, 2013 (XXII of 2013).
  8. Substituted for **“Collector of Sales Tax”** by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance

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- (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
9. Substituted for full stop by the Finance Act, 2005 (VII of 2005).
  10. Proviso inserted by the Finance Act, 2005 (VII of 2005).
  11. Substituted for “*ninety*” by the Finance Act, 2008 (I of 2008).
  12. Substituted for “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
  13. Substituted for “*one hundred and twenty*” by the Finance Act, 2009 (I of 2009). Earlier it was substituted for “*ninety*” by the Finance Act, 2008 (I of 2008).
  14. Substituted for full stop by the Finance Act, 2009 (I of 2009).
  15. Proviso inserted by the Finance Act, 2009 (I of 2009).
  16. Sub-section (4) omitted by the Finance Act, 2006 (III of 2006). Before omission this provision was as under:

*“(4) Any person desirous of preferring an appeal under sub-section (1) against any decision or order relating to any tax demanded or any penalty imposed under this Act shall, before presenting the appeal, deposit <sup>a</sup>[15% of the principal amount of tax] under such decision or order <sup>b</sup>[\*\*\*\*\*]<sup>c</sup>[and subject to such deposit, recovery of the remaining amount of tax due shall be stayed for a period not exceeding six months following the day on which the fifteen per cent amount of principal tax was deposited, unless the case is finally decided:]*

*Provided that where in any case, the Collector of Sales Tax (Appeals) is satisfied that the deposit of tax <sup>d</sup>[\*\*\*\*\*] as aforesaid is likely to cause undue hardship to the appellant, he may dispense with such deposit subject to such conditions or restrictions he may deem fit to impose:*

*Provided further that in any particular case, the Collector of Sales Tax (Appeals) may direct that pending decision of the appeal, the tax <sup>e</sup>[\*\*\*\*\*], shall be paid by the appellant in suitable instalments spreading over a period not exceeding six months from the date of such direction <sup>f</sup>[ : ]]*

*<sup>g</sup>[Provided also that such interim order or orders, as the case may be, dispensing with deposit of tax as hereinbefore prescribed shall cease to have effect on the expiration of a total period of six months following the day on which the first interim order is made, unless the case is finally decided, or the interim order is withdrawn by the Collector of Sales Tax (Appeal) earlier.]”*
- a. Substituted for “*the tax demanded and the penalty imposed*” by the Finance Act, 2003 (I of 2003).
  - b. The colon omitted by the Finance Act, 2005 (VII of 2005).
  - c. The expression inserted by the Finance Act, 2005 (VII of 2005).
  - d. The words “*demanded or penalty*” omitted by the Finance Act, 2003 (I of 2003).

- e. The words “*demand*ed or *penalty imposed*” omitted by the Finance Act, 2003 (I of 2003).
  - f. Substituted for the full stop by the Finance Act, 2003 (I of 2003).
  - g. Proviso inserted by the Finance Act, 2003 (I of 2003).
17. Sub-section (5) inserted by the Finance Act, 2020 (XIX of 2020).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 45B	Chapter XIV-C (Appeals and Allied Matters) of Sales Tax Rules, 2006.

**46. Appeals to Appellate Tribunal.**--<sup>1</sup>[(1) Any person including an officer of <sup>2</sup>[Inland Revenue] (not below the rank of an Additional <sup>3</sup>[Commissioner], aggrieved by any order passed by--

- (a) the<sup>4</sup>[Commissioner Inland Revenue] (Appeals) under section 45B,
- (b) the<sup>4</sup>[Commissioner Inland Revenue] through adjudication or under any of the provisions of this Act or rules made thereunder,
- (c) the Board under section 45A,

may, within sixty days of the receipt of such decision or order, prefer appeal to the Appellate Tribunal.]

<sup>5</sup>[(2) The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in sections <sup>6</sup>[131 and 132 of the Income tax Ordinance, 2001 (XLIX of 2001)], and rules made thereunder.]

<sup>7</sup>[(2A) All appeals and proceedings under this Act pending before the Customs, Excise and Sales Tax Appellate Tribunal constituted under section 194 of the Customs Act 1969 (IV of 1969) shall stand transferred to the Appellate Tribunal

constituted under section 130 of the Income Tax Ordinance 2001 (XLIX of 2001) with effect from 28th day of October, 2009.]

- 8[(3) \*\*\*\*\*
- (4) \*\*\*\*\*
- (5) \*\*\*\*\*
- (6) \*\*\*\*\*
- (7) \*\*\*\*\*
- (8) \*\*\*\*\*
- (9) \*\*\*\*\*]

## HISTORY

1. Sub-section (1) substituted by the Finance Act, 2008 (I of 2008). Before substitution this provision was as under:-
  - "a*[(1) Any person including *b*[an officer of Sales Tax not below the rank of an Additional Collector], aggrieved by--
    - c*[\*\*\*\*\*]
    - d*[(a)] any order passed by *e*[the Collector under sub-section (4) of section 45A or] the Collector of Sales Tax (Appeals) under section 45B; and
    - f*[(b)] any order passed by the Board or the Collector of Sales Tax under section 45A,  
may, within sixty days of the receipt of such decision or order, prefer appeal to the Appellate Tribunal,]"
  - a. Sub-section (1) substituted by the Finance Ordinance, 2002 (XXVII of 2002). Before substitution this provision was as under:
    - "(1) Any person including the Sales Tax Department aggrieved by any decision or order passed by a Collector of Sales Tax or by *aa*[officer of Sales Tax], may appeal to the Appellate Tribunal within *ab*[sixty] days of the date of communication of such decision or order."*
  - aa. Substituted for "**Collector of Sales Tax or by Collector of Sales Tax (Appeals)**" by the Finance Ordinance, 2000 (XXI of 2000).
  - ab. Substituted for "**thirty**" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
  - b. Substituted for words "**the Sales Tax Department**" by the Finance Act, 2006 (III of 2006).

- c. Clause (a) omitted by the Finance Act, 2005 (VII of 2005). Before omission this provision was as under:  
*"(a) any decision or order passed by a Collector or an Additional Collector of Sales Tax under sections 11, 36 or 45;"*
- d. The existing clause (b) re-numbered as clause (a) by the Finance Act, 2005 (VII of 2005).
- e. The expression inserted by the Finance Act, 2005 (VII of 2005).
- f. The existing clause (c) re-numbered as clause (b) by the Finance Act, 2005 (VII of 2005).
2. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
3. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
4. Substituted for "*Collector of Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
5. Sub-section (2) substituted by the Finance Act, 2009 (I of 2009). Before substitution this provision was as under:  
*"(2) The Appellate Tribunal may admit an appeal preferred after the period of limitation specified in sub-section (1) if it is satisfied that there was sufficient cause for not presenting it within the specified period."*
6. Substituted for "*194-A, 194-B, 194-C of the Customs Act, 1969 (Act IV of 1969)*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
7. Sub-section (2A) inserted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
8. Sub-section (3), (4), (5), (6), (7), (8) and (9) omitted by the Finance Act, 2009 (I of 2009). Before omission these provisions were as under:  
*"(3) The appeal shall be accompanied by a<sup>a</sup>[fee of b[one thousand] rupees paid in such manner as the Board may prescribe].*  
*(4) The Appellate Tribunal, after giving the parties to the appeal, an opportunity of being heard may pass such orders in relation to the matter before it as it thinks fit c[:]"*

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<sup>d</sup>[Provided that when any such order amounts to an interim order staying the recovery of tax, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the case is finally decided, or the interim order is withdrawn by the Tribunal earlier <sup>e</sup>[.]]

<sup>f</sup>[Provided further that such interim order or orders, as the case may be, shall cease to have effect on the expiration of a total period of six months following the day on which the first interim order is made, unless the case is finally decided, or the interim order is withdrawn by the Appellate Tribunal earlier.]

(5) The Appellate Tribunal shall send a copy of its order disposing the appeal to the appellant and to the <sup>g</sup>[concerned Officer of Sales Tax].

<sup>h</sup>[(6) All appeal relating to the Sales Tax Act, 1951, pending before the Income Tax Appellate Tribunal at the commencement of the Finance Act, 1997 shall stand transferred for disposal to the Appellate Tribunal.]

<sup>i</sup>[(7) Order under this section shall be passed within <sup>j</sup>[eight] months of filing of appeal.]

<sup>k</sup>[(8) Subject to the provisions of this Act or any other law for the time being in force, the Appellate Tribunal shall have power to regulate its own procedure and the procedure of the Benches thereof in all matters arising out of the exercise of its powers or functions, including the places at which the Benches shall hold their sittings.]

<sup>l</sup>[(9) The Chairman or any other member of the Appellate Tribunal authorized in this behalf by the Chairman may, sitting singly, dispose of any case which has been allotted to the bench of which he is member where –

(a) in any disputed case, other than a case where the determination of any question having a relation to the rate of sales tax or to the value of taxable goods for purposes of assessment is in issue or is one of the points in issue, the difference in tax involved or the tax involved <sup>m</sup>[does not exceed <sup>n</sup>[ten million] rupees]; or

(b) the amount of fine or penalty involved <sup>o</sup>[\*\*\*\*\*] does not exceed <sup>n</sup>[ten million] rupees.]”

a.Substituted for “*fee of one hundred rupees*” by the Finance Act, 1999 (IV of 1999).

b. Substituted for “*seven hundred and fifty*” by the Finance Ordinance, 2002 (XXVII of 2002). Earlier it was substituted for “*one thousand*” by the Finance Ordinance, 2001 (XXV of 2001).

c.Substituted for full stop by the Tax Law (Amendments) Ordinance, 1999 (XXII of 1999).

d. Proviso inserted by the Tax Law (Amendments) Ordinance, 1999 (XXII of 1999).

e.Substituted for full stop by the Finance Act, 2003 (I of 2003).

f.Proviso inserted by the Finance Act, 2003 (I of 2003).

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g.Substituted by "*Collector or Sales Tax or the Collector of Sales Tax (Appeals), as the case may be*" by the Finance Ordinance, 2002 (XXI of 2000).

h.Sub-section (6) inserted by the Finance Act, 1999 (XXII of 1999).

i.Sub-section (7) substituted by the Finance Act, 2005 (VII of 2005). Earlier this provision was inserted by the Finance Ordinance, 2000 (XXV of 2000). Before substitution, in 2005, this provision was as under:

*"(7) Order under this section shall be passed within sixty days of filing of appeal or within such extended period as the Tribunal may, for reasons to be recorded in writing fix, provided that such extended period shall in no case exceed ninety days."*

j.Substituted for "*six*" by the Finance Act, 2008 (I of 2008).

k.Sub-section (8) inserted by the Finance Ordinance, 2001 (XXV of 2001).

l.Sub-section (9) inserted by the Finance Act, 2003 (I of 2003).

m.Inserted by the Finance Act, 2004 (II of 2004).

n.Substituted for "*fifteen hundred thousand*" by the Finance Act, 2008 (I of 2008). Earlier the word "*fifteen*" was substituted for "*five*" by the Finance Act, 2006 (III of 2006).

o.The semi colon omitted by the Finance Act, 2004 (II of 2004).

### Delegated / Subordinate legislation currently in force

Section 46	The Appellate Tribunal Inland Revenue Rules, 2010 issued vide S.R.O.948(I)/2010 dated 08.10.2010.
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<sup>1</sup>[47. Reference to the High Court.-- (1) Within ninety days of the communication of the order of the Appellate Tribunal under sub-section (<sup>2</sup>[2]) of section 46, the aggrieved person or any officer of <sup>3</sup>[Inland Revenue] not below the rank of an <sup>4</sup>[an Additional <sup>5</sup>[Commissioner], authorized by the <sup>5</sup>[Commissioner],] may prefer an application in the prescribed form along with a statement of the case to the High Court, stating any question of law arising out of such order.

(2) The statement to the High Court referred to in sub-section (1), shall set out the facts, the determination of the Appellate Tribunal and the question of law, which arises out of its order.

(3) Where, on an application made under sub-section (1), the High Court is satisfied that a question of law arises out of the order referred to in sub-section (1), may proceed to hear the case.

(4) A reference to the High Court under this section shall be heard by a bench of not less than two judges of the High Court and, in respect of the reference, the provisions of section 98 of the Code of Civil Procedure, 1908 (Act V of 1908) shall apply, so far as may be, notwithstanding anything contained in any other law for the time being in force.

(5) The High Court upon hearing a reference under this section shall decide the question of law raised by the reference and deliver judgment thereon specifying the grounds on which such judgment is based and the order of the Tribunal shall stand modified accordingly. The Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.

(6) The cost of any reference to the High Court shall be in the discretion of the Court.

(7) Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the order of the Appellate Tribunal:

Provided that, if the amount of tax is reduced as a result of the judgment in the reference by the High Court, and amount of tax found refundable by the High Court, the High Court may on application <sup>6</sup>[by an Additional <sup>5</sup>[Commissioner] authorized] by the <sup>5</sup>[Commissioner] within thirty days of the receipt of the judgment of the High Court that he intends to seek leave to appeal to the Supreme Court, make an order authorizing the Collector to postpone the refund until the disposal of the appeal by the Supreme Court.



(8) Where recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the reference is decided, or such order is withdrawn, by the High Court earlier.

(9) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

(10) An application under sub-section (1) by a person other than the <sup>6</sup>[Additional <sup>5</sup>[Commissioner] authorized by the] <sup>5</sup>[Commissioner] shall be accompanied by a fee of one hundred rupees.]

<sup>7</sup>[(11) Notwithstanding anything contained in any provision of this Act, where any reference or appeal was filed with the approval of <sup>5</sup>[Commissioner] by the officer of lower rank than the <sup>5</sup>[Commissioner], and the reference or appeal is pending before an appellate forum or the Court, such reference or appeal shall always be deemed to have been so filed by the <sup>5</sup>[Commissioner].

## HISTORY

1. Section 47 substituted by the Finance Act, 2005 (VII of 2005). Before substitution, in 2005, this provision was as under:

*<sup>a</sup>[47. **Appeal to the High Court.**--(1) An appeal shall lie to the High Court in respect of any question of law arising out of an order under section 46.*

*(2) The appeal under this section shall be filed within sixty days of the date upon which the aggrieved person or the Collector is served with notice of an order under section 46.*

*(3) Where an appeal is filed under sub-section (1) by the aggrieved person, it shall be accompanied by a fee of one <sup>b</sup>[thousand] rupees.*

*(4) The appeal before the High Court shall be heard by a bench of not less than two judges of the High Court.*

*(5) The High Court upon hearing the appeal shall decide the question of law raised therein and shall deliver judgment thereon specifying the grounds on which such judgment is based and shall send a copy of the judgment under*

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*the seal of the Court to the Appellate Tribunal which shall pass such orders as necessary to dispose of the case in conformity with such judgment.*

*(6) [Subject to sub-section (6A) and notwithstanding] that an appeal has been made to the High Court, the tax shall be payable in accordance with the order under section 46.*

*<sup>4</sup>[(6A) Where recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the appeal is decided, or such order is withdrawn, by the High Court earlier.]*

*(7) Where the amount of tax is reduced as a result of the judgment in the appeal, the amount of tax overpaid shall be refunded unless the High Court, on application given by the Collector within thirty days of the receipt of the judgment of the High Court that he intends to seek leave to appeal to the Supreme Court, makes an order authorizing the Collector to postpone the refund until the disposal of the appeal by the Supreme Court.*

*(8) The costs of the appeal shall be in the discretion of the Court.]”*

**a.**Section 47 Substituted by the Finance Act, 1997 (XXII of 1997). Before substitution this provision was as under:

*“47. Reference to High Court.—(1) Within sixty days of the date on which an order of the Appellate Tribunal is communicated to him under sub-section (5) of Section 46, the aggrieved person or the Collector may present an application in the prescribed form, and where application is by the aggrieved person, it should be accompanied by a fees of one hundred rupees, to the Appellate Tribunal requiring it to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall draw upon a statement of the case and refer it to the High Court.*

*(2) The statement to the High Court shall set out the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.*

*(3) If the High Court is not satisfied that the statement in a case referred to it is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such amendments in the statement as it may direct.*

*(4) If, on an application made under sub-section (1), the Appellate Tribunal refuses to state the case on the ground that no question of law arises, the aggrieved person or the Collector, as the case may be, within ninety days from the date on which the order refusing to state the case is passed, apply to the High Court, and the High Court may, if it is not satisfied with the decision of the Appellate Tribunal, frame the question of law and proceed to hear the case.*

*(5) The High Court upon hearing of any such case shall decide the question of law raised thereby and shall deliver judgment thereon specifying the grounds on which such judgment is based and shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal which shall pass such orders as are necessary to dispose of the case in conformity with such judgment.*

*(6) The cost of any reference to the High Court shall be in the discretion of the Court.*

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(7) Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the assessment made in the case.

Provided that, if the amount of tax is reduced as a result of the judgment in the reference, the amount of overpaid tax shall be refunded unless the High Court, on intimation given by the Collector within thirty days of the receipt of the judgment of the High Court that he intends to seek leave to appeal to the Supreme Court, makes an order authorising the Collector to postpone the refund until the disposal of the appeal by the Supreme Court.

(8) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

- b. Substituted for "*hundred*" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- c. Substituted for "*Notwithstanding*" by the Finance Act, 2003 (I of 2003).
- d. Sub-section (6A) inserted by the Finance Act, 2003 (I of 2003).
2. Substituted for "*5*" by the Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010.
3. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
4. Substituted for "*a Deputy Collector*" by the Finance Act, 2006 (III of 2006).
5. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
6. The words inserted by the Finance Act, 2006 (III of 2006).
7. Sub-section (11) inserted by the Finance Act, 2006 (III of 2006).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 47	S.R.O.524(I)/2005 dated 06.06.2005. (Form of Reference Application)

<sup>1</sup>[47A. **Alternative dispute resolution.**-- (1) Notwithstanding any other provision of this Act, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to -

- (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;
- (b) the extent of waiver of default surcharge and penalty;
- or

(c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a Committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law having effect on identical cases is involved having effect on other cases.

(2) The Board may, after examination of the application of an aggrieved person, appoint a Committee, within sixty days of receipt of such application in the Board, comprising,--

(a) Chief Commissioner Inland Revenue having jurisdiction over the case; and

(b) two persons from a panel notified by the Board comprising of chartered accountants, cost and management accountants, advocates, having minimum of ten years' experience in the field of taxation and reputable businessmen.

(3) The Board shall communicate the order of appointment of committee to the court of law or the appellate authority where the dispute is pending and the Commissioner.

(4) The Committee appointed under sub-section (2) shall examine the issue and may, if it deemed necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within one hundred and twenty days of its appointment.

(5) The Committee may, in case of hardship, stay recovery of tax payable in respect of dispute pending before it for a period not exceeding one hundred and twenty days in aggregate or till decision of the Committee or its dissolution, whichever is earlier.

(6) The decision of the committee under sub-section (4) shall be binding on the Commissioner and the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before any appellate authority or the court of law and has communicated the order of withdrawal to the Commissioner:

Provided that if the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner.

(7) If the Committee fails to decide within the period of one hundred and twenty days under sub-section (4), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the court of law or the appellate authority where the dispute is pending.

(8) The Board shall communicate the order of dissolution to the court of law or the Appellate Authority and the Commissioner.

(9) The aggrieved person, on receipt of the order of dissolution, shall communicate it to the court of law or the appellate authority, where the dispute is pending.

(10) The aggrieved person may make the payment of sales tax and other taxes as decided by the committee under sub-section (4) and all decisions and orders made or passed shall stand modified to that extent.

(11) The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).

(12) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]

## HISTORY

1. Section 47A substituted by the Finance Act, 2020 (XIX of 2020). Before substitution this provision was as under:

<sup>1</sup>**47A. Alternative dispute resolution.--** (1) Notwithstanding any other provision of this Act, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to -

- (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;
- (b) the extent of waiver of default surcharge and penalty; or
- (c) any other specific relief required to resolve the dispute,

may apply to the Board for the appointment of a Committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law is involved having effect on other cases.

(2) The Board may, after examination of the application of an aggrieved person, appoint a Committee, within sixty days of receipt of such application in the Board, comprising,--

- (i) an officer of Inland Revenue not below the rank of a Commissioner;
- (ii) a person to be nominated by the taxpayer from a panel notified by the Board comprising,--

<sup>2</sup>[(a) chartered accountants cost and management accounts and advocates having more than ten years experience in the field of taxation; and]

(b) reputable businessmen as nominated by Chambers of Commerce and Industry;

Provided that the taxpayer shall not nominate a Chartered Accountant or an advocate if the said Chartered Accountant or the advocate is or has been an auditor or an authorized representative of the taxpayer; and

- (iii) a retired Judge not below the rank of District and Sessions Judge, to be nominated through consensus by the members appointed under clauses (i) and (ii).

(3) The aggrieved person, or the Commissioner, or both, as the case may be, shall withdraw the appeal pending before any Court of Law or an Appellate Authority, after constitution of the Committee by the Board under sub-section (2).

(4) The Committee shall not commence the proceedings under sub-section (5) unless the order of withdrawal by the Court of Law or an Appellate Authority is communicated to the Board:

Provided that if the order of withdrawal is not communicated within seventy five days of the appointment of the Committee, the said Committee shall be dissolved and provisions of this section shall not apply.

(5) The Committee appointed under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute by majority, within one hundred and twenty days of its appointment:

Provided that in computing the aforesaid period of one hundred and twenty days, the period, if any, for communicating the order of withdrawal under sub-section (4) shall be excluded.

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(6) *The recovery of tax payable by a taxpayer in connection with any dispute for which a Committee has been appointed under sub-section (2) shall be deemed to have been stayed on withdrawal of appeal upto the date of decision by the Committee.*

(7) *The decision of the committee under sub-section (5) shall be binding on the Commissioner and the aggrieved person.*

(8) *If the Committee fails to decide within the period of one hundred and twenty days under sub-section (5), the Board shall dissolve the Committee by an order in writing and the matter shall be decided by the Court of Law or the Appellate Authority which issued the order of withdrawal under subsection (4) and the appeal shall be treated to be pending before such a Court of Law or the Appellate Authority as if the appeal had never been withdrawn.*

(9) *The Board shall communicate the order of dissolution to the Court of Law or the Appellate Authority and the Commissioner.*

(10) *The aggrieved person, on receipt of the order of dissolution, shall communicate it to the Court of Law or the Appellate Authority which shall decide the appeal within six months of the communication of said order.*

(11) *The aggrieved person may make the payment of sales tax and other taxes as decided by the Committee under sub-section (5) and all decisions, orders and judgments made or passed shall stand modified to that extent.*

(12) *The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).*

(13) *The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]*

1. Section 47A substituted by the Finance Act, 2018 (XXX of 2018). Before substitution this provision was as under:

**“[47A. Alternative dispute resolution.--** (1) *Notwithstanding any other provisions of this Act, or the rules made thereunder, any registered person aggrieved in connection with any dispute pertaining to:--*

- (a) *the liability of tax against the registered person, or admissibility of refunds, as the case may be;*
- (b) *the extent of waiver of default surcharge and penalty;*
- (c) *the quantum of input tax admissible in terms of sub-section (3) of section 7;*
- (d) *relaxation of any procedural or technical irregularities and condonation of any prescribed time limitation; and*
- (e) *any other specific relief required to resolve the dispute,*

*May apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate authority, except in the cases where first information reports (FIRs) have been lodged under the Act or criminal proceedings initiated or where interpretation of question of law having larger revenue impact in the opinion of the Federal Board of Revenue is involved, may apply to the Federal Board of Revenue for the appointment of a committee for the resolution of dispute in appeal and only such application may be entertained for dispute resolution under the provisions of this section.*

(2) *The Board may, after examination of the application of a registered person, appoint a committee within thirty days of receipt of such application in the Board, consisting of an officer of <sup>b</sup>[Inland Revenue not below the rank of <sup>c</sup>[\*\*\*\*\*] Commissioner] and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge,*

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chartered or cost accountants, advocates, representatives of trade bodies or associations, or any other reputable taxpayers, for the resolution of dispute.

<sup>d</sup>[(3) The committee constituted under sub-section (2) shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the <sup>e</sup>[Inland Revenue] or any other person to conduct an audit and shall make recommendations within ninety days of its constitution in respect of the dispute. If the committee fails to make recommendations within the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of that period the dispute is not resolved the matter shall be taken up by the appropriate forum for decision.]

(4) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate <sup>f</sup>[within <sup>g</sup>[ninety] days of the receipt of the recommendations of the Committee] <sup>h</sup>[:]

<sup>i</sup>[Provided that if such order is not passed by the Board within the aforesaid period, the recommendation of the Committee shall be treated to be an order passed by the Board under this sub-section.]

<sup>j</sup>[(4A) Notwithstanding anything contained in sub-section (4), the Chairman FBR and a member nominated by him may, on the application of an aggrieved person, for reasons to be recorded in writing, and on being satisfied that there is an error in order or decision, pass such order as may be deemed just and equitable.]

(5) The registered person may make payment of sales tax and other duty and taxes as determined by the Board in its order under sub-section (4), <sup>k</sup>[or under sub-section (4A)] and such order of the Board shall be submitted before the forum, tribunal or the Court where the matter is sub judice for consideration of orders as deemed appropriate.

(6) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]

**a.**Section 47A substituted by the Finance Act, 2007 (IV of 2007). Before substitution this provision was as under:

<sup>aa</sup>[47A. <sup>ab</sup>[Alternative] dispute resolution. – (1) Notwithstanding any other provision of this Act, or the rules made thereunder, any registered person aggrieved in connection with any matter of sales tax <sup>ac</sup>[pending before an Appellate authority or a High Court or the Supreme Court] in respect of the following, namely:-

- (a) the liability of tax against the registered person, or admissibility of refunds, as the case may be;
- (b) the extent of waiver of <sup>ad</sup>[default surcharge] and penalty;
- (c) the quantum of input tax admissible in terms of sub-section (3) of section 7;
- (d) relaxation of any procedural or technical irregularities and condonation of any prescribed time limitation; and
- (e) any other specific relief required to resolve the dispute;

may apply to the <sup>ae</sup>[Board] for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application.



<sup>af</sup>[(2) The Board may, after examination of the application of a registered person, appoint a committee consisting of an officer of sales tax not below the rank of an Additional Collector and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge, chartered or cost accountants, advocates, representatives of trade bodies or associations, or any other reputable taxpayers, for the resolution of dispute.]

(3) The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of sales tax or any other person to conduct an audit and make recommendations in respect of the resolution of the dispute as it may deem fit.

(4) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate.

<sup>ag</sup>[(5) The registered person may make payment of sales tax and other duty and taxes as determined by the Board in its order under sub-section (4), and such order of the Board shall be submitted before the forum, tribunal or the Court where the matter is sub-judice, for consideration and orders as deemed appropriate.]

<sup>ah</sup>[(6) \*\*\*\*\*)

(7) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]”

aa. Section 47A substituted by the Finance Act, 2004 (II of 2004). Originally this provision was inserted by the Finance Ordinance, 2002 (XXVII of 2002). Before substitution, in 2004, this provision was as under:

**47A. Alternate dispute resolution.** – (1) Notwithstanding any other provision of this Act, or the rules made thereunder, the Board may, of its own motion or on an application in writing by a registered person or a class of such persons, opting under this section for the resolution of any hardship relating to levy and payment of tax, may appoint a Committee consisting of –

(a) an officer of Sales Tax department not below the rank of Collector;

<sup>aaa</sup>[and]

(b) on or two person from among the notified panel of chartered accountants, advocates, representatives of trade bodies or associations, or any other reputable taxpayers <sup>aab</sup>[:]

<sup>aac</sup>[\*\*\*\*\*)

Provided that no Committee shall be constituted in cases where the matter has been decided by <sup>aad</sup>[or is sub judice before] a High Court or the Supreme Court.

(2) The Board may constitute as many committees as may be required.

(3) A Dispute Resolution Committee constituted under sub-section (1) and (2) shall examine the questions of fact and law and may, if it deems necessary conduct inquiry, seek expert opinion, direct the Collector to conduct an audit or a special audit by chartered accountants or cost accountants and make recommendations in respect of the following, namely:-

(a) the liability of tax against the registered person, or admissibility of refunds, as the case may be;

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- (b) *the extent of waiver of default surcharge and penalty by stating reasons and circumstances leading to the recommendations;*
- (c) *the quantum of input tax admissible in terms of sub-section (3) of section 7;*
- (d) *relaxation of any procedural or technical irregularities and condonation of any prescribed time limitation; and*
- (e) *any other specific relief required to resolve the dispute;*
- (4) *The Board may, on the recommendations of the Committee, pass such order as it may deem fit for the resolution of dispute <sup>aae</sup>[:]*

*aa*f[*Provided that a unanimous recommendations of the committee shall be binding on the Board and the applicant.*]

(5) *After the payment or the recovery of the tax liability determined and ordered by the Board under sub-section (4) all other decisions, order and judgements made or passed shall stand modified to that extent and all proceedings under the Act or the rules made thereunder by any authority or forum shall abate.*

(6) *The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.*]

**aaa.** Insertion by the Finance Act, 2003 (I of 2003).

**aab.** Substituted for “*and*” by the Finance Act, 2003 (I of 2003).

**aac.** Omission of “(c) *a Member of the Board*” by the Finance Act, 2003 (I of 2003).

**aad.** The words inserted by the Finance Act, 2003 (I of 2003).

**aae.** Substituted for full stop by the Finance Act, 2003 (I of 2003).

**aa**f. Proviso inserted by the Finance Act, 2003 (I of 2003).

**ab.** Substituted for “*Alternate*” by the Finance Act, 2006 (III of 2006).

**ac.** The expression inserted by the Finance Act, 2006 (III of 2006).

**ad.** Substituted for “*additional tax*” by the Finance Act, 2005 (VII of 2005).

**ae.** Substituted for “*Central Board of Revenue*” by the Finance Act, 2007 (IV of 2007).

**af.** Sub-section (2) substituted by the Finance Act, 2006 (III of 2006). Before substitution this provision was as under:--

*“(2) The Central Board of Revenue after examination of the application of a registered person, shall appoint a committee consisting of an officer of sales tax and two persons from among the notified panel of chartered or cost accountants, advocates, representatives of trade bodies or associations, or any other reputable taxpayers for the resolution of the dispute.”*

**ag.** Sub-section (5) substituted by the Finance Act, 2006 (III of 2006). Before substitution this provision was as under:

*“(5) The registered person may make the payment of sales tax and other duty and taxes determined by the Board in its order under sub-section (4) and all decisions, order and judgments made or passed shall stand modified to that extent and all proceedings under the Act or the rules made thereunder by any authority shall abate:*

*Provided that, in case the matter is already sub-judice before any authority or tribunal or the court, an agreement made between the registered person and the Board in the light of recommendations of the committee shall be submitted*

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*before that authority, tribunal or the court for consideration and orders as deemed appropriate."*

- ah.**Sub-section (6) omitted by Finance Act, 2005 (VII of 2005). Before omission this provision was as under:-  
*"(6) In case the registered person is not satisfied with the orders of the Board, he may file an appeal with the appropriate authority, tribunal or court under the relevant provisions of this Act within a period of sixty days of the order passed by the Board under this section has been communicated to the registered person."*
- b.**Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- c.** The word "**Additional**" omitted by the Finance Act, 2016 (XXIX of 2016)
- d.**Sub-section (3) substituted by the Finance Act, 2009 (I of 2009). Before substitution this provision was as under:  
*"(3) The committee constituted under sub-section (2) shall examine the issue and may, if deems necessary, conduct inquiry, seek expert opinion, direct any officer of sales tax or any other person to conduct an audit and made recommendations within sixty days of its constitution, in respect of the resolution of the dispute as it may deem fit"  
Provided that the Board may extend the period of sixty days stipulated for making the recommendations for another sixty days on specific request of the committee."*
- e.**Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- f.**The words inserted by the Finance Act, 1009 (I of 2009).
- g.**Substituted for "**forty-five**" by the Finance Act, 2016 (XXIX of 2016).
- h.**Substituted for full stop by the Finance Act, 2016 (XXIX of 2016).
- i.**Proviso inserted by the Finance Act, 2016 (XXIX of 2016).
- j.**Sub-section (4A) substituted by the Finance Act, 2011 (XVI of 2011). Originally sub-section was inserted by the Finance Act, 2008 (I of 2008). Before substitution, in 2011, this provision was as under:-  
*"(4A) Notwithstanding anything contained in sub-section (4), the Chairman may on the application of an aggrieved person, for reasons to be recorded in writing, and on being satisfied that there is an error in order or decision may pass such order as may be deemed just and equitable."*
- k.**The expression inserted by the Finance Act, 2009 (I of 2009).
- 2.** Clause substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:  
*(a) senior chartered accountants and senior advocates having experience in the field of taxation; and*

**Delegated / Subordinate legislation currently in force**

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Section 47A(6)	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 47A(2)	AJK Notificationa No.C.B.R./C-448/46-77/2006, dated 08.01.2007(Panel of persons for constitution of ADR Committees)
Section 47A(2)	S.R.O.60(I)/2018 dated 25.01.2018.(Panel of persons for constitution of ADR Committees)
Section 47A(2)	S.R.O.657(I)/2019 dated 20.06.2019.(Panel of persons for constitution of ADR Committees)

**1[ Chapter-VIII-A ]**  
**SETTLEMENT OF CASES**

[WHOLE CHAPTER OMITTED]

**HISTORY**

1. Chapter VIII-A omitted by the Finance Ordinance, 2000 (XXI of 2000). Originally this Chapter was inserted by the Finance Act, 1996 (IX of 1996). Before omission, in 2000, this Chapter was as under:

**“Chapter-VIII-A**  
**SETTLEMENT OF CASES**

**47A. Indirect Taxes Settlement Commission.**—(1) The Federal Government shall appoint an Indirect Taxes Commission to exercise the powers and perform the functions conferred on it under this Chapter.

(2) The Commission shall consist of a Chairman and as many members as may be necessary, and shall function within the Division of the Federal Government dealing with revenue.

(3) The members of the Commission shall be appointed by the Federal Government from amongst persons of integrity and outstanding ability having special knowledge of, and experience in matters relating to customs, central excise and sales tax laws and procedures, and having not less than twenty two years of service in the customs, central excise or sales tax department.

Provided that the Federal Government may also appoint suitable number of associate members, not exceeding one associate member for each bench of the Commission, from amongst person of integrity and outstanding ability who are qualified chartered accountants or cost accountants or possess such qualifications and experience as may be specified by the Federal Government .

(4) The terms, conditions and tenure of service of associate members shall be determined by the Federal Government .

**47B. Definitions.**—In this Chapter, unless the context otherwise requires. —

(i) “associate member” means an associate member appointed under the proviso to sub-section (3) of section 47A;

(ii) “case” means any proceedings under sections 11, 36, 37A, 45, 45A, 46 and 47 or the rules which may be pending on the date of making the application under sub-section (1) of section 47D:

Provided that where any application for review, appeal or reference has been filed after the period of limitation and which has not been admitted, such appeal, application for revision or reference, shall not be deemed to be a proceeding pending within the meaning of this clause;

(iii) “Chairman” means the senior most member of the Commission, to be appointed by the Federal Government as the Chairman of the Commission;

(iv) “Commission” means the Indirect Taxes Settlement Commission appointed under section 47A; and

(iii) "Member" means a member of the Commission, and includes the Chairman thereof.

**47C. Powers and functions of the Commission.** – (1) The powers and functions of the Commission may be exercised and performed by benches constituted by the Chairman from amongst the members and associate member.

(2) The bench shall, ordinarily, consist of two members and an associate member and shall be presided over by the Chairman:

Provided that where the applicant makes an application, in writing, for decision of his case without the associate member, the bench shall be so constituted:

Provided further that, where the Chairman is not a member of the bench, the Chairman may authorize any other member to perform his functions on the bench.

(3) No act or proceedings of the Commission shall be invalid merely on the grounds of existence of any vacancy of an associate member on the bench.

(4) Subject to the provisions of this Act, the Commission shall have the power to regulate its own procedure, and the procedure of benches in all matters arising out of the performance of its functions, including the places at which the benches shall hold their sittings.

(5) If the members of a bench differ in opinion as to the decision to be given on any issue,—

- (a) such issue shall be decided according to the opinion of the majority, if there is a majority;
- (b) if the members are equally divided and the Chairman is not himself a member of the bench, the case shall be referred to the Chairman and the decision of the Commission shall be expressed in terms of opinion of the Chairman; and
- (c) if the member are equally divided and the Chairman of the Commission is himself a member of the bench, the opinion of the Chairman shall prevail, and the decision of the Commission shall be expressed in terms of opinion of the Chairman.

(6) In addition to the powers conferred on the Commission under this Chapter, it shall have all the powers which are vested in an officer of Sales Tax for the proper performance of its functions under this Chapter.

**47D. Application for settlement of cases.** – (1) Any person aggrieved by any order or decision may, at any stage of his case, make an application in such form and in such manner as may be prescribed, containing full and true disclosure of his circumstances and the facts which he may not have disclosed earlier, the manner in which he evaded or avoided payment of sales tax and the additional tax payable in this regard or claimed excessive amount of input tax credit or refund; and such other particulars as may be prescribed, to the Commission to have the case settled, and any such application shall be disposed of in the manner provided hereafter:

Provided that no such application shall be made unless total amount of tax payable exceed one hundred thousand rupees.

(2) Every application made under sub-section (1) shall be accompanied by a fee of one thousand rupees.

(3) An applicant, once having made an application under sub-section (1), shall not be entitled to withdraw it.

**47E. Disposal of application by the Commission.** – (1) The Commission may, before disposing of any application, call for the particulars, as it may require, in respect of the case in the application brought before it or cause further inquiries to be made by the Collector and on the basis of his report and having regard to the nature and circumstances of the case, it may, by order, allow the application to proceed or reject it:

*Provided that an application shall not be rejected under this sub-section unless the applicant is given an opportunity of being heard.*

(2) Notwithstanding anything contained in sub-section (1), an application shall not proceed under that sub-section if the Collector objects to such application on the ground that the particulars of loss of tax on the part of the applicant or perpetration of tax fraud under this Act has been established or is likely to be established by any officer of Sales Tax:

*Provided that where the Commission does not agree with the objections raised by the Collector, it may, after giving the Collector an opportunity of being heard, accept the application for being proceeded with under sub-section (1).*

(3) Where an application is allowed to proceed with under sub-section (1), the Commission may call for the relevant records from the Collector, and after examination of such records, if the Commission is of the opinion that any further inquiry in the matter is necessary, it may direct the Collector to make or cause to be made such further inquiry and furnish a report on the matters within such time as it may fix.

(4) After examination of the records and the report of the Collector received under sub-section (1) or sub-section (3), and after giving an opportunity to the applicant and to the Collector to be heard, in person or through their authorized representatives, and after examining such further evidence as may be placed before it or obtained, the Commission may, in accordance with the provisions of this Act, pass such order as it thinks fit on the matters enumerated in the application and reported to it by the Collector under sub-section (1) and sub-section (3).

(5) Every order passed under sub-section (4), shall provide for the terms of settlement, including any demand of tax, additional tax, penalty and fine or prosecution proceedings and the manner in which any sum due under the settlement shall be paid, and all the matters to make the settlement effective and shall also provide that the settlement shall be void if it is subsequently found by the Commission that it has been obtained by fraud or misrepresentation.

(6) Where a settlement becomes void, the proceedings with respect to the matters relating to the settlement shall be revived from the stage at which the application was allowed, except the matters pending in appeal or revision before making an application under sub-section (1) or section 47D, and the concerned officer of Sales Tax may, notwithstanding anything contained in any other provision of this Act, complete such proceedings.

(7) The Commission may, if it is of the opinion that any person who has made an application under section 47D does not cooperate with the Commission in the proceedings before it, send the case back to the officer of Sales Tax, if such case was pending for decision or order at the time application under that

section was made, who shall thereupon dispose of the case in accordance with the provisions of this Act as if no application under section 47D had been made.

**47F. Recovery of sums due under an order of settlement.**— Any sum specified in an order of settlement passed under sub-section (4) of section 47E shall, subject to such conditions as may be specified therein, be recovered, and any additional tax and penalty, for default in making payment of such sum, may be imposed and recovered in accordance with the provisions of this Act.

**47G. Bar on subsequent application for settlement in certain cases.**— No fresh application for settlement shall be made where —

- (i) an order of the settlement passed under section 47E provides for the imposition of a penalty on the person on the ground of loss of sales tax; or
- (ii) a person is convicted of any offence under section 37A; or
- (iii) a case is sent back to the officer of Sales Tax by the Commission for assessment or re-assessment for any reason; or
- (iv) the settlement becomes void under this Chapter.

**47H. order of settlement to be conclusive.**— Every order of the Commission passed under section 47E shall be conclusive as to the matter stated therein and no matter covered by such order shall, save or otherwise as provided in this Chapter, be re-opened in any proceeding under this Act or under any law for the time being in force.

**47I Power of the Commission to re-open proceedings.**— If the Commission is, for reasons to be recorded in writing, of the opinion that for the proper disposal of the case pending before it, it is essential to re-open any proceedings connected with the case but which have been completed under this Act by any officer of Sales Tax before the application under section 47D was made, it may, with the concurrence of the applicant, re-open such proceedings and pass such order thereon as it thinks fit, as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceedings as well:

Provided that no proceedings shall be re-opened by the Commission under this section if the period between the end of the tax period to which such proceedings relate and the date of application for settlement under section 47D exceeds five years.

**47J. Proceedings before the Commission to be judicial proceeding.**— Any proceedings before the Commission shall be deemed to be judicial proceedings within the meaning of section 193 and 228 of the Pakistan Penal Code (Act XLV of 1860) and for the purpose of section 196 thereof.

**47K. Communications of orders.**— The Commission shall communicate its orders to the applicant, the Collector, adjudicating officer and the officer incharge of the agency which detected loss of tax.”



**Chapter - IX**  
**RECOVERY OF ARREARS**

**48. Recovery of arrears of tax.**--(1) <sup>1</sup>[Subject to sub-section (1A), where] any amount of tax <sup>2</sup>[\*\*\*\*\*] is due from any person, the officer of <sup>3</sup>[Inland Revenue] may:--

- (a) deduct the amount from any money owing to person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of Income Tax, Customs or Central Excise Department;
- (b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax may be recoverable to pay to such officer the amount specified in the notice;
- (c) stop removal of any goods from the business premises of such person till such time the amount of tax is paid or recovered in full;
- <sup>4</sup>[(ca) require by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts;]
- (d) seal the business premises till such time the amount of tax is paid or recovered in full;
- (e) attach and sell or sell without attachment any movable or immovable property of the registered person from whom tax is due <sup>5</sup>[;] <sup>6</sup>[and]
- <sup>7</sup>[(f) <sup>8</sup>[\*\*\*\*\*] recover such amount by attachment and sale of any movable or immovable property of the

guarantor, person, company, bank or financial institution, where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument]<sup>9</sup>[:]

<sup>10</sup>[Provided that the Commissioner Inland Revenue or any officer of Inland Revenue shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that twenty-five per cent of the amount of tax due has been paid by the taxpayer.]

<sup>11</sup>[(1A) If any arrears of tax, default surcharge, penalty or any other amount which is adjudged or payable by any person and which cannot be recovered in the manner prescribed above, the Board or any officer authorized by the Board, may, write off the arrears in the manner as may be prescribed by the Board.]

(2) For the purpose of recovery of tax, penalty or any other demand raised under this Act, the officer of <sup>3</sup>[Inland Revenue] shall have the same powers which under the Code of Civil Procedure 1908 (V of 1908), a Civil Court has for the purpose of recovery of an amount due under a decree.

## HISTORY

1. Substituted for "*where*" by the Finance Act, 2007 (IV of 2007).
2. The expression "*levied, penalty imposed or demand raised under any bond or other instrument executed under this Act*" omitted by the Finance Ordinance, 2002 (XXVII of 2002).

## THE SALES TAX ACT, 1990

3. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
4. Clause (ca) inserted by the Finance Act, 1999 (IV of 1999).
5. Substituted for full stop by the Finance Act, 1994 (XII of 1994).
6. The word "*and*" inserted by the Finance Act, 1997 (XXII of 1997).
7. Clause (f) added by the Finance Act, 1997 (XXII of 1997). Earlier a clause (f) was omitted by the Finance Act, 1996 (IX of 1996) that was originally inserted by the Finance Act, 1994 (XII of 1994). Before omission, in 1996, this provision was as under:  

*"(f) may recover such amount by attachment and sale of any moveable or immovable property of the guarantor, person, company, bank or financial institution, where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument."*
8. The word "*may*" omitted by the Finance Act, 2007 (IV of 2007).
9. Substituted for full stop by the Finance Act, 2017 (XXVII of 2017).
10. Proviso added by the Finance Act, 2017 (XXVII of 2017).
11. Sub-section (1A) inserted by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 48	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

**Chapter - X**  
**MISCELLANEOUS**

**<sup>1</sup>[49. Sale of taxable activity or transfer of ownership.-- (1)**

In case of termination of taxable activity or part thereof or its sale or transfer of ownership to a non-registered person, the possession of taxable goods or part thereof by the registered person shall be deemed to be a taxable supply and the registered person shall be required to account for and pay the tax on the taxable goods held by him:

Provided that if the tax payable by such registered person remains unpaid, the amount of unpaid tax shall be the first charge on the assets of the business and shall be payable by the transferee of business.

<sup>2</sup>[(2) In the case of sale or transfer of ownership of a taxable activity or part thereof to another registered person as an ongoing concern, the taxable goods or part thereof shall be transferred to the new owner through a zero-rated invoice and the sales tax chargeable thereon shall be accounted for and paid by the registered person to whom such taxable activity or part thereof is transferred.]

**HISTORY**

1. Section 49 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*"49. Transfer of ownership.-- When the ownership of the business of a registered person is transferred, the tax payable, if any, in respect of such business that remains unpaid at the time of such transfer, shall be the first charge on the assets of the business and shall be payable by the transferee. "*

2. Sub-section (2) substituted by the Finance Act, 2016 (XXIX of 2016). Before substitution this provision was as under:

*"(2) In the case of sale or transfer of ownership of a taxable activity or part thereof to another registered person as an ongoing concern, sales tax chargeable on taxable goods or part thereof shall be accounted for and paid by the registered person to whom such sale is made or ownership is transferred. "*

<sup>1</sup>[49A. Liquidators.--(1) Every person (hereinafter referred to as a “liquidator”) who is:--

- (a) a liquidator of a company;
- (b) a receiver appointed by a Court or appointed out of Court;
- (c) a trustee for a bankrupt; or
- (d) a mortgagee in possession;

shall, within fourteen days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the <sup>2</sup>[Commissioner].

(2) The <sup>2</sup>[Commissioner] shall, within three months of being notified under sub-section (1), notify the liquidator, in writing, of the amount which appears to the <sup>2</sup>[Commissioner] to be sufficient to provide for any sales tax which is or will become payable by the person whose assets are in the possession of the liquidator.

(3) A liquidator shall not, without leave of the <sup>2</sup>[Commissioner], part with any asset held as liquidator until the liquidator has been notified under sub-section (2).

(4) A liquidator:--

- (a) shall set aside, out of the proceeds of sale of any asset by the liquidator, the amount notified by the <sup>2</sup>[Commissioner] under sub-section (2), or such amount as is subsequently agreed to by the <sup>2</sup>[Commissioner]; and

- (b) shall be liable to the extent of the amount set aside for the sales tax liability of the person who owned the asset.
- (5) A liquidator shall be personally liable to the extent of any amount required to be set-aside under sub-section (4) for the tax referred to in sub-section (2) if, and to the extent that, the liquidator fails to comply with the requirements of this section.
- (6) Where the proceeds of sale of any asset are less than the amount notified by the <sup>2</sup>[Commissioner] under sub-section (2), the application of sub-sections (4) and (5) shall be limited to the proceeds of sale.
- (7) This section shall have effect notwithstanding anything contained in any other law for the time being in force.]

### HISTORY

1. Section 49A inserted by the Finance Act, 2004 (II of 2004).
2. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

**50. Power to make rules.--** <sup>1</sup>[(1)] The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act <sup>2</sup>[, including rules for charging fee for processing of returns, claims and other documents and for preparation of copies thereof.]

<sup>3</sup>[(2) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price.]

## HISTORY

1. The contents of Section 50 were re-number as sub-section (1) of Section 50 by the Finance Act, 2008 (I of 2008).
2. The words inserted by the Finance Act, 1994 (XII of 1994).
3. Sub-section (2) inserted by the Finance Act, 2008 (I of 2008).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 50	The Exemption of Supplies against International Tender for Earthquake Rehabilitation Rules, 2006 issued vide S.R.O.274(I)/2006 dated 21.03.2006.
Section 50	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.
Section 50	The Export Oriented Units and Small and Medium Enterprises Rules, 2008 issued vide S.R.O.327(I)/2008 dated 26.03.2008.
Section 50	The Repayment of Sales Tax to Persons Registered in Azad Jammu and Kashmir Rules, 2008 issued vide S.R.O.1295(I)/2008 dated 24.12.2008.
Section 50	AJK Notification No.C.B.R./C-448/1239-54/2009 (The Repayment of Sales Tax to Persons Registered in Azad Jammu and Kashmir Rules, 2008 issued vide S.R.O.1295(I)/2008 dated 24.12.2008)
Section 50	The Refund Claims of Recognized Agricultural Tractor Manufacturers Rules, 2012 issued vide S.R.O.363(I)/2012 dated 13.04.2012.
Section 50	The Inland Revenue Reward Rules, 2016 issued vide S.R.O.398(I)/2016 dated 05.05.2016.
Section 50	S.R.O.1087(I)/2019 dated 19.09.2019. (Specification of ginned cotton as goods on which recipient shall be liable to pay sales tax)

<sup>1</sup>[50A. **Computerized system.**--(1) The Board may prescribe the use of computerized system for carrying out the purposes of this Act, including the receipt of applications for registration, returns and such other declarations or information required to

be provided under this Act and the rules made thereunder, from such date and for such registered persons or class of persons as the Board may, by notification in the official Gazette, specify.

(2) The Board may make rules for regulating the conduct and transaction of business in relation to the submission of returns or other information to the Board by the persons required to transmit or receive any information through the computerized system, including <sup>2</sup>[matters such as grant of] authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.]

<sup>3</sup>[(3) Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.

(4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim for any access to such information.]

### HISTORY

1. Section 50A inserted by the Finance Act, 2006 (III of 2006).
2. Substituted for "*their*" by the Finance Act, 2007 (IV of 2007).
3. Sub-section (3) and (4) inserted by the Finance Act, 2007 (IV of 2007).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 51A	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

<sup>1</sup>[**50B.Electronic scrutiny and intimation.**--(1) The Board may implement a computerized system for the purpose of automated scrutiny, analysis and cross-matching of returns and other available data relating to registered persons and to



electronically send intimations to such registered persons about any issue detected by the system.

(2) The intimation sent by the computerized system under subsection (1) shall be in the nature of an advice or advance notice, aimed at allowing the registered person to clarify the issue, rectify any mistake or take other corrective action before any legal or penal action is initiated.

(3) The computerized system shall be so implemented so as to keep record of the issues detected, intimations sent, responses received and actions taken, and to present such information to the officer of Inland Revenue and to the Board in the prescribed manner.

(4) The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerized system.]

## HISTORY

1. Section 50B inserted by the Finance Act, 2014 (IX of 2014).

### **51. Bar of suits, prosecution and other legal proceedings.--**

(1) No suit shall be brought in any Civil Court to set aside or modify any order passed, any assessment made, any tax levied, any penalty imposed or collection of any tax made under this Act.

(2) No suit, prosecution or other legal proceeding shall lie against the Federal Government or against any public servant in respect of any order passed in good faith under this Act.

<sup>1</sup>[(3) Notwithstanding anything in any other law for the time being in force, no investigation or inquiry shall be undertaken or initiated by any governmental agency against any officer or official for anything done in his official capacity under this Act,

rules, instructions or direction made or issued thereunder without the prior approval of the Board.]

### HISTORY

1. Sub-section (3) inserted by the Finance Act, 2004 (II of 2004).

**52. Appearance by authorised representative.--** A registered person required to appear before the Appellate Tribunal or an officer of <sup>1</sup>[Inland Revenue] in connection with any proceedings under this Act may, in writing, authorise any person <sup>2</sup>[having such qualifications as may be prescribed] to represent him or appear on his behalf.

### HISTORY

1. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
2. The words inserted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 52	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

<sup>1</sup>[**52A. e-intermediaries to be appointed.--** (1) Subject to such conditions, limitations and restrictions, the Board may, by a notification in the official Gazette, appoint a person to electronically file return under Chapter V and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14.

(2) A person registered under section 14 may authorize an e-intermediary to electronically file return or any other documents, as specified in sub-section (1).

(3) The return or such other documents filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by that registered person.

(4) Where this Act requires anything to be done by the registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, shall be deemed to have been done with the knowledge and consent of such registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.

(5) Where an e-intermediary, authorized by a registered person under sub-section (2) to act on his behalf, knowingly or wilfully submits a false or incorrect information or document or declaration with an intent to avoid payment of tax due or any part thereof or claiming a tax credit or a refund that is not due to the registered person, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess as a result of such incorrect or false information or document or declaration, without prejudice to any other action that may be taken against him under the relevant provisions of the law.

(6) The Board may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e-intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions as specified therein.]

### **HISTORY**

1. Section 52A inserted by the Finance Act, 2006 (III of 2006).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 52A	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

**53. Estate of deceased person.**--The tax liability of a deceased registered person under the Act shall be the first charge on his estate in the hands of his successors.

**54. Estate in bankruptcy.**--(1) If a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it continues to operate the business.

(2) If tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims preferred by other creditors are settled.

<sup>1</sup>[**55. Removal of difficulties.**--If any difficulty arises in giving effect to the provisions of this Act or the rules made or notifications issued thereunder, the Board may through a general order or otherwise, issue instructions or directions, not inconsistent with the provisions of this Act, for such actions to be taken by an officer of <sup>2</sup>[Inland Revenue] or any other person as it considers necessary or expedient for the purpose of removing the difficulty.]

## HISTORY

1. Section 55 substituted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Before substitution this provision was as under:  
*"55. Removal of difficulties.-- If any difficulty arises in giving effect to the provisions of this Act, particularly in relation to the transition from enactments repealed by this Act to the provisions of this Act, the Federal Government may, by a general or special order, made during the period of one year from the commencement of this Act, direct such action to be taken as it considers necessary or expedient for the purpose of removing the difficulty."*
2. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[56. **Service of orders, decisions etc.--** (1) subject to this Act, any notice, order or requisition required to be served on a resident individual, other than in a representative capacity, for the purposes of this Act shall be treated as properly served on the individual if --

- (a) personally served on the individual or, in the case of an individual under a legal disability or a non-resident individual, the representative of the individual;
- (b) sent by registered post or courier service specified in clause (b) of sub-section (2) or to the individual's usual or last known address in Pakistan; <sup>2</sup>[\*\*\*\*\*]
- (c) served on the individual in the manner prescribed for service of a summons under the Code of Civil procedure, 1908 (Act V of 1908) <sup>3</sup>[; or]

<sup>4</sup>[(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the <sup>5</sup>[registered person].]

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than a resident individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on person if--

- (a) personally served on the representative of the person;
- (b) sent by registered post or courier service to the person's registered office or address for service of notices under this Act, in Pakistan, or where the person does not have such office or address, the notice is sent by registered post to any office or place of business of the person in Pakistan; <sup>6</sup>[\*\*\*\*\*]

- (c) served on the person in the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (Act V of 1908) <sup>7</sup>[; or]
- <sup>8</sup>[(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the <sup>9</sup>[registered person].]
- (3) Where an association of persons is dissolved, any notice, order or requisition required to be served under this Act, on the association may be served on any person who was the principal officer or a member of the association immediately before such dissolution.
- (4) Where, business stands discontinued, any notice, order or requisition required to be served under this Act, on the person discontinuing the business may be served on the person personally or on any individual who was the person's representative at the time of discontinuance.
- (5) The validity of service of a notice under this Act shall not be called into question after the notice has been complied with in any manner.]

## HISTORY

1. Section 56 substituted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009. Before substitution this provision was as under:  
*"56. Service of order, decisions, etc.-- Any adjudication order or decision made or any summons or notice issued under this Act shall be served:--*
  - (a) *by tendering the adjudication order, decision, summons or notice or sending it by registered post <sup>a</sup>[or courier service] to the person for whom it is intended or to his agent; or*
  - (b) *if the adjudication order, decision, summons or notice cannot be served in any manner provided in clause (a), by affixing it on the notice board of the local Sales Tax Office"*

a.Insertion of words by the Finance Act, 1998 (III of 1998).

2. Omission of “*or*” by the Finance Act, 2017 (XXVII of 2017).
3. Substituted for full stop by the Finance Act, 2017 (XXVII of 2017).
4. Clause (d) added by the Finance Act, 2017 (XXVII of 2017).
5. Substituted for “*limited companies, both public and private*” by the Finance Act, 2020 (XIX of 2020).
6. Omission of “*or*” by the Finance Act, 2017 (XXVII of 2017).
7. Substituted for full stop by the Finance Act, 2017 (XXVII of 2017).
8. Clause (d) added by the Finance Act, 2017 (XXVII of 2017).
9. Substituted for “*limited companies, both public and private*” by the Finance Act, 2020 (XIX of 2020).

**<sup>1</sup>[56A. Agreement for the exchange of information.-** (1)

The Federal Government may enter into bilateral or multilateral agreements with provincial governments or with governments of foreign countries for the exchange of information, including electronic exchange of information, with respect to sales tax imposed under this Act or any other law of Pakistan and under the corresponding laws of such countries and may, by notification in the official Gazette, make such provisions as may be necessary for implementing such agreements.

(2) The provisions of section 107 of the Income Tax Ordinance, 2001 (XLIX of 2001) shall, *mutatis mutandis*, apply to the provisions of this section.]

### **HISTORY**

1. Section 56A inserted by the Finance Act, 2015 (V of 2015).

**<sup>1</sup>[56AB. Real-time access to information and databases.-**

(1) Notwithstanding anything contained in any law for the time being in force, including but not limited to the National Database and Registration Authority Ordinance, 2000 (Ordinance VIII of 2000), and the Emigration Ordinance, 1979 (Ordinance XVIII of 1979), arrangements shall be made to provide real-time access of information and database to the Board in the prescribed form and manner by –

- (a) the National Database and Registration Authority with respect to information pertaining to National Identity Card (NIC), Pakistan Origin Card, Overseas Identity Card, Alien Registration Card, and other particulars contained in the Citizen database;
- (b) the Federal Investigation Agency and the Bureau of Emigration and Overseas Employment with respect to details of international travel;
- (c) The Islamabad Capital Territory and Provincial and local land record and development authorities with respect to record-of-rights including digitized edition of record-of-rights, periodic record, record of mutations and report of acquisition of rights;
- (d) the Islamabad Capital Territory and Provincial Excise and Taxation Departments with respect to information regarding registration of vehicles, transfer of ownership and other associated record;
- (e) all electricity suppliers and gas transmission and distribution companies with respect to particulars of a consumer, the units consumed and the amount of bill charged or paid:

Provided that where the connection is shared or is used by a person other than the owner, the name and NIC of the owner and the user shall also be furnished.

Provided further that all electricity suppliers and gas transmission and distribution companies shall make arrangements by the 1<sup>st</sup> day of January, 2021 for allowing consumers to update the ratio of sharing of a connection or the particulars of users, as the case may be; and

- (f) any other agency, authority, institution or organization, notified by the Board.



(2) The Board shall make arrangements for laying the infrastructure for real-time access to information and database under sub-section (1) and aligning it with its own database in the manner as may be prescribed.

(3) Until real-time access to information and database is made available under sub-section (1), such information and data shall be provided periodically in such form and manner as may be prescribed.

(4) Subject to section 56B, all information received under this section shall be used only for tax purposes and kept confidential.]

### HISTORY

1. Section 56AB inserted by the Finance Act, 2020 (XIX of 2020).

**<sup>1</sup>[56B. Disclosure of information by a public servant.-- (1)**

Any information acquired under any provision of this Act shall be confidential and no public servant shall disclose any such information, except as provided under section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001).

(2) Notwithstanding anything contained in sub-section (1) and the Freedom of Information Ordinance, 2002 (XCVI of 2002), any information received or supplied in pursuance of bilateral or multilateral agreements with government of foreign countries for exchange of information under section 56A shall be confidential.]

### HISTORY

1. Section 56B substituted by the Finance Act, 2016 (XXIX of 2016). Earlier this section was inserted by the Finance Act, 2015 (V of 2015). Before substitution, in 2016, this provision was as under:

*"56B. Disclosure of information by a public servant.-- (1) Any information acquired under any provision of this Act or in pursuance of a bilateral or multilateral agreement or tax information exchange agreement shall be confidential and no public servant shall disclose any such*

*information, except as provided under section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001).*

*(2) The provisions of section 216 of Income Tax Ordinance, 2001 (XLIX of 2001), shall, mutatis mutandis, apply to the provisions of this section."*

**<sup>1</sup>[56C. Prize schemes to promote tax culture.--**The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices.]

### **HISTORY**

1. Section 56C inserted by the Finance Act, 2015 (V of 2015).

**<sup>1</sup>[57. Rectification of mistake.--**(1) The officer of Inland Revenue, Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by him to rectify any mistake apparent from the record on his or its own motion or any mistake brought to his or its notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner.

(2) No order under sub section (1) which has the effect of increasing an assessment, reducing a refund or otherwise applying adversely to the taxpayer shall be made unless the taxpayer has been given a reasonable opportunity of being heard.

(3) Where a mistake apparent on the record is brought to the notice of the officer of Inland Revenue, Commissioner or Commissioner (Appeals), as the case may be, and no order has been made under sub-section (1), before the expiration of the financial year next following the date on which the mistake was brought to their notice, the mistake shall be treated as rectified and all the provisions of this Act shall have effect accordingly.

(4) No order under sub-section (1) shall be made after five years from the date of the order sought to be rectified.]

## HISTORY

1. Section 57 substituted by the Finance Act, 2013 (XXII of 2013). Before substitution this provision was as under:

*"57. Correction of clerical errors.etc.-- Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of <sup>a</sup>[Inland Revenue] who made the assessment or adjudication or passed such order or decision or by his successor in office <sup>b</sup>[::]*

*<sup>c</sup>[Provided that before such correction, a notice shall be given to the registered person or to a person effected by such correction.]"*

a.Substituted for "**Sales Tax**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

b.Substituted for full stop by the Finance Act, 1996 (IX of 1996).

c.Proviso added by the Finance Act, 1996 (IX of 1996).

**<sup>1</sup>[58. Liability for payment of tax in the case of private companies or business enterprises.—**(1) Notwithstanding anything contained in the Companies Act, 2017 (XIX of 2017), where any private company or business enterprise is wound up and any tax chargeable on the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of, or a shareholder, owning not less than ten per cent of the paid-up capital, in the company or business enterprise, as the case may be, during the relevant period shall jointly and severally with such persons, be liable for the payment of such tax.

(2) Any director or partner who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or a share of the tax from any other director or partner, as the case may be.

(3) A shareholder who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or from any other shareholder, owning not less than ten percent of the paid up capital, in proportion to the shares owned by that other shareholder.

(4) The provisions of this Act shall apply to any amount due under this section as if it were tax due under an order for assessment made under this Act.]

## HISTORY

1. Section 58 substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

*58. Liability for payment of tax in the case of private companies <sup>a</sup>[or business enterprises].-- Notwithstanding anything contained in the Companies Ordinance 1984, (XLVII of 1984), where any private company <sup>a</sup>[or business enterprise] is wound up and any tax chargeable on the company <sup>a</sup>[or business enterprise], whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company <sup>a</sup>[or business enterprise], every person who was a <sup>b</sup>[owner of, or partner in, or director of,] the company <sup>a</sup>[or business enterprise] during the relevant period shall, jointly and severally with such persons, be liable for the payment of such tax.*

a. Insertion of words by the Finance Act, 2003 (I of 2003).

b. Substituted for "*director or*" by the Finance Act, 2003 (I of 2003).

<sup>1</sup>[**58A. Representatives.**--(1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression "representative" in respect of a registered person, means --

- (a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;
- (b) where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;

- (c) where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust;
  - (d) where the person is a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government or local authority;
  - (e) where the person is an association of persons, a director or a manager or secretary or agent or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;
  - (f) where the person is the Federal Government, any individual responsible for accounting for the receipt and payment of moneys or funds on behalf of the Federal Government; or
  - (g) where the person is a public international organization, or a foreign government or political sub-division of a foreign government, any individual responsible for accounting for the receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political sub-division of the government.
- (2) Where the Court of Wards, the Administrator General, the Official Trustee, or any receiver or manager appointed by, or under, any order of a Court receives or is entitled to receive income on behalf, or for the benefit of any person, such Court of Wards, Administrator General, Official Trustee, receiver, or manager shall be the representative of the person for the purposes of this Act.

(3) <sup>2</sup>[Subject to sub-section (4), where a person is a non-resident person, the representative of the said person for the purpose of this Act, for a financial year in which the relevant tax period falls, shall be any person in Pakistan]: --

- (a) who is employed by, or on behalf of, the non-resident person;
- (b) who has any business connection with the non-resident person;
- (c) from or through whom the non-resident person is in receipt of any income, whether directly or indirectly;
- (d) who holds, or controls the receipt or disposal of any money belonging to the non-resident person;
- (e) who is the trustee of the non-resident person; or
- (f) who is declared by the <sup>3</sup>[Commissioner] by an order in writing to be the representative of the non-resident person.

<sup>4</sup>[*Explanation.*—For the purposes of this sub-section, non-resident person shall have the same meaning assigned thereto under the Income Tax Ordinance, 2001 (XLIX of 2001).]

(4) No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the <sup>3</sup>[Commissioner] of being heard.]

## HISTORY

1. Section 58A inserted by the Finance Act, 2008 (I of 2008).
2. Substituted for "*Subject to sub-section (4), where a person is a non-resident person, the representative of the person for the purpose of this Act for tax year shall be any person in Pakistan*" by the Finance Act, 2020 (XIX of 2020).
3. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance

(Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

4. Explanation inserted by the Finance Act, 2020 (XIX of 2020).

**<sup>1</sup>[58B. Liability and obligations of representatives.-** (1)

Every representative of a person shall be responsible for performing any duties or obligations imposed by or under this Act on the person, including the payment of tax.

(2) Subject to section 58 and sub-section (5) of this section, any tax that, by virtue of sub-section (1), is payable by a representative of a registered person shall be recoverable from the representative only to the extent of any assets of the registered person that are in the possession or under the control of the representative.

(3) Every representative of a registered person who pays any tax owing by the registered person shall be entitled to recover the amount so paid from the registered person or to retain the amount so paid out of any moneys of the registered person that are in the representative's possession or under the representative's control.

(4) Any representative, or any person who apprehends that he may be assessed as a representative, may retain out of any money payable by him to the person on whose behalf he is liable to pay tax (hereinafter in this section referred to as the "principal"), a sum equal to his estimated liability under this Act, and in the event of disagreement between the principal and such a representative or a person as to the amount to be so retained, such representative or person may obtain from the <sup>2</sup>[Commissioner] a certificate stating the amount to be so retained pending final determination of the tax liability, and the certificate so obtained shall be his authority for retaining that amount.

(5) Every representative shall be personally liable for the payment of any tax due by the representative in a representative capacity if, while the amount remains unpaid, the representative

--

- (a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable; or
- (b) disposes of or parts with any moneys or funds belonging to the registered person that is in the possession of the representative or which comes to the representative after the tax is payable, if such tax could legally have been paid from or out of such moneys or funds.

(6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person which the representative of the person has failed to perform.]

### HISTORY

1. Section 58B inserted by the Finance Act, 2008 (I of 2008).
2. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[**59. Tax paid on stocks acquired before registration.**— The tax <sup>2</sup>[\*\*\*\*\*] paid on goods purchased by a person who is subsequently required to be registered under section 14 due to new liabilities or levies or gets voluntary registration under <sup>3</sup>[this Act or the rules made thereunder], shall be treated as input tax, provided that such goods were purchased by him from a registered person against an invoice issued under section 23 during a period of thirty days before making an application for



registration and constitute his verifiable unsold stock on the date of compulsory registration or on the date of application for registration or for voluntary registration:

Provided that where a person imports goods, the tax paid by him thereon during a period of ninety days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or unconsumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration.]

### HISTORY

1. Section 59 inserted by the Finance Act, 1999, (IV of 1999). Earlier a section 59 with different contents was omitted by the Finance Act, 1997 (XXII of 1997). Before omission, in 1997, this provision was as under:

*“a[59. Tax paid on stocks acquired before registration.-- The tax, other than the fixed tax or turnover tax, paid on goods purchased by a person who is subsequently required to be registered under section 14 shall be treated as input tax, provided that such goods were purchased by him from a registered person against an invoice issued under section 23 during a period of thirty days before making an application for registration under section 15:*

*Provided that where a manufacturer imports goods, the tax paid by him thereon during a period of ninety days before making an application for registration shall be treated as an input tax subject to the condition he holds the bill of entry relating to such goods.]”*

- a. Earlier, Section 59 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:  
*“59. Tax paid on stock acquired before registration.--Tax paid under the provisions of Sales Tax Act, 1951 (III of 1951), on the imported or locally produced goods, which a person acquires before he is registered under this Act, and which is liable to adjustment or refund under Section 27 of the said Act, shall be treated as input tax for the purposes of this Act”*
2. The expression “, other than the turnover tax” omitted by the Finance Act, 2004 (II of 2004).
  3. Substitution for “section 18” by the Finance Act, 2004 (II of 2004).

**<sup>1</sup>[60.Powers to deliver certain goods without payment of tax.--** Subject to such conditions, limitations or restrictions as it

thinks fit to impose, <sup>2</sup>[Federal Government] may authorise the <sup>3</sup>[import] of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following persons, namely:

- (i) registered importers importing such goods temporarily with a view to subsequent exportation;
- <sup>4</sup>[(ii) registered manufacturer-*cum*-exporters who import raw materials and intermediary products for further manufacture of goods meant for export;]
- <sup>5</sup>[(iii) \*\*\*\*\*]

## HISTORY

1. Section 60 substituted by the Finance Act, 1998 (III of 1998). Before substitution this provision was as under:

*“60. Power to deliver certain goods without payment of tax.-- Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may authorize the delivery without payment of the whole or any part of the tax payable thereon of goods which are imported only temporarily with a view to subsequent exportation.”*
2. Substituted for “**Board with the approval of the Federal Minister-in-charge**” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by the Finance Act, 2017 (XXVII of 2017).
3. Substituted for “*delivery*” by the Finance Act, 1999 (IV of 1999).
4. The clause (ii) substituted by the Finance Act, 1999 (IV of 1999). Before substitution this provision was as under:

*“(ii) registered manufacturer-*cum*-exporters obtaining raw materials and intermediary products from registered persons for further manufacture of goods meant for export; and”*
5. Clause (iii) omitted by the Finance Act, 1999 (IV of 1999). Before omission this provision was as under:

*“(iii) registered commercial exporters for subsequent exportation”*

**61. Repayment of tax in certain cases.--**Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may authorise the repayment in whole or in part of the tax paid on <sup>1</sup>[\*\*\*\*\*] any goods of such class or description as it may determine, which have been used in the production,

manufacture, processing, repair or refitting in Pakistan of goods of such class or description as it may determine.

### **HISTORY**

1. The words "*the importation of*" omitted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 61	S.R.O.335(I)/2004 dated 24.05.2004.(Repayment or refund of tax to solvent extractors @ 10.5% of tax paid on import stage)
Section 61	S.R.O.308(I)/2008 dated 24.03.2008.(Repayment of sales tax paid on steel products on their export from Pakistan subject to certain conditions)

**<sup>1</sup>[61A. Repayment of tax to persons registered in Azad Jammu and Kashmir.--** Subject to such conditions, limitations or restrictions as it may deem fit to impose, the Board may authorize the repayment in whole or in part of the input tax paid on any goods acquired in or imported into Pakistan by the persons registered in Azad Jammu and Kashmir as are engaged in making of zero-rated supplies.]

### **HISTORY**

1. Section 61A inserted by the Finance Act, 2008 (I of 2008).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 61A	The Repayment of Sales Tax to Persons Registered in Azad Jammu and Kashmir Rules, 2008 issued vide S.R.O.1295(I)/2008 dated 24.12.2008.
Section 61A	AJK Notification No.C.B.R./C-448/1239-54/2009 (The Repayment of Sales Tax to Persons Registered in Azad Jammu and Kashmir Rules, 2008 issued vide S.R.O.1295(I)/2008 dated 24.12.2008)

**62. Drawback allowable on re-export.**--When any goods which have been imported into Pakistan and on which tax has been paid on importation are re-exported outside Pakistan and such goods as are capable of being identified, seven-eighth of such tax shall, except as otherwise hereinafter provided, be repaid as drawback, and the provisions of Customs Act, 1969 (IV of 1969), relating to drawback of customs duties shall, so far as may be apply to such tax, as they apply for the purposes of that Act:

Provided that no such drawback shall be repaid unless the re-export is made within a period of two years from the date of importation as shown in the records of the Custom House:

Provided further that the Board may, on sufficient cause being shown, in any case extend the said period by a further period of one year.

**63. Drawback on goods taken into use between importation and re-exportation.**--Notwithstanding anything contained in section 62, the repayment of sales tax as drawback in respect of goods which have been taken into use between importation and re-exportation shall be subject to such orders, conditions or limitations as may be passed or imposed by the Board in each case--

- (a) modifying the amount of tax which shall be repaid as drawback on any such goods or class of goods; or
- (b) prohibiting the repayment of tax as drawback on any such goods or class of such goods; or
- (c) varying the condition for the grant of drawback on any such goods or class of such goods by restricting the period after importation within which the goods must be re-exported.

**64. Power to declare what goods are identifiable and to prohibit drawback in case of specified foreign territory.--**

The Federal Government may, from time to time, by Notification in the official Gazette, prohibit the payment of drawback upon the exportation of goods or any specified goods or class of goods to any specified foreign port or territory.

<b>Delegated / Subordinate legislation currently in force</b>	
Section 64	S.R.O.1231(I)/90 dated 01.12.1990.(Prohibition of payment of drawback upon export of cigarettes to any port or territory by land route or to Afghanistan, Iran or China.)

**65. Exemption of tax not levied or short levied as a result of general practice.--**

Notwithstanding anything contained in this Act, if in respect of any supply the <sup>1</sup>[Federal Government] is satisfied that inadvertently and as a general practice:--

- (a) tax has not been charged in any area on any supply which was otherwise taxable, or according to the said practice the amount charged was less than the amount that should have actually been charged;
- (b) the registered person did not recover any tax prior to the date it was discovered that the supply was liable to tax; and
- (c) the registered person started paying the tax from the date when it was found that the supply was chargeable to tax;

it may, by a Notification in the official Gazette, direct that the tax not levied or short levied as a result of that inadvertent practice, shall not be required to be paid for the period prior to the discovery of such inadvertent practice.

## HISTORY

1. Substituted for “*Board with the approval of Federal Minister-in-charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by the Finance Act, 2017 (XXVII of 2017).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 65	Ch-XVIII of the Sales Tax Rules, 2006 (Grant of exemption under section 65 of the Act)

**66. Refund to be claimed within one year.**-- No refund of tax claimed to have been paid or over paid through inadvertence, error or misconstruction <sup>1</sup>[or refund on account of input adjustment not claimed within the relevant tax period,] shall be allowed, unless the claim is made within one year of the date of payment <sup>2</sup>[:]

<sup>3</sup>[Provided that in a case where a registered person did not deduct input tax within the relevant tax period, the <sup>4</sup>[Commissioner] may, after satisfying himself that input tax adjustment is due and admissible, allow the registered person to take such adjustment in the tax period as specified by the <sup>4</sup>[Commissioner]:]

<sup>5</sup>[Provided <sup>6</sup>[further] that in a case where the refund has become due on account of any decision or judgement of any officer of <sup>7</sup>[Inland Revenue] or court or the Tribunal, the period of one year shall be reckoned from the date of judgement or decision of such officer, court or Tribunal <sup>8</sup>[:] ]

<sup>9</sup>[Provided further that the application or claim filed under this section shall be disposed of within a period not exceeding ninety days from the date of filing of such application or claim <sup>10</sup>[:] ]

<sup>11</sup>[Provided also that no refund shall be admissible under this section if incidence of tax has been passed directly or indirectly to the consumer.]

### HISTORY

1. The expression inserted by the Finance Act, 1998 (III of 1998).
2. Substituted for full stop by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
3. Proviso inserted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002).
4. Substituted for "*Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
5. Proviso inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
6. The word inserted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002).
7. Substituted for "*Sales Tax*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
8. Substituted for full stop by the Finance Act, 2005 (VII of 2005).
9. Proviso inserted by the Finance Act, 2005 (VII of 2005).
10. Substituted for full stop by the Finance Act, 2011 (XVI of 2011).
11. Proviso inserted by the Finance Act, 2011 (XVI of 2011).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 66	The Sales Tax Rules, 2006 issued vide S.R.O.555(I)/2006 dated 05.06.2006.

<sup>1</sup>[**67.Delayed Refund.**--Where a refund due under section 10 is not made within <sup>2</sup>[the time specified <sup>3</sup>[in this behalf], there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to <sup>4</sup>[KIBOR] per annum of the amount of refund due, from the date following the expiry of <sup>5</sup>[the time specified <sup>6</sup>[as aforesaid], to the day preceding the day of payment of refund:

Provided that where there is reason to believe that a person has claimed the refund which is not admissible to him, the provisions regarding the payment of such additional amount shall not apply till the investigation of the claim is completed and the claim is either accepted or rejected.]

## HISTORY

1. Section 67 substituted by the Finance Act, 1996 (IX of 1996). Before substitution this provision was as under:

*“67. Delayed Refund.--Where a refund due under section 10, 61 and 66 is not made within one hundred eighty days of receipt of a claim complete in all respects, there shall be paid to the claimant, in addition to the amount of the refund due to him, a further sum equal to 10% per annum of the amount of refund due, from the date following the expiry of one hundred eighty days to the day preceding the date of payment of refund.”*
2. Substituted for words *“thirty days”* by the Finance Act, 1997 (XXII of 1997).
3. Substituted for *“<sup>a</sup>[as aforesaid,] of filing of <sup>b</sup>[refund claim]”* by the Finance Act, 2008 (I of 2008).
  - a. Substituted for *“in section 10 from the date”* by the Finance Act, 2007 (IV of 2007).
  - b. Substituted for *“return”* by the Finance Act, 2007 (IV of 2007).
4. Substituted for words *“six per cent”* by the Finance Act, 2009 (I of 2009). Earlier it was substituted for *“fourteen”* by the Finance Act, 2004 (II of 2004). Prior to above, it was substituted for *“ten”* by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997) and same amendment was also made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) *w.e.f.* 02.11.1996 and again by the Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997).”
5. Substituted for *“thirty days”* by the Finance Act, 1997 (XXII of 1997).
6. Substituted for *“in section 10 from the date”* by the Finance Act, 2007 (IV of 2007).

**[67A. Payment of refund through sales tax refund bonds. – (1)** Notwithstanding anything contained in section 67, the sales tax refunds payable under this Act may also be paid through sales tax refund bonds to be issued by FBR Refund Settlement Company 2[\*\*\*\*\*] Limited, in book-entry form through an establishment licensed by the Securities and Exchange Commission of Pakistan as a central depository under the



Securities Act, 2015 (III of 2015), in lieu of payment to be made through issuance of cheques or bank debit advice.

(2) The Board shall issue a promissory note to FBR Refund Settlement Company 2[\*\*\*\*] Limited, hereinafter referred to as the company, incorporating the details of refund claimants and the amount of refund determined as payable to each for issuance of sales tax refund bonds, hereinafter referred to as the bonds, of the same amount.

(3) The bonds shall be issued in values in multiples of one hundred thousand Rupees.

(4) The bonds so issued shall have a maturity period of three years and shall bear annual simple profit at ten per cent.

(5) The bonds shall be traded freely in the country's secondary markets.

(6) The bonds shall be approved security for calculating the statutory liquidity reserve.

17) The bonds shall be accepted by the banks as collateral.

(8) There shall be no compulsory deduction of *Zakat*, against the bonds and *Sahib-e-Nisab* may pay *Zakat* voluntarily according to *Shariah*.

9) After period of maturity, the company shall return the promissory note to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

10) The bonds shall be redeemable in the manner as in the preceding sub-section before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.

11) The refund under sub-section (1) shall be paid in the aforesaid manner to the claimants who opt for payment in such manner

12) The <sup>3</sup>[Board, with the approval of the Federal Minister-in-charge] may notify procedure to regulate the issuance, redemption and other matters relating to the bonds, as may be required.]

### HISTORY

1. Section 67A inserted by the Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.
2. The expression "(Private)" omitted by Finance Act, 2019 (V of 2019).
3. Substituted for "Federal Government" by Finance Act, 2019 (V of 2019) and this amendment is not adapted and enforced in AJK.

**68. Liability of the registered person for the acts of his agent.**--When any person is expressly or impliedly authorised by a registered person to be his agent for all or any of the purposes of this Act, the registered person shall be responsible for the act done by his agent.

<sup>1</sup>[**69. Issuance of duplicate of sales tax documents.**--An officer of <sup>2</sup>[Inland Revenue not below the rank of Assistant Commissioner] may, on payment of one hundred rupees, issue an attested duplicate of any sales tax document as is available with the department or has been filed under this Act or rules made thereunder to a relevant registered person applying for the same.]

### HISTORY

1. Section 69 substituted by the Finance Act, 2008 (I of 2008). Before substitution this provision was as under:  
*"69. Issuance of certificate & duplicate of Sales Tax documents.-- A certificate or a duplicate of any certificate, tax invoice, monthly return or*

*other sales tax documents may, on payment of a fee of ten rupees, be furnished to the registered person applying for the same."*

2. Substituted for "*Sales Tax not below the rank of Assistant Collector*" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

**70. Computation of limitation period.**--In computing the period of limitation prescribed for any appeal or application under this Act, the day on which the order complained of was served and, if the concerned person was not furnished with a copy of the order, the time requisite for obtaining a copy of such order shall be excluded.]

<sup>1</sup>[**71.Special procedure.**-- <sup>2</sup>[(1)] <sup>3</sup>[The Board] may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, registration, book keeping and invoicing requirements and returns, *etc*; in respect of such supplies as may be specified therein.]

<sup>4</sup>[(2) \*\*\*\*\*]

<sup>5</sup>[(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any decision of any court the trade enrolment Certificate Schemes immediately in force before the commencement of the Finance Act, 1999, shall be deemed to be validly made under this Act.]

## HISTORY

1. Section 71 inserted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier the same amendment was made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) *w.e.f.* 02.11.1996 and again by the Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997).
2. The contents of section 71 were numbered as sub-section (1) by the Finance Act, 1999 (IV of 1999).
3. Substituted for "*Notwithstanding anything contained in this Act, the [Federal Government]*" by Finance Act, 2019 (V of 2019).

- a. Substituted for “*Board with the approval of the Federal Minister-in-charge*” by the Finance Act, 2018 (XXX of 2018). Earlier it was substituted for “*Federal Government*” by the Finance Act, 2017 (XXVII of 2017).
4. Sub-section (2) omitted by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999) dated 13.08.1999. Originally this provision was added by the Finance Act, 1999 (IV of 1999). Before omission this provision was as under:  
 “(2) *The Board may allow a manufacturer or producer or a retailer, liable to turnover tax under section 3A to pay any amount on any basis for any period as it may, by notification in the official Gazette, specify.*”
5. Sub-section (3) was inserted by the Finance Act, 1999 (IV of 1999).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 71	The Special Procedure for Adjustment of Sales Tax due on Fertilizers Rules, 2015 issued vide S.R.O.1198(I)/2015 dated 03.12.2015.
Section 71	S.R.O.1087(I)/2019 dated 19.09.2019. (Specification of ginned cotton as goods on which recipient shall be liable to pay sales tax)

**<sup>1</sup>[72. Officers of Sales Tax to follow Board's orders, etc.--**  
 All officers of <sup>2</sup>[Inland Revenue] and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of officers of <sup>2</sup>[Inland Revenue] in the exercise of their *quasi-judicial* functions.]

### **HISTORY**

1. Section 72 inserted by the Finance Act, 1998 (III of 1998).
2. Substituted for “*Sales Tax*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

**<sup>1</sup>[72A. Reference to the authorities.--**Any reference to the Collector, Additional Collector, Deputy Collector, Assistant Collector, Superintendent, Senior Auditor and an officer of Sales

Tax wherever occurring, in this Act and rules, notifications, clarifications general orders or orders made or issued thereunder, shall be construed as reference to the Commissioner Inland Revenue, Additional Commissioner Inland Revenue, Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Inland Revenue Audit Officer and an officer of Inland Revenue, respectively.]

### **HISTORY**

1. Section 72A inserted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.

<sup>1</sup>[**72B. Selection of audit by the Board.**-- (1) The Board may select persons or classes of persons for audit of tax affairs through computer ballot which may be random or parametric as the Board may deem fit.

<sup>2</sup>[(1A)Notwithstanding anything contained in this Act or any other law, for the time being in force, the Board shall keep the selection parameters confidential

(2) Audit of tax affairs of persons selected under sub-section (1) shall be conducted as per procedure given in section 25 and all the provisions of this Act shall apply accordingly.

(3) For the removal of doubt, it is hereby declared that the Board shall be deemed always to have had the power to select any persons or classes of persons for audit of tax affairs under this section.]

### **HISTORY**

1. Section 72B inserted by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010.
2. Sub-section (1A) inserted by Finance Act, 2019 (V of 2019).

**<sup>1</sup>[72C. Reward to Inland Revenue Officers and Officials.-**

(1) In cases involving concealment or evasion of sales tax and other taxes, cash reward shall be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection, as may be prescribed by the Board, only after realization of part or whole of a taxes involved in such cases.

(2) The Board may, by notification in the official Gazette, prescribed the procedure in this behalf and specify the apportionment of reward sanctioned under this section for individual performance or to collective welfare of the officers and officials of Inland Revenue.]

**HISTORY**

1. Section 72C inserted by Finance Act, 2013 (XXII of 2013).

**<sup>1</sup>[72D. Reward to whistleblowers.--** (1) The Board may sanction reward to whistleblowers in cases of concealment or evasion of tax, tax fraud, corruption or misconduct providing credible information leading to such detection of tax fraud.

(2) The Board may, by notification in the official Gazette, prescribe the procedure in this behalf and also specify the apportionment of reward sanctioned under this section for whistleblowers.

(3) The claim for reward by the whistleblower shall be rejected, if--

- (a) the information provided is of no value;
- (b) the Board already had the information;
- (c) the information was available in public records; or

(d) no collection of taxes is made from the information provided from which the Board can pay the reward.

(4) For the purpose of this section, “whistleblower” means a person who reports concealment or evasion of sales tax and tax fraud leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or a sales tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.]

### HISTORY

1. Section 72D inserted by Finance Act, 2015 (V of 2015).

**<sup>1</sup>[73.Certain transactions not admissible.- (1)**

Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount for a transaction exceeding value of fifty thousand rupees, excluding payment against a utility bill, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument showing transfer of the amount of the sales tax invoice in favour of the supplier from the business bank account of the buyer <sup>2</sup>[:]

<sup>3</sup>[Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payments through credit card shall be treated as transactions through the banking channel, subject to the condition that such transactions are verifiable from the bank statements of the respective buyer and the supplier.]

(2) The buyer shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or

zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed in sub-section (1), provided that payment in case of a transaction on credit is so transferred within one hundred and eighty days of issuance of the tax invoice.

(3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier, otherwise the supplier shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or drawback or zero-rating of tax under this Act.

*Explanation.*-- For the purpose of this section, the term "business bank account" shall mean a bank account utilized by the registered person for business transactions, declared to the <sup>4</sup>[Commissioner] in whose jurisdiction he is registered <sup>5</sup>[through Form STR-1 or change of particulars in registration database].

<sup>6</sup>[(4) A registered <sup>7</sup>[person] shall not be entitled to deduct input tax (credit adjustment or deduction of input tax) which is attributable to such taxable supplies exceeding, in aggregate, one hundred million rupees in financial year or ten million rupees in a tax period as are made to a certain person who is not a registered person under this Act:

Provided that the aforesaid shall not apply to supplies made to.-

- (a) Federal/provincial/local Government departments, authorities, etc. not engaged in making of taxable supplies;



- (b) Foreign Missions, diplomats and privileged persons;  
8[\*\*\*\*]
- (c) all other persons not engaged in supply of taxable goods <sup>9</sup>[; and]]]
- <sup>10</sup>[(d) persons or classes of person, specified by the Board through notification in the official Gazette subject to such conditions and restrictions as may be specified therein.]

### HISTORY

1. Section 73 substituted by the Finance Act, 2004 (II of 2004). Before substitution this provision was as under:-

*“<sup>a</sup>73. Certain transactions not admissible.-- Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount of sales tax excluding utility bills for a transaction exceeding value of twenty-five thousand rupees shall be made by a banking instrument showing transfer of the amount of sales tax in favour of the supplier or the Collector of Sales Tax, as the case may be, from the specified bank account of the buyer to the specified bank account of the supplier or to the specified sales tax head of account, as the case may be. The buyer and seller shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act if payment for the amount of sales tax is made or received otherwise than in the manner herein prescribed.]”*

- a. Section 73 substituted by the Finance Act, 2003 (I of 2003). Originally this provision was inserted by the Tax Law (Amendment) Ordinance, 1999 (XXII of 1999) dated 17.12.1999. Before substitution, in 2003, this provision was as under:-

*“73. Certain transactions not admissible.-- Notwithstanding anything contained in this Act or any other law for the time being in force, any transaction <sup>aa</sup>[(excluding utility bills)] in respect of which payment is made on or after the first day of <sup>ab</sup>[July, 2000], for a sum exceeding fifty thousand rupees otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft or pay order <sup>ac</sup>[or any other banking instrument showing transfer of the payment in favour of seller from the business account of the buyer] shall not be admissible for the purposes of input tax credit, adjustment or deduction, or refund, repayment or drawback or zero-rating etc. of tax under this Act <sup>ad</sup>[provided that payment, in case of such transaction on credit, is so*

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transferred within one hundred and twenty days of issuance of tax invoice  
*ae*[:] ]

*af*[Provided that when a registered person supplies taxable goods for a sum exceeding fifty thousand rupees in respect of which payment is received otherwise than in the manner prescribed in this section read with section 7, he shall not be entitled to claim adjustment or refund of input tax in respect of such goods.]

- aa. The brackets and words inserted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.
- ab. Substituted for "**January**" by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.
- ac. The words inserted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000.
- ad. The words added by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- ae. Substituted for full stop by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- af. Proviso added by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 2. Substituted for full stop by the Finance Act, 2005 (VII of 2005).
- 3. Proviso added by the Finance Act, 2005 (VII of 2005).
- 4. Substituted for "**Collector**" by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
- 5. Insertion by the Finance Act, 2013 (XXII of 2013).
- 6. Sub-section (4) alongwith proviso added by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, sub-section (4) without proviso was added by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 7. Substituted for "**manufacturer or producer**" by the Finance Act, 2020 (XIX of 2020).
- 8. The word "**and**" shall be omitted by the Finance Act, 2020 (XIX of 2020).
- 9. Substituted for full stop by the Finance Act, 2020 (XIX of 2020).
- 10. Clause (d) inserted by the Finance Act, 2020 (XIX of 2020).

### Delegated / Subordinate legislation currently in force

Section 73(4)	STGO No. 01 of 2020 ( Provision of Section 73(4) of the Sales Tax Act, 1990 - - Supplies by Registered Manufacturers to Sales Tax Registered persons)
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<sup>1</sup>[74. **Condonation of time-limit.**--Where any time or period has been specified under any of the provisions of the Act or rules made thereunder within which any application is to be made or any act or thing is to be done, the <sup>2</sup>[Board] may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate <sup>3</sup>[:] ]

<sup>4</sup>[Provided that the Board may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any <sup>5</sup>[Commissioner] to exercise the powers under this section in any case or class of cases.]

<sup>6</sup>[*Explanation.*– For the purpose of this section, the expression “any act or thing is to be done” includes any act or thing to be done by the registered person or by the authorities specified in section 30 of this Act.]

## HISTORY

1. Section 74 inserted by Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
2. Substituted for “*Central Board of Revenue*” by the Finance Act, 2007 (IV of 2007).
3. Substituted for full stop by the Finance Act, 2004 (II of 2004).
4. Proviso added by the Finance Act, 2004 (II of 2004).
5. Substituted for “*Collector*” by Finance Act, 2010 (XVI of 2010) *w.e.f.* 05.06.2010. Earlier the same amendment was made by the Finance (Amendment) Ordinance, 2010 (III of 2010) dated 06.02.2010. This amendment was also made by the Finance (Amendment) Ordinance, 2009 (XXII of 2009) dated 28.10.2009.
6. Explanation added by the Finance Act, 2011 (XVI of 2011).

<b>Delegated / Subordinate legislation currently in force</b>	
Section 74	S.R.O.642(I)/2004 dated 26.07.2004.(Collector empowered to condone time limit for payment in terms of section 73)

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Section 74	S.R.O.978(I)/2004 dated 10.12.2004.(Collector empowered to condone time limit for adjustment/refund of input tax in terms of section 66)
Section 74	S.R.O.1204(I)/2007 dated 11.12.2007.(Collector empowered to allow extension up to 31.01.2008 for furnishing refund claims for period 06/2006 to 09/2007 on prescribed software)
Section 74	S.R.O.394(I)/2009 dated 21.05.2009.(Collectors empowered to condone time limitations under section 74 of the Act subject to certain conditions)
Section 74	STGO No.1 of 2004.(Condonation of time limit under section 74 of the Sales Tax Act, 1990)
Section 74	STGO No. 2 of 2004.(Condonation of out-of-tax period input adjustment)
Section 74	STGO No.35 of 2009.(Extension in time limitation under section 74 of the sales tax act 1990 for issuance of debit/credit notes by insurance companies in terms of section 9 of the act read with rule 22 of sales tax rules 2006.)
Section 74	STGO No.70 of 2012.(Extension in time limitation under Section 74 of the Sales Tax Act, 1990 for issuance of Credit Notes by companies manufacturing food items in terms of Section 9 of the Act read with Rule 22 Of Sales Tax Rules, 2006)
Section 74	Circular dated 23.02.2011.(Extension in date of payment/ filing of return for January, 2011)
Section 74	Circular dated 15.06.2011.(Extension in date of payment/ filing of return for May, 2011 for certain registered person)
Section 74	Circular dated 16.07.2011.(Extension in date of payment/ filing of return for June, 2011 for certain person registered in RTO Hyderabad)
Section 74	Circular dated 10.08.2011.(Extension in date of payment/ filing of return for July, 2011)
Section 74	Circular dated 18.08.2011.(Extension in date of payment for July, 2011)

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Section 74	Circular dated 26.08.2011.(Extension in date of payment/ filing of return for July, 2011)
Section 74	Circular dated 15.09.2011.(Extension in date of payment for August, 2011)
Section 74	Circular dated 20.09.2011.(Extension in date of payment/ filing of return for July & August, 2011)
Section 74	Circular dated 26.09.2011.(Extension in date of payment/ filing of return for July & August, 2011)
Section 74	Circular dated 30.09.2011.(Extension in date of filing of return for July & August, 2011)
Section 74	Circular dated 17.11.2011.(Extension in date of filing of return for October, 2011)
Section 74	Circular dated 16.04.2012.(Extension in date of filing of return for March, 2012)
Section 74	Circular dated 18.06.2012.(Extension in date of payment/ filing of return for May, 2012)
Section 74	Circular dated 26.06.2012.(Extension in date of payment/ filing of return for May, 2012)
Section 74	Circular dated 27.08.2012.(Extension in date of payment/ filing of return for July, 2012)
Section 74	Circular dated 30.08.2012.(Extension in date of payment/ filing of return for July, 2012)
Section 74	Circular dated 05.09.2012.(Extension in date of payment/ filing of return for July, 2012)
Section 74	Circular dated 15.05.2013.(Extension in date of payment/ filing of return for April, 2013)
Section 74	Circular dated 12.07.2013.(Extension in date of payment/ filing of return for June, 2013)
Section 74	Circular dated 15.08.2013.(Extension in date of payment/ filing of return for July, 2013)
Section 74	Circular dated 23.08.2013.(Extension in date of payment/ filing of return for July, 2013)
Section 74	Circular dated 14.10.2013.(Extension in date of payment/ filing of return for September, 2013)
Section 74	Circular dated 15.08.2014.(Extension in date of payment/ filing of return for July, 2014)
Section 74	Circular dated 22.08.2014.(Extension in date of payment/ filing of return for July, 2014)

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Section 74	Circular dated 17.08.2015.(Extension in date of payment/ filing of return for July, 2015)
Section 74	Circular dated 15.07.2016.(Extension in date of payment/ filing of return for June, 2016)
Section 74	Circular dated 11.08.2016.(Extension in date of payment/ filing of return for July, 2016)
Section 74	Circular dated 15.09.2016.(Extension in date of payment/ filing of return for August, 2016)
Section 74	Circular dated 14.06.2018.(Extension in date of payment/ filing of return for May, 2018)
Section 74	Circular dated 03.06.2019.(Extension in date of payment/ filing of return for May, 2019)
Section 74	Circular dated 09.08.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of July, 2019)
Section 74	Circular dated 16.08.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of July, 2019)
Section 74	Circular dated 22.08.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of July, 2019)
Section 74	Circular dated 23.08.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of July, 2019)
Section 74	Circular dated 16.09.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of August, 2019)
Section 74	Circular dated 20.09.2019 (Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of August, 2019)
Section 74	Circular dated 18.10.2019 (Extension in date of payment/ submission of Sales Tax and Federal Excise Return for the tax period of September, 2019)
Section 74	Circular dated 31.10.2019 (Extension in date of

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	submission of Sales Tax and Federal Excise Return for the tax period of September, 2019)
Section 74	Circular dated 25.11.2019 (Extension in date of submission of Sales Tax and Federal Excise Return for the tax period of October, 2019)
Section 74	Circular dated 04.12.2019 (Extension in date of online integration of Tier-1 Retailers)
Section 74	Circular dated 12.12.2019 (Extension in date for filing of Annex-H for the tax period of July, 2019)
Section 74	Circular dated 09.01.2020 (Extension in date for filing of Annex-H for the tax period of July, 2019, & August, 2019)
Section 74	Circular dated 10.01.2020 (Extension in date of submission of Sales Tax and Federal Excise Return for the tax period of November, 2019)
Section 74	Circular dated 13.02.2020 (Extension in date for filing of Annex-H for the tax period of July, 2019, August, 2019 and September, 2019)
Section 74	Circular dated 18.02.2020 (Extension in date of submission of Sales Tax and Federal Excise Return for the tax period of January, 2020)
Section 74	Circular dated 27.02.2020 (Extension in date of submission of Sales Tax and Federal Excise Return for the tax period of January, 2020)
Section 74	Circular dated 09.03.2020 (Extension in date of online integration of Tier-1 Retailers)
Section 74	Circular dated 13.03.2020 (Extension in date for filing of Annex-H for the tax period of July, 2019, August, 2019, September, 2019 and October, 2019)
Section 74	Circular dated 24.03.2020 (Extension in date of submission of Sales Tax and Federal Excise Returns alongwith Annexures for the tax period of January, 2020 and February, 2020)

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Section 74	Circular dated 02.04.2020 (Extension in date of online integration of Tier-1 Retailers)
Section 74	Circular dated 31.03.2020 (Extension in date of payment of Sales Tax and Federal Excise for the tax period of February, 2020)
Section 74	Circular dated 01.04.2020 (Extension in date of payment of Sales Tax and Federal Excise Return for the tax period of January, 2020)
Section 74	Circular dated 18.04.2020 (Extension in date of payment & submission of Sales Tax and Federal Excise Return for the tax period of March, 2020)
Section 74	Circular dated 30.04.2020 (Extension in date of payment/submission of Sales Tax and Federal Excise returns for the tax periods of January, 2020, February, 2020 and March, 2020)
Section 74	Circular dated 30.04.2020 (Extension in date of filing of Annex-H for the tax period of July, 2019 to November, 2020)
Section 74	Circular dated 15.05.2020 (Extension in date of filing of Annex-H for the tax period of July, 2019 to December, 2020)
Section 74	Circular dated 15.05.2020 (Extension in date of payment/submission of Sales Tax and Federal Excise return for the tax period of March, 2020)
Section 74	Circular dated 19.05.2020 (Extension in date of payment/submission of Sales Tax and Federal Excise return for the tax period of April, 2020)
Section 74	Circular dated 21.05.2020 (Extension in date for POS integration for Tier-1 retailers)
Section 74	Circular dated 03.07.2020 (Extension in date for POS integration for Tier-1 retailers)
Section 74	Circular dated 07.07.2020 (Extension in date for filing of Annex-H for the tax period of July, 2019 to January, 2020)



<sup>1</sup>[74A. **Validation.**—<sup>2</sup>(1)] All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, <sup>3</sup>[2018] shall be deemed to have been validly issued and notified in exercise of those powers.]

<sup>4</sup>[(2) Notwithstanding any omission, irregularity or deficiency in the establishment of or conferment of powers and functions on the Directorate General (Intelligence and Investigation), Inland Revenue and authorities specified in section 30A, all orders passed, notices issued and actions taken, before commencement of the Finance Act, 2018, in exercise or purported exercise of the powers and functions of the officers of Inland Revenue under this Act by the Director General (Intelligence and Investigation), Inland Revenue or the authorities specified in section 30A shall be deemed to have been validly passed, issued and taken under this Act.]

## HISTORY

1. Section 74A inserted by Finance Act, 2017 (XXVII of 2017).
2. Existing contents of section were numbered as sub-section (1) by the Finance Act, 2018 (XXX of 2018).
3. Substituted for “2017” by the Finance Act, 2018 (XXX of 2018).
4. Sub-section (2) added by the Finance Act, 2018 (XXX of 2018).

<sup>1</sup>[75. **Application of the provisions of Act IV of 1969 to Sales Tax.**—The Federal Government may, by notification in the official Gazette, declare that any of the provision of the Customs Act, 1969 (IV of 1969), relating to the levy of, and exemption from, customs duties, draw-back of duty, warehousing, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be

applicable in regard to like matters in respect of the tax imposed by section 3.]

### **HISTORY**

1. Section 75 inserted by Finance Act, 2003 (I of 2003).

<sup>1</sup>[**76.Fee and service charges.**-The <sup>2</sup>[Board with approval of the Federal Minister-in-charge] may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy fee and service charges for valuation, in respect of any other service or control mechanism provided by any formation under the control of the Board, including ventures of public-private partnership, at such rates as may be specified in the notification.]

### **HISTORY**

1. Section 76 inserted by Finance Act, 2019 (V of 2019).
2. Substituted for "*Federal Government*" by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.

<sup>1</sup>The

**FIRST SCHEDULE**

[OMITTED]

**HISTORY**

- The First Schedule omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Originally this Schedule was added by the Finance Act, 1996 (IX of 1996). Before omission, in 1997, this schedule was as under:

*"The*

**FIRST SCHEDULE**

[See clause (a) of sub-section (2) of section 3]

<i>Serial No.</i>	<i>Description</i>	<i>Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)</i>
(1)	(2)	(3)
1.	<i>In-edible tallow.</i>	1502.0020
2.	<i>Iron oxide yellow.</i>	2530.4000, 2821.1000
3.	<i>Iron oxide red.</i>	2530.4000, 2821.1000
4.	<i>Titanium oxides.</i>	28.23
5.	<i>Methanol.</i>	2905.1100
6.	<i>Pentaerythritol.</i>	2905.4200
7.	<i>Phenol.</i>	2907.1100
8.	<i>Methyl ethyl ketone.</i>	2914.1200
9.	<i>Butyl acetate.</i>	2915.3300
10.	<i>Phthalic anhydride.</i>	2917.3500
11.	<i>Amine-function compounds; oxygenfunction amino-compounds.</i>	29.21, 29.22
12.	<i>Melamine.</i>	2933.6100
13.	<i>Pigments and preparations based on titanium dioxide.</i>	3206.1000
14.	<i>Zirconium drier.</i>	32.11
15.	<i>Cobalt napthenate drier.</i>	32.11
16.	<i>Calcium napthenate drier.</i>	32.11
17.	<i>Mixed alkyl benzene.</i>	3817.1000
18.	<i>Bentone.</i>	2508.1000, 3823.9000
19.	<i>Plastics in primary forms; waste,</i>	39.01 to 39.15

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	<i>parings and scrap of plastics.</i>	
20.	<i>Pig iron.</i>	72.01
21.	<i>Iron and steel scrap <sup>a</sup>[(excluding ship plates obtained from ship breaking)]</i>	72.04
22.	<i>Flat-rolled products of iron or non-alloy steel (hot-rolled).</i>	72.08, 7211.1300, 7211.1400, 7211.1900
23.	<i>Flat-rolled products of iron or non-alloy steel (cold-rolled).</i>	72.09, 7211.2300, 7211.2900, 7211.9000
24.	<i>Flat-rolled products of iron or non-alloy steel, clad, plated or coated.</i>	72.10, 72.12
25.	<i>Flat rolled products of stainless steel.</i>	72.19, 72.20
26.	<i>Flat rolled products of alloy steel.</i>	72.25, 72.26"

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a. The brackets and words inserted by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996).

<sup>1</sup>The

## SECOND SCHEDULE

[OMITTED]

### HISTORY

1. The Second Schedule added by the Finance Act, 1996 (IX of 1996). The Schedule was omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier this omission was made by the Sales Tax (Amendment) Ordinance, 1996 (CXXI of 1996) *w.e.f.* 29.12.1996. Before omission this schedule was as under:

“The  
**SECOND SCHEDULE**  
 [See clause (b) of sub-section (2) of section 3]

<i>Serial No.</i>	<i>Description</i>	<i>Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)</i>
(1)	(2)	(3)
1.	<i>Plants, vegetable saps and extracts of a kind used in pharmacy. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act.</i>	12.11.9091, 1302.1910.
2.	<i>Natural calcium phosphates.</i>	25.10.
3.	<i>Natural aluminium calcium phosphate.</i>	25.10.
4.	<i>Phosphatic chalk.</i>	25.10.
	<i>Medicaments excluding the following:--</i>	
	<i>(i) Filled infusion solution bags imported with or without infusion giving sets.</i>	
	<i>(ii) Scrub (washing preparation).</i>	
	<i>(iii) Soft soap.</i>	<i>Respective</i>
5.	<i>(iv) Adhesive plaster.</i>	<i>headings of</i>
	<i>(v) Surgical tapes.</i>	<i>Chapter 30.</i>
	<i>(vi) Liquid paraffin.</i>	
	<i>(vii) Disinfectants.</i>	
	<i>(viii) Medicated shampoos.</i>	
	<i>(ix) Absorbent cotton wool.</i>	
6.	<i>Substances registered as drugs under the</i>	<i>Respective</i>

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- Drugs Act, 1976 (XXXI of 1976), excluding the following:--
- (i) Filled infusion solution bags imported with or without infusion giving sets.
  - (ii) Scrub (washing preparation).
  - (iii) Soft soap.
  - (iv) Adhesive plaster.
  - (v) Surgical tapes.
  - (vi) Liquid paraffin.
  - (vii) Disinfectants.
  - (viii) Medicated shampoos.
  - (ix) Absorbent cotton wool.
7. Radio-active chemical elements and radio-active isotopes and their compounds for treatment of diseases, for government hospitals and hospitals providing free medical facilities to patients. Respective headings.
8. Raw materials for basic manufacture of pharmaceutical active ingredients. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act. Respective headings.
9. Raw materials for manufacture of pharmaceutical products. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act. Respective headings.
10. Packing materials for manufacture of Pharmaceutical products, including neutral glass tubings for the manufacture of vials and ampoules. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act. Respective headings.
11. Raw materials for manufacture of syringes and infusion giving sets. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act. Respective headings.
12. Raw materials for manufacture of artificial parts of human body. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act. Respective headings.
13. Dialysis bath concentrate solution for use in kidney machines. Respective headings.
14. Raw materials for non-oral diagnostic re- Respective

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	<i>agents, imported by approved manufacturers of non-oral diagnostic kits.</i>	<i>headings.</i>
15.	<i>Non-oral diagnostic re-agent kits.</i>	<i>Respective headings.</i>
16.	<i>Raw materials, equipment and component parts thereof for the production of vaccine and other life saving drugs for National Institute of Health, Islamabad.</i>	<i>Respective headings.</i>
17.	<i>Laundry soap.</i>	3401.1910
18.	<i>Photographic plates and films for X-ray.</i>	3701.1000, 3702.1000.
19.	<i>Books, journals, newspapers and periodicals, excluding directories of all sorts.</i>	49.01, 49.02, 49.03
20.	<i>Colostomy bags.</i>	3926.9090
21.	<i>Surgical gloves.</i>	4015.1100, 3926.2010
22.	<i>Raw materials used in manufacture of insecticides and pesticides meant for agriculture purposes. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act.</i>	<i>Respective headings.</i>
23.	<i>Electric etching machines; ultrasonic machines; and sand blasting machine, for the manufacture of surgical instruments.</i>	<i>Respective headings.</i>
24.	<i>Specially designed blood bank refrigerators and mortuary refrigerators.</i>	84.14
25.	<i>Ambulances.</i>	87.03
26.	<i>Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus; other electro-medical apparatus and sight-testing instruments.</i>	90.18
27.	<i>Mechno-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosoltherapy, artificial respiration or other therapeutic respiration apparatus; other breathing appliances and gas masks, excluding protective masks having neither mechanical apparatus nor replacement filters.</i>	90.19, 90.20
28.	<i>Orthopedic appliances, including crutches, surgical belts and trusses; splints and other</i>	90.21

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- fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body to compensate for any defect or disability.*
29. *Medical, surgical, dental or veterinary furniture.* 94.02
30. *Plant and machinery, including coal mining machinery, for balancing, modernization and replacement or initial installation of power generation projects, including hydel power generation projects. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act.* *Respective headings.*
31. *Plant and machinery for petroleum sector projects. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act.* *Respective headings.*
32. *Plant and machinery for power transmission system projects and grid stations. If imported these will be subject to similar conditions as are envisaged for the purposes of Customs Act.* *Respective headings.*
33. *Plant and machinery for manufacture of fertilizers, insecticides and pesticides.* *Respective headings.*
34. *Cream fat and oil derived from milk and cheese, packaged and sold under brand names.* *Respective headings."*
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<sup>1</sup>The

**THIRD SCHEDULE**

[See <sup>2</sup>[clause (a)] of sub-section (2) of section 3]

Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
1.	Fruit juices and vegetable juices.	20.09.
2.	Ice cream.	<sup>3</sup> [2105.0000].
3.	Aerated waters or beverages.	22.01 and 22.02.
4.	Syrups and squashes.	Respective headings.
5.	Cigarettes.	2402.2000.]
<sup>4</sup> [6.	Toilet soap	3401.1100 and 3401.2000.]
<sup>5</sup> [7.	Detergents	3402.2000
8.	Shampoo	3305.1000
9.	Toothpaste	3306.1010
10.	Shaving cream	3307.1000
11.	Perfumery and cosmetics	Respective sub- headings of 33.03 and 33.04.]
<sup>6</sup> [12.	*****	*****

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13.	*****	*****]
7[14.	Tea	Respective sub-headings of 09.02
15.	Powder drinks	21.06
16.	Milky drinks	2106.9090]
8[17.	Toilet paper and tissue paper	4818.1000 and 4818.2000.]
9[18.	Spices sold in retail packing bearing brand names and trade marks	09.04, 09.06, 09.08 and 09.10
10[19.	*****	*****
20.	*****	*****]
21.	Shoe polish and shoe cream	3405.1010]
11[12[22.	*****	*****]
13[23.	*****	*****
24.	*****	*****
25.	*****	*****
26.	*****	*****
27.	*****	*****
28.	*****	*****
29.	*****	*****
30.	*****	*****
31.	*****	*****]
32.	Fertilizers	Respective headings

33.	Cement sold in retail packing	Respective headings
14[34.	*****	*****
35.	*****	*****]
15[36.	*****	*****] ]
16[37.	Mineral/bottled water	Respective headings] headings]
17[38.	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets.	Respective headings
39.	Household gas appliances, including cooking range, ovens, geysers and gas heaters.	Respective headings
40.	Foam or spring mattresses and other foam products for household use.	Respective headings
41.	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing	Respective headings
42.	Lubricating oils, brake fluids, transmission fluid, and other	Respective headings

	vehicular fluids sold in retail packing.	
43.	Storage batteries excluding those sold to automotive manufacturers or assemblers	Respective headings
44.	Tyres and tubes excluding those sold to automotive manufacturers or assemblers	Respective headings
45.	Motorcycles	Respective headings
46.	Auto rickshaws	Respective headings
47.	Biscuits in retail packing with brand name	Respective headings
48.	Tiles	Respective headings
49.	Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers	Respective headings]

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### **HISTORY**

- 1 The Third Schedule added by the Finance Act, 1996 (IX of 1996) and substituted by the Finance Act, 1998 (III of 1998). Before substitution this schedule was as under:

*“The*  
**THIRD SCHEDULE**  
*[See clause (C) of sub-section (2) of section 3]*

<i>Serial N o.</i>	<i>Description</i>	<i>Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)</i>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	<i>Biscuits and confectionery.</i>	<i>Respective headings.</i>
2.	<i>Fruit juices and vegetable juices,</i>	<i>20.09</i>

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3.	Ice cream.	21.05
4.	Aerated waters/beverages.	21.01, 22.02
5.	Syrups and squashes.	Respective headings.
6.	Cigarettes.	2402.2000
<sup>a</sup> 7.	*****	*****]
8.	Lubricating oils and oil additives.	2710.0081, 2710.0082
9.	Paint, varnishes, pigments, distempers, colours, dyes, enamels, glazes, lusters, thinners, blacks, cellulose lacquers and polishes.	Respective headings of Chapter 32.
10.	Soap.	3401.1120, 3401.1130
11.	Detergents.	3402.9091
<sup>b</sup> 12.	*****	*****]
13.	Deep freezers and refrigerators.	84.18
14.	Air conditioners.	84.15
15.	Television sets.	85.28
16.	Bulbs and tube lights.	85.39
17.	Motor cars.	87.03
18.	Motor cycles and mopeds.	87.11]

a. Serial No. 7 and entries relating thereto omitted by the Finance Act, 1996 (IX of 1996). Before omission this entry was as under:

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<i>"7. Cement</i>	<i>25.23"</i>
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b. Serial No.12 and entries relating thereto omitted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier this amendment was made by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) *w.e.f.* 02.11.1996 and again by the Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997). Before omission this entry was as under:

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<i>"12. Footwear</i>	<i>64.01, 64.02, 64.03, 64.04, 64.05"</i>
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2 Substituted for "*clause (c)*" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.

3 Substituted for "*20.05*" by the Finance Act, 2017 (XXVII of 2017).

4 Serial No.6 and the entries relating thereto inserted by the Sales Tax (Amendment) Ordinance, 2002 (XVI of 2002) dated 21.03.2002 and substituted by the Finance Act, 2005 (VII of 2005). Before substitution this entry was as under:

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<i>"6. Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under any heading of Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969)</i>	<i>Chapter 30"</i>
<i><sup>a</sup>[excluding supplies made to government hospitals on or after the 21st day of March, 2002]</i>	

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a. The expression inserted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.

5 Serial No. 7 to 11 and entries relating thereto inserted by the Finance Act, 2005 (VII of 2005).

6 Serial No 12 and 13 and entries relating thereto were added by the Finance Act, 2005 (VII of 2005) and were omitted by the Finance Act, 2008 (I of 2008). Before omission these entries were as under:

"12.	Biscuits	1905.3100 and 1905.3200
13.	Confectionery	Respective sub-headings of 17.04"

7 Serial No.14, 15 & 16 and entries relating thereto inserted by the Finance Act, 2005 (VII of 2005).

8 Serial No 17 and entries relating thereto were added by the Finance Act, 2005 (VII of 2005) and were substituted by the Finance Act, 2006 (III of 2006). Before substitution this entry was as under:

"17.	Footwear	Respective sub-headings of 64.01, 64.02, 64.03, 64.04 and 64.05"
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9 Serial No. 18 to 21 and entries relating thereto inserted by the Finance Act, 2006 (III of 2006).

10 Serial No.19 & 20 and entries relating thereto, that were inserted by the Finance Act, 2006 (III of 2006), were omitted by the Finance Act, 2008 (I of 2008).

"19.	Electric bulbs including energy saving lamps and fluorescent tube lights	85.39
20.	Snacks including potato chips sold in retail packing	19.05 and 20.05"

11 Serial No. 22 to 36 and entries relating thereto were inserted by the Finance Act, 2013 (XXII of 2013).

12 Serial No.22 and entries relating thereto omitted by the SRO.681(I)/2013 dated 26.07.2013. Before omission this entry was as under:

"22.	Finished or made-up articles of textile and leather, including garments, footwear, and bed ware, sold in retail packing	Respective headings."
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13 Serial No. 23 to 31 and entries relating thereto inserted by the Finance Act, 2013 (XXII of 2013) and were omitted by SRO.895(I)/2013 dated 04.10.2013. Before omission these entries were as under:

"23.	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, fans, electric irons, washing machines and telephone sets	Respective headings.
24.	Household gas appliances, including cooking range, ovens, geysers and gas heaters	Respective headings.
25.	Foam or spring mattresses, and other foam products for household use	Respective headings.

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- |     |  |                              |
|-----|--|------------------------------|
| 26. | <i>Auto parts and accessories sold in retail packing</i>   | <i>Respective headings.</i>  |
| 27. | <i>Lubricating oils, brake fluid, transmission fluid, and other vehicular fluids and maintenance products in retail packing</i>  | <i>Respective headings.</i>  |
| 28. | <i>Tyres and tubes</i>   | <i>Respective headings.</i>  |
| 29. | <i>Storage batteries</i>   | <i>Respective headings.</i>  |
| 30. | <i>Arms and ammunition</i>   | <i>Respective headings.</i>  |
| 31. | <i>Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing</i> | <i>Respective headings."</i> |
- 
- 14 Serial No.34 & 35 and entries relating thereto inserted by the Finance Act, 2013 (XXII of 2013) and were omitted by SRO.895(I)/2013 dated 04.10.2013. Before omission these entries were as under:
- |      |   |                              |
|------|---|------------------------------|
| “34. | <i>Tiles sold in retail packing</i>                             | <i>Respective headings.</i>  |
| 35.  | <i>Biscuits, confectionery, chocolates, toffees and candies</i> | <i>Respective headings."</i> |
- 
- 15 Serial No.36 and entries relating thereto inserted by the Finance Act, 2013 (XXII of 2013) and were omitted by SRO.681(I)/2013 dated 26.07.2013. Before omission these entries were as under:
- |      |  |                              |
|------|--|------------------------------|
| “36. | <i>Other goods and products sold in retail packing</i> | <i>Respective headings."</i> |
|------|--|------------------------------|
- 
- 16 Serial No.37 and entries relating thereto inserted by the Finance Act, 2016 (XXIX of 2016).
- 17 Serial No. 38 to 49 added by Finance Act, 2019 (V of 2019).

<b>Delegated / Subordinate legislation currently in force</b>	
3 <sup>rd</sup> Schedule	STGO No.2 of 2006.(Addition of items to Third Schedule of the Sales Tax Act, 1990 - printing of retail price)
3 <sup>rd</sup> Schedule	STGO No.01 of 2017.(Notification of zones for determination of highest retail price of fertilizers in retail packing)
3 <sup>rd</sup> Schedule	STGO No.102 of 2019.(Printing of retail price on imported Third Schedule items and other related matters)

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3 <sup>rd</sup> Schedule	STGO No.103 of 2019.(Printing of retail price on imported Third Schedule items and other related matters
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<sup>1</sup>The

## FOURTH SCHEDULE

[OMITTED]

### HISTORY

1. The Fourth Schedule added by the Finance Act, 1996 (IX of 1996). This Schedule was omitted by the Finance Act, 1998 (III of 1998). Before omission this schedule was as under:

“The

#### FOURTH SCHEDULE

[See clause (d) of sub-section (2) of section 3]

<i>Serial No.</i>	<i>Description of supplies</i>	<i>Amount per month per kiln.</i>
(1)	(2)	(3)
1.	<i>Brick kiln (commonly known as Bhatta with Chimney) located in the jurisdiction of Districts of Multan, Faisalabad, Lahore, Rawalpindi and Islamabad Capital Territory.</i>	<i>Rs.2750.00</i>
2.	<i>Brick kilns (commonly known as Bhatta with Chimney) in parts of Pakistan other than mentioned against serial No. 1 above.</i>	<i>Rs.1375.00</i>
3.	<i>Small brick kilns (commonly known as Bhatti or Kori and is without chimney.</i>	<i>Rs.440.00”</i>

<sup>1</sup>The

**FIFTH SCHEDULE**

[See section 4]

<b>Serial No</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>
1.	<p>(i) Supply, repair or maintenance of any ship which is neither;</p> <p>(a) a ship of gross tonnage of less than 15 LDT; nor</p> <p>(b) a ship designed or adapted for use for recreation or pleasure.</p> <p>(ii) Supply, repair or maintenance of any aircraft which is neither;</p> <p>(a) an aircraft of weight-less than 8000 kilograms; nor</p> <p>(b) an aircraft designed or adapted for use for recreation or pleasure.</p> <p>(iii) Supply of spare parts and equipment for ships and aircraft falling under (i) and (ii) above.</p> <p>(iv) Supply of equipment and machinery for pilotage, salvage or towage services.</p> <p>(v) Supply of equipment and machinery for air navigation services.</p> <p>(vi) Supply of equipment and machinery for other services provided for the handling of ships or</p>

aircraft in a port or Customs Airport.

2. Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.]
- 2<sup>3</sup>[3. Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act, 1969 (IV of 1969), the supplies from duty free shops shall be treated as import for the purpose of levy of sales tax.
- 3<sup>4</sup>[4. \*\*\*\*\*]]
- 4<sup>5</sup>[5. Supplies of raw materials <sup>5</sup>[, components and goods for further] manufacture of goods in the Export Processing Zones.]
- 6<sup>6</sup>[6. Supplies of such locally manufactured plant and machinery <sup>7</sup>[\*\*\*\*\*<sup>8</sup>[\*\*\*\*\*] to petroleum and gas sector Exploration and Production companies, their contractors and sub-contractors] as may be specified by the Federal Government, by notification in the official Gazette, subject to such conditions and restrictions as may be specified in such notification.]
- 9<sup>6A</sup>[6A. Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely:--
  - (i) Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer;

- (ii) Apparatus, appliances and equipments specifically meant or adapted for use in conjunction with the machinery specified in clause (i);
- (iii) Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); and
- (iv) Parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.

**Conditions, restrictions and procedures:--**

- (a) the supplier of the machinery is registered under the Act;
- (b) proper bill of export is filed showing registration number;
- (c) the purchaser of the machinery is an established manufacturer located in the Export Processing Zone and holds a certificate from the Export Processing Zone Authority to that effect;
- (d) the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Export Processing Zone before a period of five years from the date of entry into the Zone;
- (e) if the machinery is brought to tariff area of

Pakistan, sales tax shall be charged on the value assessed on the bill of entry; and

- (f) breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.]

<sup>10</sup>[7. Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein.]

<sup>11</sup>[8. Imports or supplies made to Gawadar Special Economic Zone, excluding vehicles falling under heading 87.02 of the Pakistan Customs Tariff, subject to such conditions, limitations and restrictions as the <sup>12</sup>[Board] may impose. ]

<sup>13</sup>[9. Goods exempted under section 13, if exported by a manufacturer <sup>14</sup>[\*\*\*\*\*].

10. Petroleum Crude Oil (PCT heading 2709.0000).

11. Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of such plants and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as “manufacturer”; and in case of import, all the conditions, restrictions, limitations and procedures as are imposed by Notification under section 19 of the Customs Act,1969(IV of 1969), shall apply.

12. The following goods and the raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, subject to the conditions, limitations and restrictions as<sup>15</sup>[prescribed by the Board]:--

<sup>16</sup>[(i) to (ix)       \*\*\*\*\*]

<sup>17</sup>[(x) to xvi       \*\*\*\*\*]

(xvii)       <sup>18</sup>[Preparations suitable for infants, put up for retail sale] (PCT Heading 1901.1000)

<sup>19</sup>[(xviii)       \*\*\*\*\*]

<sup>20</sup>[(xix)       Bicycles (PCT heading 87.12).

(xx)       Colors in sets (PCT heading 3213.1000).

(xxi)       Writing, drawing and marking inks (PCT heading. 3215.9010 and 3215.9090)

(xxii)       Erasers (PCT heading 4016.9210 and 4016.9290)

(xxiii)       Exercise books (PCT heading 4820.2000)

(xxiv)       Pencil sharpeners (PCT heading 8214.1000)

(xxv)       Geometry boxes (PCT heading 9017.2000)

(xxvi)       Pens, ball pens, markers and porous tipped pens (PCT heading

96.08)

(xxvii) Pencils including color pencils  
(PCT heading 96.09)]

21[13. Supply of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import.

14. Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Gwadar Free Zone, subject to the conditions, restrictions and procedure given below, namely:-

- (i) plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer.
- (ii) apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i).
- (iii) mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i).
- (iv) parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.

Conditions, restrictions and procedures:--

- (a) the supplier of the machinery is registered under the Act;
- (b) proper bill of export is filed showing registration number;

- (c) the purchaser of the machinery is an established manufacturer located in the Gwadar Free Zone and holds a certificate from the Gwadar Port Authority to that effect;
  - (d) the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Gwadar Free Zone before a period of five years from the date of entry into the zone;
  - (e) if the machinery is brought to tariff area of Pakistan outside Gwadar Free Zone, sales tax shall be charged on the value assessed on the Goods Declaration for import; and
  - (f) breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.]
- 

## HISTORY

1. The Fifth Schedule inserted by the Finance Act, 1996 (IX of 1996).
2. Serial No.3 and 4 and entries relating thereto inserted by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier Serial No.3 was inserted by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) *w.e.f.* 02.11.1996 and again added by the Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997). Before omission this entry was as under:
3. Serial No.4 and the entry relating thereto omitted by the Finance Act, 2012 (XVII of 2012) *w.e.f.* 02.06.2012. Before omission this entry was as under:  

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"4. *Supplies against international tenders.*"

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4. Serial No.5 added by the Finance Act, 1997 (XXII of 1997).
5. Substituted for "*and components for*" by the Sales Tax (Amendment) Ordinance, 1999 (XII of 1999) dated 13.08.1999.



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6. Serial No.6 added by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
7. The words *“to the Export Processing Zones and”* omitted by the Finance Act, 2015 (V of 2015).
8. Insertion by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
9. Serial No.6A inserted by the Finance Act, 2015 (V of 2015).
10. Serial No.7 inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
11. Serial No.8 inserted by the Finance Act, 2004 (II of 2004).
12. Substituted for *“Central Board of Revenue”* by the Finance Act, 2007 (IV of 2007).
13. Serial No.9 to 12 inserted by the Finance Act, 2014 (IX of 2014).
14. The words *“who makes local supplies of both taxable and exempt goods”* omitted by the Finance Act, 2015 (V of 2015).
15. Substituted for *“specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007”* by Finance Act, 2019 (V of 2019).
16. Clause (i) to (ix) of Serial No.12 omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this entry was as under:

---

“(i).	Colors in sets (PCT heading 3213.1000)
(ii).	Writing, drawing and marking inks (PCT heading 3215.9010 and 3215.9090)
(iii).	Erasers (PCT heading 4016.9210 and 4016.9290)
(iv).	Exercise books (PCT heading 4820.2000)
(v).	Pencil sharpeners (PCT heading 8214.1000)
(vi).	Geometry boxes (PCT heading 9017.2000)
(vii).	Pens, ball pens, markers and porous tipped pens (PCT heading 96.08)
(viii).	Pencils including color pencils (PCT heading 96.09)
(ix).	Milk <sup>a</sup> [****] (PCT heading 04.01 <sup>b</sup> [****])”

---

- a. The words *“including flavored milk”* omitted by the Finance Act, 2015 (V of 2015).
- b. The word and figure *“and 0402.9900”* omitted by the Finance Act, 2015 (V of 2015).
17. Clause (x) to (xvi) of Serial No.12 omitted by the Finance Act, 2015 (V of 2015). Before omission this provision was as under:

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“(x).	Yogurt (PCT heading 0403.1000)
(xi).	Cheese (PCT heading 0406.1010)
(xii).	Butter (PCT heading 0405.1000)
(xiii).	Cream (PCT heading 04.01 and 04.02)
(xiv).	Desi ghee (PCT heading 0405.9000)
(xv).	Whey (PCT heading 04.04)

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- (xvi). *Milk and cream, concentrated and added sugar or other sweetening matter (PCT heading 0402.1000) "*
- 
18. Substituted for "*Preparations for infant use put up for retail sale*" by Finance Act, 2017 (XXVII of 2017).
19. Clause (xviii) of Serial No.12 omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this provision was as under:--
- 
- "(xviii). Fat filled milk (PCT heading 1901.9090)"*
- 
20. Clauses (xx) to (xxvii) added by the Finance Act, 2018 (XXX of 2018).
21. Serial Number 13 & 14 inserted w.e.f. 01.06.2020 by the Finance Act, 2020 (XIX of 2020). Earlier this amendment was made by the Tax Laws (Amendment) Ordinance, 2019 (XIII of 2019) dated 08.10.2019.

<b>Delegated / Subordinate legislation currently in force</b>	
Sr No.6 of 5 <sup>th</sup> Schedule	S.R.O.342(I)/2002 dated 15.06.2002.(Zero-rated supplies of locally manufactured plant and machinery to petroleum & gas exploration companies and their contractors subject to certain conditions)
Sr No.12 of 5 <sup>th</sup> Schedule	Ch-XV of the Sales Tax Rules, 2006 (Procedure for availing zero-rating under Sr. No.12 of Schedule)

<sup>1</sup>The**SIXTH SCHEDULE**

[See section 13(1)]

**TABLE-1****(IMPORTS OR SUPPLIES)**

Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
1.	Live Animals, <sup>2</sup> [and live poultry]	<sup>3</sup> [0101.2100, <sup>4</sup> [0101.3000]], 0101.9000, <sup>5</sup> [****], <sup>6</sup> [0102.2110], <sup>7</sup> [0102.2120], <sup>8</sup> [0102.2130], <sup>9</sup> [0102.2190], <sup>10</sup> [0102.3900], <sup>11</sup> [0102.2910], <sup>12</sup> [0102.2920], <sup>13</sup> [0102.2930], <sup>14</sup> [0102.2990, 0102.9000], 0104.1000, 0104.2000, 0105.1100, 0105.1200, <sup>15</sup> [****], <sup>16</sup> [0105.9400], 0105.9900,

		0106.1100, 0106.1200, 0106.1900, 0106.2000, 0106.3110, 0106.3190, 0106.3200, 0106.3900 and 0106.9000
2.	<sup>17</sup> [Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved <sup>18</sup> [or packed]	02.01, 02.02 and 02.04
<sup>19</sup> [3.	Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved <sup>20</sup> [or packed]	03.02, 03.03, 03.04, 03.05 and 03.06]
<sup>21</sup> [4.	*****	*****
5.	*****	*****
6.	*****	*****
7.	*****	*****
8.	*****	*****
9.	*****	*****
10.	*****	*****]
11.	Eggs including eggs for hatching	<sup>22</sup> [0407.1100, 0407.1900] and <sup>23</sup> [0407.2100, 0407.2900]
12.	Live plants including bulbs <sup>24</sup> [roots and the like]	0601.1010, 0601.1090, 0601.2000, 0602.1000,

		0602.2000, 0602.3000, 0602.4000, 0602.9010 and 0602.9090
13.	Edible vegetables including roots and tubers, <sup>25</sup> [except ware potato and onions], whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled <sup>26</sup> [or] canned <sup>27</sup> [*****].	0701.1000, <sup>28</sup> [*****], 0702.0000, <sup>29</sup> [*****], 0703.2000, 0703.9000, 0704.1000, 0704.2000, 0704.9000, 0705.1100, 0705.1900, 0705.2100, 0705.2900, 0706.1000, 0706.9000, 0707.0000, 0708.1000, 0708.2000, 0708.9000, 0709.1000, 0709.2000, 0709.3000, 0709.4000, 0709.5100, <sup>30</sup> [0709.5910, 0709.5990], 0709.6000, 0709.7000,

		0709.9000, 0710.1000, 0710.2100, 0710.2200, 0710.2900, 0710.3000, 0710.4000, 0710.8000, 0710.9000, 0712.2000, 0712.3100, 0712.3200, 0712.3300, 0712.3900 and 0712.9000
14.	Pulses.	0713.1000, <sup>31</sup> [0713.2010, 0713.2020, 0713.2090] 0713.3100, 0713.3200, 0713.3300, 0713.3910, 0713.3920, 0713.3990, 0713.4010, 0713.4020, 0713.5000, 0713.9010, 0713.9020 and 0713.9090
15.	Edible fruits excluding imported fruits (except fruits imported	<sup>34</sup> [*****], 0804.1010,

	<p>from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled <sup>32</sup>[or] canned <sup>33</sup>[*****].</p>	<p>0804.1020, 0804.2000, 0804.3000, 0804.4000, 0804.5010, 0804.5020, 0804.5030, 0805.1000, <sup>35</sup>[0805.2910], <sup>36</sup>[0805.2100, 0805.2200 and 0805.2990], 0805.4000, 0805.5000, 0805.9000, 0806.1000, 0806.2000, 0807.1100, 0807.1900, 0807.2000, 0808.1000, <sup>37</sup>[0808.3000, 0808.4000], 0809.1000 0809.2000, 0809.3000, 0809.4000, 0810.1000, 0810.2000, <sup>38</sup>[*****], 0810.4000, 0810.5000, 0810.6000,</p>
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		0810.9010, 0810.9090, 0811.1000, 0811.2000, 0811.9000, 0813.1000, 0813.2000, 0813.3000, 0813.4010, 0813.4020 and 0813.4090
16.	Red chillies excluding those sold in retail packing bearing brand names and trademarks	<sup>39</sup> [0904.2110] and <sup>40</sup> [0904.2210]
17.	Ginger excluding those sold in retail packing bearing brand names and trademarks.	<sup>41</sup> [09.10]
18.	Turmeric excluding those sold in retail packing bearing brand names and trademarks.	0910.3000
19.	<sup>42</sup> [Cereals and products of milling industry <sup>43</sup> [excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name or a trademark].]	1001.1000, 1001.9000, 1002.0000, 1003.0000, 1004.0000, 1005.1000, 1005.9000, <sup>44</sup> [ <sup>45</sup> [*****] 1006.1090], 1006.2000, 1006.3010, 1006.3090, 1006.4000,



		1007.0000, 1008.1000, 1008.2000, 1008.3000, 1008.9000, 1101.0010, 1101.0020, 46[*****], 1102.2000, 47[*****],1102.9000, 1103.1100, 1103.1300, 1103.1900, 48[1104.2200, 1104.2300, 1104.2900 and 1104.3000
20.	Seeds, fruit and spores of a kind used for sowing	49[1006.1010, 50[*****],] 1209.2100 1209.2200, 1209.2300, 1209.2400, 1209.2500, 51[*****], 1209.2900, 1209.3000, 1209.9110, 1209.9120, 1209.9130, 1209.9190 and 1209.9900
21.	Cinchona bark.	1211.9000

22.	Sugar beet.	1212.9100
23.	Sugar cane.	<sup>52</sup> [1212.9300]
24.	Edible oils and vegetable ghee, including cooking oil, on which Federal Excise Duty is charged, levied and collected <sup>53</sup> [by a registered manufacturer or importer] as if it were a tax payable under section 3 of the Act. <sup>54</sup> [Explanation.- Exemption of this entry shall not be available <sup>55</sup> [on local supplies made by importers,] distributors, wholesalers or retailers.]	1507.9000, 1508.9000, 1509.1000, 1509.9000, 1510.0000, <sup>56</sup> [1511.1000,] <sup>57</sup> [*****], 1511.9020, 1511.9030, 1512.1900, 1513.1900, 1513.2900, 1514.1900, 1514.9900, 1515.2900, 1515.5000, 1516.2010, 1516.2020 <sup>58</sup> [,1517.1000], <sup>59</sup> [*****], 1517.9000 and 1518.0000
<sup>60</sup> [25]	*****	*****]
26.	Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or packaged.	2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900,

		2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, <sup>61</sup> [*****] and 2009.9000
27.	Ice and waters excluding those for sale under brand names or trademarks.	2202.1010
<sup>62</sup> [28	*****	*****]
29.	Table salt including iodized salt excluding salt sold in retail packing bearing brand names and trademarks.	2501.0010
<sup>63</sup> [29A	*****	*****
29B	*****	*****]
<sup>64</sup> [29C	Glass bangles	7020.0090]
<sup>65</sup> [30	*****	*****]
31.	Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books.	<sup>66</sup> [4901.9910, 8523.2100,8523.29 10, 8523.2990, <sup>67</sup> [8523.4910], <sup>68</sup> [8523.4920], <sup>69</sup> [8523.4190] <sup>70</sup> [*****], 8523.4190, 8523.5910, 8523.5990, 8523.8010, 8523.8020 and 8523.8090]
32.	<sup>71</sup> [Newsprint, newspapers], journals, periodicals, books	<sup>73</sup> [4801.0000,] 4901.9100,

	<sup>72</sup> [*****] but excluding directories	4901.9990, <sup>74</sup> [4902.1000, 4902.9000] and 4903.0000
33.	Currency notes, bank notes, shares, stocks and bonds	<sup>75</sup> [49.07]
<sup>76</sup> [34]	*****	*****]
<sup>77</sup> [35]	*****	*****]
<sup>78</sup> [36.	*****	*****
37.	*****	*****]
38.	Monetary gold.	<sup>79</sup> [7108.1390] <sup>80</sup> [and 7108.2090]
<sup>81</sup> [39]	*****	*****]
<sup>82</sup> [40]	*****	*****]
<sup>83</sup> [41]	*****	*****]
<sup>84</sup> [42]	*****	*****]
<sup>85</sup> [43]	*****	*****]
<sup>86</sup> [44]	*****	*****]
45.	Dextrose and saline infusion giving sets <sup>87</sup> [*****] along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment.	9018.3910, 9018.3920, 9021.3100, <sup>88</sup> [9021.3900] and 9027.8000
46.	<sup>89</sup> [Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and	99.01, 99.02, 99.03 and 99.06

	regulations made thereunder; and agreements by the Federal Government provided that such goods are charged to zero-rate of customs duty under Customs Act, 1969 (IV of 1969), and the conditions laid therein]	
47.	Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of Gulf Sheikhdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the United Arab Emirates dignitaries as are listed in column (2) against heading No. 99.05 in column (1) of the First Schedule to the Customs Act, 1969 (IV of 1969), for their personal use and for donation to welfare projects established in Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said Act.	99.05
48.	Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the <sup>90</sup> [Board];	99.03

	supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement.	
49.	Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, including goods imported for the President's Fund for Afghan Refugees, relief goods donated for Afghan Refugees, gifts for President's Fund for Assistance of Palestine and gifts received by Pakistani organizations from Church World Services or the Catholic Relief Services subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Custom Act, 1969 (IV of 1969).	99.07, 99.08 and 99.11
50.	Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969).	99.09

51.	Imported samples, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969).	99.10
52.	Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969).	99.13, 99.14 and 99.15
<sup>91</sup> [52A	Goods <sup>92</sup> [excluding electricity and natural gas] supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.	Respective headings]
53.	Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus	99.12, 99.13 and 99.14

	for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution, subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969 (IV of 1969).	
54.	Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969).	99.15
55.	Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969.	99.16
<sup>93</sup> [56	*****	*****]
57	Goods (including dry fruits imported from Afghanistan)	99.19, 99.20 and 99.21



	temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969 (IV of 1969).	
58	Import of ship stores, subject to the procedures, conditions and restrictions as may be specified by the Collector of Customs in this behalf including those consignments of such stores that have been released without charging sales tax since the 1st July, 1998, but excluding such consignments of ship stores as have been cleared on payment of sales tax.	99.22
59	Artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids <sup>94</sup> [,] powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, <sup>95</sup> [cochlear implants systems]	99.24 <sup>96</sup> [, 99.25 <sup>97</sup> [,99.37] and 99.38]

	and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on these goods under the Customs Act, 1969 (IV of 1969).	
60.	Contraceptives and accessories thereof	<sup>98</sup> [3926.9090 and 4014]
61.	Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969), are complied with.	Respective headings.
<sup>99</sup> [62.	*****	*****]
63.	Personal wearing apparel and <i>bona fide</i> baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties.	Respective headings.
<sup>100</sup> [64.	*****	*****
65.	*****	*****
66.	*****	*****
67.	*****	*****
68.	*****	*****
69.	*****	*****
70.	*****	*****]

<sup>101</sup> [71.]	Goods and services purchased by non-resident entrepreneurs and in trade fairs and exhibitions subject to reciprocity and such conditions and restrictions as may be specified by the Board.	Respective headings.]
<sup>102</sup> [72.]	Uncooked poultry Meat <sup>103</sup> [whether or not fresh, frozen or otherwise, preserved or packed].	02.07
<sup>104</sup> [73.]	Milk.	04.01
73A.	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name.	<sup>105</sup> [*****] 04.02
74.	Flavored milk, excluding that sold in retail packing under a brand name.	0402.9900
75.	Yogurt, excluding that sold in retail packing under a brand name.	0403.1000
76.	Whey, excluding that sold in retail packing under a brand name.	04.04
77.	Butter, excluding that sold in retail packing under a brand name.	0405.1000
78.	Desighee, excluding that sold in retail packing under a brand name.	0405.9000
79.	Cheese, excluding that sold in	0406.1010

	retail packing under a brand name.	
80.	Processed cheese not grated or powdered, excluding that sold in retail packing under a brand name.	0406.3000]
81.	Cotton seed.	<sup>106</sup> [1207.1000]
82.	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal <sup>107</sup> [, excluding those sold in retail packing under a brand name or a trademark].	1601.0000
83.	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish <sup>108</sup> [, excluding those sold in retail packing under a brand name or a trademark].	1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020, 1604.2090, <sup>109</sup> [*****].
84.	<sup>110</sup> [Preparations suitable for infants, put up for retail sale].	1901.1000
85.	Fat filled milk <sup>111</sup> [excluding that sold in retail packing under a brand name or a trademark].	1901.9090
86.	Colors in sets (Poster colours).	3213.1000

87.	Writing, drawing and marking inks.	3215.9010 and 3215.9090
88.	Erasers.	4016.9210 and 4016.9290
89.	Exercise books.	4820.2000
90.	Pencil sharpeners.	8214.1000
91.	Energy saver lamps.	<sup>112</sup> [8539.3110]
92.	Sewing machines of the household type.	8452.1010 and 8452.1090
93.	Bicycles.	87.12
94.	Wheelchairs.	8713.1000 and 8713.9000
113[95.	*****	*****]
96.	Other drawing, marking out or Mathematical calculating instruments (geometry box).	9017.2000
97.	<sup>114</sup> [Pens, ball pens, markers and porous tipped pens].	96.08
98.	Pencils including color pencils.	96.09
99.	Compost (non-chemical fertilizer) produced and supplied locally.	Respective headings.
100.	Construction materials to Gawadar Export processing Zone's investors and to Export Processing Zone Gawadar for development of Zone's infrastructure.	Respective headings.
<sup>115</sup> [100 A	Materials and equipment <sup>116</sup> [(plant, machinery, equipment, appliances and accessories)] for construction and operation of <sup>117</sup> [Gwadar]	Respective Headings.

	<p>Port and development of Free Zone for <sup>118</sup> [Gwadar] Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting <sup>119</sup> [Gwadar] Port, <sup>120</sup> [by the aforesaid operating companies] having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,--</p> <p><b>(A). Conditions and procedure for imports.-</b></p> <p>(i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which</p>	
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	<p>hold the Concession Agreement;</p> <p>(ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are <i>bonafide</i> requirement for construction and operation of <sup>121</sup>[Gwadar] Port and development of Free Zone for <sup>122</sup> [Gwadar] Port. The authorized officer of that Ministry shall furnish all relevant information online to Pakistan Customs against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In already computerized Collectorate or Customs station, where the computerized system is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Customs Computerized System on daily basis, whereas entry of the data obtained from the customs</p>	
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	<p>stations which have not yet been computerized shall be made on weekly basis, provided that this condition shall not apply to ship bunker oils; and</p> <p>(iii) The goods so imported <sup>123</sup> [and also those already imported under Notification No. S.R.O. 115(I)/2008, dated the 6<sup>th</sup> Febraury, 2008,] shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the <sup>124</sup> [applicable rate on residual value], provided that this condition shall not apply to ship bunker oils.</p> <p><b>(B). Conditions and procedure for local supply.-</b></p> <p>(i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold Concession Agreement;</p> <p>(ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will</p>	
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	<p>purchase the materials and equipment for the construction of <sup>125</sup> [Gwadar] Port and development of Free Zone for <sup>126</sup> [Gwadar] Port from the sales tax registered persons only;</p> <p>(iii) invoice of the exempt supply, containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the registered person to the operating company mentioning thereon that the said invoice is being issued under this notification;</p> <p>(iv) a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the registered persons making the exempt supplies and shall be signed by the authorized person of the registered person. All three copies of the said signed monthly statement shall be got verified by the registered</p>	
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	<p>person from the person authorized to receive the supplies in the office of operating company, confirming that supplies mentioned in the monthly statement have been duly received;</p> <p>(v) after verification from the operating company, original copy of the monthly statement will be retained by the registered person, duplicate by the operating company and the triplicate provided by the registered person to the Collector of Sales Tax having jurisdiction, by twentieth day of the month following the month in which exempt supplies to the operating companies were made; and</p> <p>(vi) the registered person making the exempt supplies shall keep the aforesaid record for presentation to the sales tax department as and when required to do so.</p>	
100B	Supplies made by the businesses to be established in the Gwadar Free Zone for a period of twenty-three years within the	Respective Headings.]

	Gwadar Free Zone, subject to the condition that the sales and supplies outside the Gwadar Free Zone and into the territory of Pakistan shall be subjected to sales tax.	
127[100C]	Vehicles imported by China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty-three years for construction, development and operations of Gwadar Port and Free Zone Area subject to limitations, conditions prescribed under PCT heading 9917 (3)]	
128[100D]	Machinery, equipment, materials and goods imported either for exclusive use within the limits of Gwadar Free Zone, or for making exports therefrom, subject to the conditions that such machinery, equipment, materials and goods, are imported by investors of	Respective headings.]

	Gwadar Fee Zone, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (Act IV of 1969) and rules made thereunder shall, <i>mutatis mutandis</i> , apply provided that if any of such goods is taken out of the Zone for purpose other than the export, the tax on the same shall be paid by the importer.	
101.	Raw and pickled hides and skins, wet blue hides and skins, finished leather, and accessories, components and trimmings, if imported by a registered leather goods manufacturer, for the manufacture of goods wholly for export, provided that conditions, procedures and restrictions laid down in rules 264 to 278 of the Customs Rules, 2001 are duly fulfilled and complied with.	Respective headings.
102.	Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the	Respective headings.

	conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall <i>mutatis mutandis</i> , apply.	
103.	Import and supply thereof, up to the year <sup>129</sup> [2030], of ships <sup>130</sup> [****] and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying the Pakistan flag, except ships or crafts acquired for demolition purposes or are designed or adapted for use for recreation or pleasure purposes, subject to the condition that such ships or crafts are used only for the purpose for which they were procured and in case such ships or crafts are used only for the purpose for which they were procured, and in case such ships or crafts are used for demolition purposes within a period of five years of their acquisition, sales tax applicable	Respective headings.

	to such ships purchased for demolition purposes shall be chargeable.	
104.	<p>Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, namely:--</p> <p>(a) filled infusion solution bags imported with or without infusion given sets;</p> <p>(b) scrubs, detergents and washing preparations;</p> <p>(c) soft soap or no- soap soap;</p> <p>(d) adhesive plaster;</p> <p>(e) surgical tapes;</p> <p>(f) liquid paraffin;</p> <p>(g) disinfectants, and</p> <p>(h) cosmetics and toilet preparations.</p>	Respective Headings
105.	Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding	Respective headings.

	<sup>131</sup> [eleven] per cent <i>ad valorem</i> , either under the First Schedule <sup>132</sup> [or Fifth Schedule] to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof.	
106.	Import of <i>Halal</i> edible offal of bovine animals	0206.1000, <sup>133</sup> [*****],0206.8000 and 0206.9000
107.	Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing.	2501.0010
108.	Components or sub-components of energy saver lamps, namely:-	
	(a) Electronic Circuit	8539.9040
	(b) Plastic Caps (upper and lower)	8539.9040
	(c) Base Caps B22 and E27	8539.9040
	(d) Tungsten Filaments	8539.9040
	(e) Lead-in-wire	8539.9040
	(f) Fluorescent powder (Tri Band Phosphor)	3206.5010
	(g) Adhesive Additive	3824.9099
	(h) Al-oxide Suspension	<sup>134</sup> [3824.8400]
	(i) Capping Cement	3214.1050
	(j) Stamp Pad Ink	3215.9010
(k) Gutter for Suspension	2850.0000	
109.	Goods imported temporarily with a view to subsequent, exportation as concurred by the Board, including passenger service item, provision and	Respective Headings.

	stores of Pakistani Airlines.	
110.	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad <sup>135</sup> [for the period ending on the 30 <sup>th</sup> June, 2023]:--	
	(a) Solar PV panels;	8541.5000
	(b) LVD induction lamps;	<sup>136</sup> [8539.3290]
	(c) SMD, LEDs, with or without ballast, with fittings and fixtures;	<sup>137</sup> [8539.3290, <sup>138</sup> [8539.5010 8539.5020] and 9405.4090]
	(d) Wind turbines including alternators and mast;	8502.3100
	(e) Solar Torches;	8513.1040
	(f) Lanterns and related instruments;	8513.1090
	(g) PV modules along with related components, including invertors, charge controllers and batteries.	8541.4000 , 8504.4090, 9032.8990 and 8507.0000
	<sup>139</sup> [(h) Tubular day lighting device.	9405.5010
	(i) Energy saver lamps and tube lights of varying voltages (operating on AC or DC).	8539.3110, 8539.3120
	(j) Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and	8504.4090]



	with Maximum Power Point Tracking (MPPT).	
140[111	*****	*****]
112.	<p>Following cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery, endoscopy, oncology, urology, gynaecology, disposables and other equipment:--</p> <p><b>A. ANGIOPLASTY PRODUCTS</b></p> <ol style="list-style-type: none"> <li>1. Coronary Artery Stents</li> <li>2. Drugs Eluting Coronary Artery Stents</li> <li>3. Coronary Artery Dilatations Catheters (Balloons)</li> <li>4. PTCA Guide Wire</li> <li>5. PTCA Guiding Catheters</li> <li>6. Inflation Devices/Priority Packs</li> <li><sup>141</sup>7. Optical Coherence Technology (OCT) System</li> <li>8. OCT Catheters</li> <li>9. Intravascular Ultrasound (IVUS)</li> <li>10. Fractional Flow Reserve (FFRIIFR) System</li> <li>11. IVUS / FFR / IFR Catheters and wires</li> <li>12. Support Micro Catheters (Straight and Angled)</li> <li>13. Drug Coated Angioplasty Balloon</li> <li>14. Coronary and Peripheral Micro Coils</li> </ol>	Respective headings

<p>15. Thrombectomy Device  16. Thrombus Aspiration Catheters  17. Covered Stents (Coronary/Peripheral)  18. Vessel Closure Devices  19. Embolic Protection Devices  20. Renal Stents  21. Vena-cava Filters  22. Coronary and Peripheral Snares  23. Atherectomy Devices  24. IABP Consoles &amp; Catheters  25. Intracardiac Echocardiography Machine &amp; Catheters";]</p> <p><b>B. ANGIOGRAPHY PRODUCTS</b></p> <p>1. Angiography Catheters  2. Sheaths  3. Guide Wires  4. Contrast Lines  5. Pressure Lines  6. Mannifolds  <sup>142</sup>[7. Wrist Bands for Radial Vessel Closure]</p> <p><b>C. CONTRAST MEDIA FOR ANGIOGRAPHY/ANGIOPLASTY</b></p> <p>1. Angiography Accessories  2. ASD Closure Devices  3. ASD Delivery Systems  4. VSD Closure Devices  5. VSD Delivery System  6. Guide Wires</p>	
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	<p>7. Sizing Balloons</p> <p>8. Sizing Plates</p> <p>9. PDA Closure Devices</p> <p>10. PDA Delivery System</p> <p><b>D. TEMPORARY PACEMAKERS</b> (with leads, connectors and accessories)</p> <p><b>E. PERMANENT PACEMAKER.</b> (with leads, connectors and accessories)</p> <p><b>F. HEART FAILURE DEVICES</b> (with leads, connectors and accessories)</p> <p><b>G. IMPLANTABLE CARDIOVERTES</b> (with leads, connectors and accessories)</p> <p><b>H. CARDIAC ELECTRO-PHYSIOLOGY PRODUCTS</b></p> <p>1. Electrophysiology catheters</p> <p>2. Electrophysiology cables</p> <p>3. Electrophysiology connectors</p> <p><sup>143</sup>4. Excimer Laser System with Accessories</p> <p>5. Laser Sheath, Occlusion Balloons, Dilator Sheaths (Rotation &amp; Manual)</p> <p>6. Intra Cardiac Echocardiography (JCE) System and Accessories</p> <p>7. Lead Locking Devices and Accessory Kit</p> <p>8. Remote EP Monitoring Device</p>
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<p>and Accessories</p> <p>9. Ablation catheters</p> <p>10. 3-D Cardiac Mapping System</p> <p>11. Cryoballoon System and accessories]</p> <p><b>I. LEAR CARDIOLOGY PRODUCTS</b></p> <p>1. Radioactive isotopes</p> <p>2. Cold kits (Cardiolite MAA, DTPA etc.)</p> <p><b>J. CARDIAC SURGERY PRODUCTS</b></p> <p>1. Oxygenators</p> <p>2. Cannulas</p> <p>3. Prosthetic Heart Valves</p> <p>4. Luminal shunts for heart surgery</p> <p>5. Artificial limbs and appliances</p> <p><sup>144</sup>[6. High-Flow, Low-Profile Percutaneous Heart Pump PHP Console and Catheters.</p> <p>7. Tandem Heart / Tandem Lung and Accessories.</p> <p>8. Ventricular Assist Device System.</p> <p>(a) Heart Mate-II</p> <p>(b) Heart Mate-III</p> <p>(c) Centri Meg LEOV</p> <p>9. Beating Heart Surgery stabilizers &amp; Coronary Shunts</p> <p>10. Minimally invasive surgery equipment &amp; Instruments</p> <p><b>II. RF Ablation equipment for AF (Surgical)</b></p>	
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	<p>12. Heart Lung Machines]</p> <p><b>K. EQUIPMENT</b></p> <p>1. Cardiac Angiography Machine</p> <p>2. Echocardiography Machines</p> <p>3. ETT Machines</p> <p>4. Gamma Camera for Nuclear Cardiology Studies</p> <p>145[5. Left Ventricular Assist Device/System (LV AD)and Catheters</p> <p>6. MitraClipTranscatheter Mitral Valve System</p> <p>7. MitraClip Guide Catheter, Clip and DeliverySystem</p> <p>8. Patent Foramen Ovale (PFO) Closure Device</p> <p>9. Left Atrial Appendage (LAA) Occluder</p> <p>I o. Transcatheter Aortic / Heart Valve System(TAVI/TAVR)</p> <p>1 I. Cerebral Retrievable Stents</p> <p>I 2. Aortic Stent Grafts</p> <p>I 3. Embolization Coils, Delivery System, Filling Coil</p> <p>14. Abdominal Aortic Aneurysm (EV AR) System andAccessories/ thoracic EVARI extension</p> <p>15. Insertable Cardiac Monitor (ICM)</p> <p>16. Carotid Stents</p> <p>17. Vascular Clips</p> <p>18. MRI Compatible Cardiac Monitor, Infusion Pump,Anesthesia Machine with Accessories]</p>	
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	<p><b>L. PERIPHERAL INTERVENTIONS EQUIPMENT</b></p> <p>Disposables and other equipment for peripheral interventions including stents (including carotid and wall stents), balloons, sheaths, catheters, guide wires, filter wires, coils, needles, valves (including rotating homeostatic valves), connecting cables, inflation devices adapters <sup>146</sup> [, Drug Eluting Peripheral Stents].</p>	
113.	<p><b>High Efficiency Irrigation Equipment.</b>(If used for agriculture sector)</p>	
	(1) Submersible pumps (up to 75 lbs and head 150 meters)	8413.7010
	(2) Sprinklers including high and low pressure (centre pivotal) system, conventional sprinkler equipment, water reel travelling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system	<sup>147</sup> [8424.4100], 8424.2010
	(3) Air release valves, pressures gauges, water meters, back flow preventers, and automatic controllers.	8481.1000,8481.3000, 9026.2000, 9032.8990
114.	Green House Framing and	

	Other Green House Equipment. (If used for Agriculture Sector)	
	(1) Tunnel farming equipment <sup>148</sup> [consisting of plastic covering and mulch film, anti-insect net and shade net]	<sup>149</sup> [3920.1000, 3926.9099, 5608.1900, 5608.9000,]
	(2) Green houses (prefabricated)	<sup>150</sup> [9406.1010 and 9406.9010]
115.	Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division upto the 30th June, 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).	Respective headings
116.	Plant, machinery and equipment imported for setting up industries in FATA upto 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).	Respective headings.]
<sup>151</sup> [117]	<sup>152</sup> [Appliances and items required for ostomy procedures as specified in the Chapter 99 of the First Schedule to the Customs Act, 1969, subject	99.25]

	tosame conditions as specifiedtherein	
118.	153[*****	*****]
154[119	*****	*****]
120.	Diagnostic kits or equipment, namely:- HIV Kits 4C Es Trionyx 5C Cell control Lnormal Bovine precision multi sera Pregnancy test DNA SSP DRB Generic IC Reticulocyte count (control) retic C Control Kit for vitamin B12 estimation Ferritin kit HEV (Hepatitis E virus) ID-DA Cell Urine Analysis Strips Albumin beg Cratinin sysi Ring Detektiion cups ISE Standard Alkaline phosphatase (Alb) Bilirubin kit HDL Cholesterol Ck creatinin kinase (mb) Ck nac Glucose kit Ammonia Modular Lac Ldh kit (lactate dehydrogenase	3822.0000



kit) Urea uv kit Ua plus Tina quant Crp control Aslo tin Proteins Lipids HDL/LDL cholesterol Protein kit U Control Sera Pac Control HCV UIBC (Unsaturated iron binding capacity) U/CSF Inorganic Phosphorus kit Kit amplicon kit (for PCR) Ige Lc hsv Oligo NA/K/CL Hcy Standard [or calibrated] Hla B27 Liss Coombs Typhoid kit HCV amp Urine test strips Strips for sugar test Blood glucose test strips Kits for automatic cell separator	
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	for collection of platelets Elisa or Eclia kit PCR kits Immunoblast (western blot test). I.C.T. (Immunochromatographic kit) CBC Reagent (For hematology analyzer) Complete blood count Reagent	
121.	Blood Bag CPDA-1 with blood transfusion set pack in aluminium foil with set.	Respective headings.
122.	Urine drainage bags	Respective headings.
123.	Aircraft, whether imported or acquired on wet or dry lease <sup>155</sup> [:] <sup>156</sup> [Provided that in case of import or acquisition on wet or dry lease by Pakistan International Airlines Corporation, this exemption shall be available with effect from 19th March, 2015.]	8802.4000
124.	Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Respective headings.
125.	Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective headings.
126.	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company	Respective headings.

	recognized by Aviation Division.	
127.	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division.	Respective headings.
128.	Aviation simulators imported by airline company recognized by Aviation Division.	Respective headings.
129.	Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by the Pakistan Telecommunication Authority.	Respective headings.]
<sup>157</sup> [130.	<sup>158</sup> [Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969]	Respective Headings, and subject to conditions imposed for importation under the Customs Act, 1969;
131.	Laptop computers, notebooks whether or not incorporating multimedia kit.	8471.3010
132.	Personal computers.	8471.3020
133.	Pesticides and their active ingredients registered by the	38.08

Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents, namely:-	
Xylol (xylenes)	2707.3000
- Beta Pinene / Agrotin 527 / Terpenic derivative	2902.1990
Toluene	2902.3000
Mixed xylene isomers	2902.4400
Naphthalene	2902.9010
Solvesso-100, 150, 200	2902.9090
159[*****]	160[*****]
161[*****]	162[*****]
Methanol (methyl alcohol)	2905.1100
Propylene glycol (propane-1, 2-diol)	2905.3200
- Adhesives Polyvinyl Acetate - Polyvinyl Alcohol	2905.4900
Ingredients for pesticides	2906.2910
Other Ingredients for pesticides	2906.2990
- Solvenon MP / 1-Methoxy 2-Propanol - Methyglycol Acetate	2909.4910
Methanal (formaldehyde)	2912.1100
Cyclo-hexanone and methyl-cyclo-hexanones	2914.2200
- Cyclohexanon - Cyclohexanone Mixed petroleum Xylene (1,2 & 1,3 & 1,4 dimethyl benzene and ethyle benzene)	2914.2990
Acetic anhydride	2915.2400

Ingredients for pesticides	2916.3920
Diocetyl orthophthalates	2917.3200
163[*****]	164[*****]
165[*****]	166[*****]
167[*****]	168[*****]
Endosulfan Technical Material	2920.9020
Other Ingredients for pesticides	2920.9090
Diethylamine and its salts	2921.1200
Ingredients for pesticides	2921.4310
Other Ingredients for pesticides	2921.4390
Ingredients for pesticides	2921.5110
169[*****]	170[*****]
Dimethyl Formamide (DMF)	2924.1990
171[*****]	172[*****]
Other Ingredients for pesticides	2924.2990
Alpha cyano, 3-phenoxybenzyl (-) cis, trans 3-(2,2-dicloro vinyl) 2,2 dimethyl cyclopropane carboxylate	2926.9010
(S) Alpha cyano, 3- phenoxybenzyl (S)-2-(4, chloro phenyl)-3 mehtyl butyrate	2926.9020
Cyano, 3-phenony benzyl 2,2,3,3 tetra methyl cyclopropane carboxalate	2926.9030
-Cypermethrin, Alpha Cypermethrin, Beta- Cypermethrin, Zeta- Cypermethrin, Lambda Cylalothrin, Deltamethrin, Fenpropathrin, Esfenvalerate, Bifenthrin Technical Material-	2926.9050

Acetamiprid, Imidacloprid Technical Material-	
Monomehypo, Chlorothalonil Technical Material-	
Bromoxynil Technical Material	
Other nitrite compounds-	2926.9090
Cyfluthrin, Beta Cyfluthrin Technical Material	
2-N, N-Dimethyl amino-I sodium thiosulphate, 3- thiosulfourpropane	2930.2010
Ingredients for pesticides	2930.2020
2- N,N-dimethy-amino 1,3 disodium thiosulphate propane	2930.9010
Other organosulpher compounds	2930.9090
-Ethion, Methamidophos Technical Material	
- Dimethylsulfoxid	
Ingredients for pesticides	2931.0010
Other Ingredients for pesticides	2931.0090
Ingredients for pesticides	2932.2920
2,3 Dihydro 2-2 dimethyl-7 benzo furanyl methyl-carbamate	2932.9910
Other ingredients for pesticides - Carbosulfan Technical Material	2932.9990
Fipronil	2933.1900
Ingredients for pesticides	2933.3930
Other Ingredients for pesticides	2933.3990
-Chlorpyrifos, Triazophos, Diazinon Technical Material	2933.5950
Other Ingredients for pesticides	2933.5990
Pyrimethanine	2933.6910

	Ingredients for pesticides	2933.6940
	- Atrazine Technical Material	2933.6990
	Isatin (lactam of istic acid)	2933.7910
	1-Vinyl-2-pyrrol-idone	2933.7920
	- Triazophos Technical Material	2933.9910
	Ingredients for pesticides	2934.1010
	Ingredients for pesticides	2934.9920
	-Methyl benzimidazol - 2 - ylcarbamate.	2938.9010
	-Dicopper chloride trihydroxide	
	Ingredients for pesticides	<sup>173</sup> [2939.8010]
	-Abamectin, Emamectin Technical Material	2941.9050
	Other Ingredients for pesticides	2941.9090
	Sulphonic acid (Soft)	3402.1110
	Other surface active agents	3402.1190
	Cationic	3402.1290
	Non ionic surface active agents	3402.1300
	Other organic surface active agents	3402.1990 3402.9000
	Chemical preparations	<sup>174</sup> [*****]
	Solvent C-9	2707.5000]
<sup>175</sup> [134.	Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to recommendations of the Cabinet Division and concurrence by the Federal Board of Revenue.	9908
135.	Sunflower and canola hybrid seeds meant for sowing	Respective heading

136.	Combined harvesters upto five years old	8433.5100]
176[137.	Paper weighing 60 g/m <sup>2</sup> for printing of Holy Quran imported by Federal or Provincial Governments and Nashiran-e-Quran as per quota determined by IOCO	4802.5510
138.	Fish Feed	Respective heading
139.	Fans for dairy farms	8414.5990
140.	Bovine semen	0511.1000
141.	Preparations for making animal feed	2309.9000
142.	Promotional and advertising material including technical literature, pamphlets, brochures and other give-aways of no commercial value, distributed free of cost by the exhibitors	9920(3)
143.	(i) Hearing aids (all types and kinds) (ii) Hearing assessment equipment; (a) Audiometers (b) Tympanometer (c) ABR (d) Oto Acoustic Omission	9937
144.	Liquefied Natural Gas imported by fertilizer manufacturers for use as feed stock	2711.1100
145.	Plant, machinery, equipment including dumpers and special	Respective heading



	<p>purpose motor vehicles, if not manufactured locally, imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL) for the construction of Karachi - Peshawar Motorway (Sukkur - Multan Section) and M/s China Communication Construction Company (M/s CCCC) for the construction of Karakorum Highway (KKH) Phase-II (Thakot - Havellian Section) subject to the following conditions:</p> <p>(i) that the exemption under this serial number shall only be available to contractors named above;</p> <p>(ii) that the equipment and construction machinery imported under this serial number shall only be used for the construction of the respective allocated projects;</p> <p>(iii) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-A, at the time of import to the extent of sales tax exempted under this serial number on consignment to</p>	
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	<p>consignment basis;</p> <p>(iv) that the Ministry of Communications shall certify in the prescribed manner and format as set out in Annex-B that the imported equipment and construction machinery are bona fide requirement for construction of Sukkur - Multan Section (392.0 km) of Karachi - Peshawar Motorway or for the construction of Karakorum Highway(KKH) Phase-II - Thakot to Havellian Section (118.057 km) as the case may be;</p> <p>(v) for the clearance of imported goods through Pakistan Customs Computerized System the authorized officer of the Ministry shall furnish all relevant information, as set out in Annex-B, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the Pakistan Customs Computerized</p>	
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	<p>System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;</p> <p>(vi) that the equipment and construction machinery, imported under this serial number, shall not be re-exported, sold or otherwise disposed of without prior approval of the FBR. In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of sales tax as may be prescribed by the FBR;</p> <p>(vii) in case the equipment and construction machinery, imported under this serial number, is sold or otherwise disposed of without prior approval of</p>	
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	<p>the FBR in terms of para (vi) above, the same shall be subject to payment of statutory rates of sales tax as were applicable at the time of import;</p> <p>(viii) notwithstanding the condition at para (vi) and (vii) above, equipment and construction machinery, imported under this serial number, may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any sales tax, for further disposal as may be prescribed by the FBR;</p> <p>(ix) the indemnity bond submitted in terms of para (iii) above by the importer shall be discharged on the fulfillment of conditions stipulated at para (vi) or (vii) or (viii) above, as the case may be; and (x) that violation of any of the above mentioned conditions shall render the goods liable to payment of statutory rate of sales tax leviable on the date of clearance of goods in addition to any other penal</p>	
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	action under relevant provisions of the law.	
146.	<p>Equipment imported by M/s China Railway Corporation to be furnished and installed in Lahore Orange Line Metro Train Project subject to the following conditions:</p> <p>(a) that the equipment imported under this serial number shall only be used in the aforesaid Project;</p> <p>(b) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-C to this serial number, at the time of import to the extent of sales tax exempted under this serial number on consignment to consignment basis;</p> <p>(c) that the Punjab Mass Transit Authority, established under the Punjab Mass Transit Authority Act, 2015 (ACT XXXIII of 2015), hereinafter referred as the Regulatory Authority, shall certify in the prescribed manner and format as set out in Annex-D to this serial number that the imported equipment is bona fide requirement of the Project under the Contract No. PMA-CRNORINCO-OL, dated 20-04-2015, hereafter referred as the contract,</p>	Respective heading

	<p>signed between the Regulatory Authority and CR-NORINCO;</p> <p>(d) in the event a dispute arises whether any item is entitled to exemption under this serial number, the item shall be immediately released by the Customs Department against a corporate guarantee, valid for a period of six months, submitted by the importer. A certificate from the Regulatory Authority duly verified by the Transport and Communication Section of the Ministry of Planning, Development and Reform, that the item is covered under this serial number shall be given due consideration by the Customs Department towards finally resolving the dispute;</p> <p>(e) for the clearance of imported equipment through Pakistan Customs Computerized System the authorized officer of the Regulatory Authority shall furnish all relevant information, as set out in Annex-D to this serial number, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the</p>	
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	<p>Pakistan Customs Computerized System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;</p> <p>(f) that the equipment, imported under this serial number, shall not be re-exported, sold or otherwise disposed of without prior approval of the Federal Board of Revenue (FBR). In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of sales tax as may be prescribed by the FBR;</p> <p>(g) in case the equipment, imported under this serial number, is sold or otherwise disposed of without prior approval of the FBR in terms of condition (f), the same shall be subject to payment of statutory rates of sales tax as were applicable at the time of import;</p> <p>(h) notwithstanding the condition</p>	
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	<p>(f) and (g), equipment imported under this serial number may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any sales tax, for further disposal as may be prescribed by the FBR;</p> <p>(i) the indemnity bond submitted in terms of condition (b) above shall stand discharged on submission of a certificate from the Regulatory Authority to the effect that the equipment has been installed or consumed in the said Project. In case the equipment is not consumed or installed in the project the indemnity bond shall be discharged on fulfillment of conditions stipulated at (f) or (g) or (h), as the case may be; and</p> <p>(j) that violation of any of the above conditions shall render the goods liable to payment of statutory rate of sales tax leviable on the date of clearance of goods in addition to any other penal action under relevant provisions of the law.</p> <p><i>Explanation.</i>—For the purpose of this provision, —equipment shall mean machinery, apparatus, materials and all</p>	
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	things to be provided under the contract for incorporation in the works relating to Lahore Orange Line Metro Train Project.	
147.	Goods supplied to German Development Agency (Deutsche Gesellschaft für Internationale Zusammenarbeit) GIZ	Respective heading
148.	Imported construction materials and goods imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions, limitations and restrictions as are specified under S. No. 145 of this table, provided that total incidence of exemptions of all duties and taxes in respect of construction materials and goods imported for the project shall not exceed ten thousand eight hundred ninety-eight million rupees including the benefit of exemption from duties and taxes availed before 30th June, 2018 under the provisions of the Sales Tax Act, 1990, the Customs Act, 1969, the Federal Excise Act, 2005 and the Income Tax Ordinance, 2001 and Notifications issued thereunder;	Respective heading
149.	Micro feeder equipment	8437.8000]
177[150	Plant and machineryexcluding	Chapters 84 and

	<p>consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:-</p> <p><b>Conditions:</b></p> <p>(a) the importer is registered under the Act on or after the first day of July, 2019; and</p> <p>(b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan.</p>	85]
178[151	<p>(a) Supplies; and</p> <p>(b) imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan, – as made till 30<sup>th</sup> June, 2023, to which the provisions of the Act or the notifications issued thereunder, would have not</p>	Respective heading

	<p>applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018):</p> <p>Provided that, in case of imports, the same shall be allowed clearance by the Customs authorities on presentation of a postdated cheque for the amount of sales tax payable under the Sales Tax Act, 1990, and the same shall be returned to the importer after presentation of a consumption or installation certificate, as the case may be, in respect of goods imported as issued by the Commissioner Inland Revenue having jurisdiction:</p> <p>Provided further that if plant, machinery and equipment, on which exemption is availed under this serial number, is transferred or supplied outside the tribal areas, the tax exempted shall be paid at applicable rate on residual value</p>	
152	Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30 <sup>th</sup> June, 2023, to all residential	2716.0000

	and commercial consumers intribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31 <sup>st</sup> May, 2018, but excluding steel and ghee or cooking oil industries	
153	Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode	Respective headings]
179[154	Dietetic foods intended for consumption by children suffering from inherent metabolic disorder subject to the conditions that the importer shall acquire approval and quota from Ministry of National Health Services, Regulations and Coordination.	Respective headings
155	Oil cake and other solid residues, whether or not ground or in the form of pellets.	2306.1000
156	Import of CKD kits by local manufacturers of following Electric Vehicles:-	
	(i) Road Tractors for semi-trailers (Electric Prime Movers)	8701.2060
	(ii) Electric Buses	8702.4090
	(iii) Three Wheeler Electric Rickshaw	8703.8030

	(iv)	Three Wheeler Electric Loader	8704.9030
	(v)	Electric Trucks	8704.9059
	(vi)	Electric Motorcycle	8711.6090]

180[Annex-A

[See condition 145(iii)]

**INDEMNITY BOND**(On appropriately stamped non-judicial paper)

THIS DEED OF INDEMNITY is made on the \_\_\_\_\_ date of \_\_\_\_\_ BETWEEN Messrs\_\_\_\_\_ having registered office at \_\_\_\_\_(hereinafter called —the importers| which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of Pakistan through the Collector of Customs \_\_\_\_\_ (hereinafter called the —Collector of Customs|), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number 145 or serial number 148 of this table, as the case may be, and subject to the conditions given in the said serial number 145 or serial number 148 of this table, as the case may be, has been pleased to direct that such equipment and construction machinery, as are not manufactured locally, shall be exempt from the whole of sales tax leviable thereon, in accordance with the said serial number 145 or serial number 148 of this table, as the case may be, if imported for: —

- (i) construction of Sukkur - Multan Section (392.0 km) of Karachi - Peshawar Motorway or
- (ii) for the construction of Karakorum Highway (KKH) Phase-II - Thakot to Havellian Section (118.057 km).

AND WHEREAS M/S. \_\_\_\_\_ having registered office at \_\_\_\_\_ (hereinafter called the importers) have imported the equipment and/or construction machinery mentioned in the said serial number 145 or serial number 148 for purposes of construction of above mentioned project(s) in accordance with the conditions given in the said serial number 145 or serial number 148 of this table, as the case may be;

NOW, THEREFORE, in consideration of the release of the equipment and/or construction machinery without recovery of leviable sales tax, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. \_\_\_\_\_ being the sales tax and charges leviable on the machinery, if the importers fail to fulfill the condition (vi) or (vii) or (viii) of the said serial number 145 or serial number 148 of this table, as the case may be.

The importers further agree and bind themselves that the amount covered by this Bond shall be recovered as arrears of sales tax under section 202 of the Customs Act, 1969. This Bond shall become void when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said serial number 145 or serial number 148 of this table, as the case may be.

Signed by importers on this \_\_\_\_\_ day of \_\_\_\_\_ 201 .

**Managing Director**  
**(Name and permanent address)**  
**Collector of Customs**  
**(On behalf of President)**

Witness \_\_\_\_\_  
(signature, name, designation and full address)

Witness \_\_\_\_\_  
 (signature, name, designation and full address)

Note:—The bond shall be written on appropriate non-judicial stamp paper and shall be witnessed by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Schedule Bank.

### Annex-B

[See condition 145 (iv) and (v)]

NTN or FTN of Importer		Approval No.		
(I)		(II)		
Details of input goods (to be filled by the authorized officer of the Regulatory Authority) to be imported				
Description and specifications.	Quantity /UOM	L/C No. or bank contract No. and B/L	IGM No. Date & Index No.	Remarks, if any.
(1)	(2)	(3)	(4)	(5)

### CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY:

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirement and are bona fide requirement of the project. It is further certified that the above items shall not be used for any other purpose except for the project.

Signature: \_\_\_\_\_

Name & Designation: \_\_\_\_\_

Official Stamp: \_\_\_\_\_

Date: \_\_\_\_\_

*Note:*—For the purposes of this serial number 145, the expression —not manufactured locally shall mean the goods which are not listed in the locally manufactured items in the Customs General Order issued by the Federal Board of Revenue from time to time.

### Annex-C

[See condition 146(b)]

### INDEMNITY BOND

(On appropriately stamp non-judicial paper attested by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Scheduled Bank)

THIS DEED OF INDEMNITY is made on the \_\_\_\_\_ date of \_\_\_\_\_ BETWEEN Messrs \_\_\_\_\_ having registered office at \_\_\_\_\_ (hereinafter called —the importers which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of the Islamic Republic of Pakistan through the Collector of Customs \_\_\_\_\_ (hereinafter called the —Collector of Customs), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number 146 and subject to the conditions given in the said serial number 146, has been pleased to direct that such equipment shall be exempt from the whole of sales tax leviable thereon, in accordance with the said serial number 146, if imported for Lahore Orange Line Metro Train Project.

AND WHEREAS M/S. \_\_\_\_\_, the importers have imported the equipment mentioned in the said serial number 146 for the above mentioned project in accordance with the conditions given in the said serial number 146;



NOW, THEREFORE, in consideration of the release of the equipment without recovery of leviable sales tax, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. \_\_\_\_\_ being the sales tax and charges leviable on the equipment, if the importers fail to fulfill the condition (f) or (g) or (h) of the said serial number 146, as the case may be.

The importers further agree and bind themselves that the amount covered by this Indemnity Bond shall be recovered as arrears of sales tax under section 202 of the Customs Act, 1969. This Bond shall stand revoked automatically when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said serial number 146.

Signed by importers on this \_\_\_\_\_ day of \_\_\_\_\_ 201 .

**Managing Director or person next in hierarchy duly authorized by**  
**MD**

(Name and permanent address)

**Collector of Customs**

(On behalf of President)

Witness(1)\_\_\_\_\_

(signature, name, designation and full address)

Witness (2)\_\_\_\_\_

(signature, name, designation and full address)

### **Annex-D**

[See conditions 146 (c) and (e)]

NTN or FTN of Importer	Approval No.
Details of equipment (to be filled by the authorized officer of the	

Regulatory Authority) to be imported				
Description and specifications.	Quantity /UOM	L/C No. or bank contract No. and B/L	IGM No. Date & Index No.	Remarks, if any.
(1)	(2)	(3)	(4)	(5)

CERTIFICATE BY THE AUTHORIZED OFFICER OF  
REGULATORY AUTHORITY:

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirements and are bona fide requirement of the Project under the Contract. It is further certified that the above items shall not be used for any other purpose except for the Project.

Signature: \_\_\_\_\_

Name and Designation: \_\_\_\_\_

Official Stamp: \_\_\_\_\_

Date: \_\_\_\_\_ ]

181 [ANNEX-I

Header Information	
NTN/FTN of Importer	Approval No.
(1)	(2)
Details of materials and equipments (to be filled by authorized officer of Ministry of Ports and Shipping)	Goods imported (Collectorate of import)

HS Code	Description	Specs	Custom duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UO M	Quantity imported	Collect -orate	CRN Mac h. No	Date of CRN/ Mach No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**NOTE 1.-** Before certifying, the authorized officer of the Ministry of Ports and Shipping shall ensure that the goods are genuine and *bonafide* requirement for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**NOTE 2.-** In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969 (IV of 1969).]

**TABLE-2**  
**(LOCAL SUPPLIES ONLY)**

S. No.	Description	Heading Nos.
(1)	(2)	(3)
1	Supply of cottonseed exclusively meant for sowing purposes, subject to such conditions as the Board may specify.	1207.2000
2	Supply of locally produced crude vegetable oil obtained from the locally produced seeds <sup>182</sup> [other than cotton seed], except cooking oil, without having undergone any process except the process of washing.	Respective headings
183[3	<sup>184</sup> [Supplies made by the cottage industry.]	Respective headings.]
4	Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed in-house for the manufacture of goods subject to sales tax.	Respective headings
185[5	*****	*****]
6	Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990.	Respective headings
7	Breads prepared in <i>tandoors</i> and	Respective headings

	bakeries, vermicillies, <i>nans</i> , <i>chapattis</i> , <i>sheer mal</i> , bun, rusk.	
8	Foodstuff cooked or prepared in-house and served in messes run on the basis of mutuality and industrial canteens for workers.	Respective headings
9	Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights.	Respective headings
10	Agricultural produce of Pakistan, not subjected to any further process of manufacture.	Respective headings
186[11]	Supply of ware potato and onions.	0701.9000 and 0703.1000.]
187[12]	*****	*****]
188[13]	*****	*****
14	*****	*****]
189[15]	(a). Sprinkler Equipment (b). Drip Equipment (c). Spray Pumps and nozzles	Respective headings
16	Raw cotton <sup>190</sup> [*****]	Respective headings]
191[17]	Raw and pickled hides and skins, wet blue hides and skins.	41.01,41.02, 41.02,4104.1000, 4105.1000, 4106.2100, 4106.3000, 4106.9000
18	Supplies made by manufacturers of marble and granite having annual turnover less than five million rupees even if their annual utility bill is more than eight hundred thousand rupees	Respective headings

19	Bricks (up to 30th June, 2018)	6901.1000
20	Crushed stone (up to 30th June, 2018)	2517.1000
21	Poultry feed, cattle feed, sunflower seed meal, rape seed meal and canola seed meal	2306.3000, 2306.49000 and Respective headings]
192[22.	Single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP.	8408.9000]
193[23	Match boxes	Respective headings]
194[24.	LED or SMD lights and bulbs meant for conservation of energy	8539.5010, 8539.5020, 9405.1030 and 9405.4020]
195[25.	Cotton seed oil	1512.2100 and 1512.2900

**Notes:--**

1. For the purpose of this Schedule, for entries against which classification of headings or sub-headings has been specified, exemption shall be admissible on the basis of description of goods as mentioned in column 2 of this Schedule. PCT classification of headings is provided for ease of reference and commodity classification purposes only.
2. For the purposes of determining classification of any goods, the general rules for interpretation of the First Schedule to the Customs Act, 1969 (IV of 1969) and Explanatory Notes to the Harmonized Commodity Description and Coding System (relevant version) as amended from time to time shall be considered authentic source of interpretation.
3. For the purposes of exemption of sales tax under serial numbers 46, 47, 49, 50, 51, 52, 53, 56, 57, 59, 60 and 62 of this

Schedule, the definitions, restrictions, limitations, conditions and procedures and all the provisions of Chapter 99 of the First Schedule to the Customs Act, 1969 (IV of 1969), for the purposes of applying zero-rate of customs duty shall, *mutatis mutandis*, apply and shall be deemed and construed to be part of this Schedule.

## 196[TABLE-3

The plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be exempt from the whole of Sales tax, subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

- (i) the imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board.
- (ii) except for S. No. 9 and 14 <sup>197</sup>[14A and 15] of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's *bonafide* requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and
- (iii) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of



arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, layout plan and drawings:

*Explanation.-* For the purpose of Table-3, capital goods mean any plant, machinery, equipment, spares and accessories, classified in Chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

- (a) the manufacture or production of any goods and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or
- (b) used in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

#### ANNEXURE

S. No.	Description	PCT Heading	Conditions
(1)	(2)	(3)	(5)
1.	Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and	Respective headings	Nil

	oil and gas field prospecting.		
2.	Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:-		(a) The project requirement shall be approved by the Board of Investment (BOI). The authorized officer of BOI shall certify the item-wise requirement of the project in the prescribed format and manner as per Annex-B and shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969 (IV of 1969); (b) the goods
	<b>A. Medical Equipment.</b>		
	(1) Dentist chairs	9402.1010	
	(2) Medical surgical dental or veterinary furniture	9402.9090	
	(3) Operating Table.	9402.9010	
	(4) Emergency Operating Lights.	9405.4090	
	(5) Hospital Beds with mechanical fittings	9402.9020	
	(6) Gymnasium equipment.	9506.9100	
	(7) Cooling Cabinet.	8418.5000	
	(8) Refrigerated Liquid Bath.	<sup>198</sup> [3824.9999]	
	(9) Contrast Media Injections (for use in Angiography & MRI etc).	3822.0000	
	<b>B. Cardiology / Cardiac Surgery Equipment</b>		
	(1) Cannulas.	9018.3940	
	(2) Manifolds.	8481.8090	

	(3) Intravenous cannula i.v. catheter.	9018.3940	shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs-duties and taxes at statutory rates leviable at the time of import. Breach of this condition shall be construed as a criminal offence under the Customs Act, 1969 (IV of 1969);
	<b>C. Disposable Medical Devices</b>		
	1) Self-disabling safety sterile syringes.	9018.3110	
	(2) Insulin syringes.	9018.3110	
	<b>D. Other Related Equipments</b>		
	1) Fire extinguisher.	8424.1000	
	2) Fixtures & fittings for hospitals	Respective Headings	
3	1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non-luxury) <i>i.e.</i> single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase.	Respective headings	1. This concession shall be available to those mineral explorations and extraction companies or their authorised operators or contractors who hold permits, licences, lease and who enter into agreements with the Government of
	2. Construction machinery, equipment and specialized vehicles, excluding	Respective headings	

	<p>passenger vehicles, imported on temporary basis as required for mine construction or extraction phase.</p>		<p>Pakistan or a Provincial Government.</p> <p>2. Temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the amount of sales tax, along with an undertaking to pay the sales tax at the statutory rate in case such goods are not re-exported on conclusion of the project; and</p> <p>3. The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of sales tax leviable at the time of import. These shall, however, be allowed to be transferred to</p>
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			other entitled mining companies with prior approval of the Board.
4.	Coal mining machinery, equipment, spares, including vehicles for site use <i>i.e.</i> single or double cabin pick-ups <sup>199</sup> [and dump trucks], imported for Thar Coal Field.	Respective Headings	(a) This concession shall be available to those mining companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government. (b) The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs duties and taxes leviable at the time of import. These shall,

			however, be allowed to be transferred to other entitled mining companies with prior approval of the Board.
5.	<p>1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan.</p> <p>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p>	Respective Headings	<p>(i) This concession shall also be available to primary contractors of the project upon fulfillment of the following conditions, namely:-</p> <p>(a) the contractor shall submit a copy of the contract or agreement under which he intends to import the goods for the project;</p> <p>(b) the Chief Executive or head of the contracting company shall certify in the prescribed manner and</p>

		<p>format as per Annex-A that the imported goods are the projects <i>bona fide</i> requirement; and</p> <p>(c) the goods shall not be sold or otherwise disposed of without prior approval of the FBR on payment of sales tax leviable at the time of import;</p> <p>(ii) temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of sales tax and the amount payable 200 [****], along with an undertaking to pay the sales tax at the statutory</p>
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			rates in case such goods are not re-exported on conclusion of the project.
6.	<p>1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects.</p> <p>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p>	Respective Headings	-do-
7.	<p>1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and</p>	Respective Headings	-do-



	<p>renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell <sup>201</sup>[ This exemption in relation to renewable energy shall remain in force up to the 30<sup>th</sup> June, 2023].</p> <p>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p> <p><i>Explanation.--</i> The expression “projects for power generation” means any project for generation of electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption.</p>		
<p>8.</p>	<p>1. Machinery and equipment meant for power transmission</p>	<p>Respective Headings</p>	<p>-do-</p>

	<p>and grid stations including under construction projects.</p> <p><i>Explanation.-</i> For the purpose of this serial number, “machinery and equipment” shall mean,—</p> <p>(a) machinery and equipment operated by power of any description, such as is used in the generation of power;</p> <p>(b) apparatus, appliances, metering and testing apparatus, mechanical and electrical control, transmission gear and transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above; and</p> <p>(c) component parts of machinery and equipment, as</p>		
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	<p>specified in clause (a) and (b) above, identifiable for use in or with machinery imported for the project and equipment including spares for purposes of the project.</p> <p>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p>		
9.	<p>Following machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:-</p>		NIL
	(1) Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers.	7017.1010	
	(2) Other dryers	8419.3900	
	(3) Filtering or purifying machinery and apparatus for water	8421.2100	

(4) Other filtering or purifying machinery and apparatus for liquids	8421.2900	
(5) Personal weighing machines, including baby scales; household scales	8423.1000	
(6) Scales for continuous weighing of goods on conveyors	8423.2000	
(7) Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales	8423.3000	
(8) Other weighing machinery having a maximum weighing capacity not exceeding 30 kg	8423.8100	
(9) Other weighing machinery having a maximum weighing capacity exceeding 30 kg but not exceeding 5,000 kg	8423.8200	
(10) Other weighing machinery	8423.8900	
(11) Weighing machine weights of all kinds; parts of weighing machinery of machines	8423.9000	

of heading 8423.2000 & 8423.3000		
(12) Other weighing machine weights of all kinds; parts of weighing machinery of machines of heading 8423.2000 & 8423.3000	8423.9000	
(13) Networking equipments like routers, LAN bridges, hubs excluding switches and repeaters.	8517.6970	
(14) Other furnaces and ovens	8514.3000	
(15) Electronic balances of a sensitivity of 5 cg or better, with or without weights.	9016.0010	
(16) Other balances of a sensitivity of 5 cg or better, with or without weights.	9016.0090	
(17) Thermostats of a kind used in refrigerators and air-conditioners	9032.1010	
(18) Other thermostats	9032.1090	
(19) Manostats	9032.2000	
(20) Other instruments and apparatus Hydraulic or pneumatic	9032.8100	
(21) Other instruments and apparatus	9032.8990	

	(22) Parts and accessories of automatic regulating or controlling instruments and apparatus	9032.9000	
	(23) Spares, accessories, and reagents for scientific equipments.	Respective Headings	
202[10	*****	*****	*****]
11.	Following machinery and equipment for marble, granite and gem stone extraction and processing industries:		1. For the projects of Gem Stone & Jewellery Industry, CEO/COO, Pakistan Gem and Jewellery Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are <i>bonafide</i> project requirement. The authorized person of the Company shall furnish all relevant information online to
	(1) Polishing cream or material	3405.4000, 3405.9000	
	(2) Fiber glass mesh	7019.5190	
	(3) Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia.	8202.4000, 8202.9100	
	(4) Gin saw blades.	8202.9910	
	(5) Gang saw blades/diamond saw blades/multiple blades of all types and dimensions.	8202.9990	
	(6) Air compressor (27	8414.8010	

cft and above)		Pakistan
(7) Machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compressed air rubber pipes, hydraulic drilling machines, manual and power drilling machines, steel drill rods and spring (all sizes and dimensions), whole finding system with accessories, manual portable rock drills, cross cutter and bridge cutters.	8464.9000 & Respective headings	Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. 2. For the projects of Marble & Granite Industry, CEO/COO, Pakistan Stone Development Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are <i>bonafide</i> project requirement. The authorized persons of the Company shall furnish all relevant information online to
(8) Integral drilling steel for horizontal and vertical drilling, extension threadrods for pneumatic super long drills, tools and accessories for rock drills.	8466.9100	

			<p>Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.</p> <p>3. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.</p>
12	Machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an	Respective Headings	1. The Division dealing with the subject matter of Industries shall certify in the prescribed manner and format as per Annex-B that the imported goods



	area of 30 km around the zero point in Gwadar.		are <i>bonafide</i> project requirement. The authorized officer of the Ministry shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. 2. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.
13.	Effluent treatment plants	Respective headings	Nil
<sup>203</sup> [1]	<b>Following items for</b>		

4	<b>use with solar energy:-</b>		
	Solar Power Systems.	8501.3110 8501.3210	
	(1) Off-grid/On-grid solar power system (with or without provision for USB/ charging port) comprising of:		
	i.PV Module	8541.4000	
	ii.Charge controller.	9032.8990	
	iii. Batteries for specific utilization with the system (not exceeding 50 Ah in case of portable system).	8507.2090 8507.3000 8507.6000	
	iv. Essential connecting wires (with or without switches).	8544.4990	
	v.Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT).	8504.4090	
	vi.Bulb holder	8536.6100	
	(2) Water purification plants	8421.2100	

	operating on solar energy.		
14A	<b>Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal</b> 204[as imported on or before the 30 <sup>th</sup> June, 2023].		
	<b>1.(a) Solar Parabolic Trough Power Plants.</b>	8502.3900	
	<b>(b).Parts for Solar Parabolic Power Plants.</b>		
	(i).Parabolic Trough collectors modules.	8503.0010	
	(ii).Absorbers/ Receivers tubes.	8503.0090	
	(iii).Steam turbine of an output exceeding 40MW	8406.8100	
	(iv). Steam turbine of an output not exceeding 40MW	8406.8200	
	(v).Sun tracking control system.	8543.7090	
	(vi).Control panel with other accessories.	8537.1090	
	<b>2.(a) Solar Dish stirling engine.</b>	8412.8090	
	<b>(b)Parts for Solar Dish Stirling Engine.</b>		

(i).Solar concentrating dish.	8543.7000	
(ii).Sterling engine.	8543.7000	
(iii).Sun tracking control system.	8543.7090	
(iv).Control panel with accessories.	8406.8200	
(v).Stirling Engine Generator	8501.6100	
<b>3(a).Solar Air Conditioning Plant</b>	8415.1090	
<b>(b).Parts for Solar Air conditioning Plant.</b>		
(i). Absorption chillers.	8418.6990	
(ii). Cooling towers.	8419.8910	
(iii). Pumps.	8413.3090	
(iv). Air handling units.	8415.8200	
(v). Fan coils units.	8415.9099	
(vi). Charging & testing equipments	9031.8000	
<b>4(a).Solar Desalination System</b>	8421.2100	
<b>(b) Parts for Solar Desalination System</b>		
(i). Solar photo voltaic panels.	8541.4000	
(ii). Solar water pumps.	8413.3090	
(iii). Deep Cycle Solar Storage batteries.	8507.2090	
(iv). Charge controllers.	9032.8990	
(v).Inverters (off grid/on grid/ hybrid) with provision for direct connection/ input from renewable	8504.4090	

energy source and with Maximum Power Point Tracking (MPPT).		
<b>5. Solar Thermal Power Plants with accessories.</b>	8502.3900	
<b>6.(a) Solar Water Heaters with accessories.</b>	8419.1900	
<b>(b) Parts for Solar Water Heaters</b>		
(i). Insulated tank	7309.0000 7310.0000	
(ii). Vacuum tubes (Glass)	7020.0090	
(iii). Mounting stand	Respective headings	
(iv). Copper and Aluminum tubes	Respective headings	
<b>(c)Accessories</b>		
(i) Electronic controller	Respective headings	
(ii) Assistant/ feeding tank		
(iii) Circulation Pump		
(iv) Electric heater/ immersion rod (one piece with one solar water heater)		
(v) Solenoid valve (one piece with one solar water heater)		
(vi) Selective coating for absorber plates		
<b>7.(a) PV Modules</b>	8541.4000	
<b>(b) Parts for PV</b>		

<b>Modules</b>	
(i). Solar cells.	8541.4000
(ii). Tempered Glass.	7007.2900
(iii). Aluminum frames.	7610.9000
(iv). O-Ring.	4016.9990
(v). Flux.	3810.1000
(vi). Adhesive labels.	3919.9090
(vii). Junction box & cover.	8538.9090
(viii). Sheet mixture of paper and plastic	3920.9900
(ix). Ribbon for PV Modules (made of silver & Lead).	Respective headings
(x). Bypass diodes.	8541.1000
(xi). EVA (Ethyl Vinyl Acetate) sheet (Chemical).	3920.9900
<b>8. Solar Cell Manufacturing Equipment.</b>	
(i). Crystal (Grower) Puller (if machine).	8479.8990
(ii). Diffusion furnace.	8514.3000
(iii). Oven.	8514.3000
(iv). Wafering machine.	8486.1000
(v). Cutting and shaping machines for silicon ingot.	8461.9000
(vi). Solar grade polysilicon material.	3824.9999
(vii). Phosphene Gas.	2853.9000
(viii). Aluminum and silver paste.	Respective headings
<b>9. Pyranometers and</b>	9030.8900

<b>accessories for solar data collection.</b>		
<b>10. Solar chargers for Charging electronic devices.</b>	8504.4020	
<b>11. Remote control for solar charge controller.</b>	8543.7010	
<b>12. Wind Turbines.</b>		
(a) Wind Turbines for grid connected solution above 200 KW (complete system).	8412.8090	
(b) Wind Turbines upto 200 KW for off-grid solutions comprising of:	8412.8090	
(i). Turbine with Generator/ Alternator.	Respective headings	
(ii). Nacelle with rotor with or without tail.		
(iii). Blades.		
(iv). Pole/ Tower.		
(v). Inverter for use with Wind Turbine.		
(vi). Deep Cycle Cell/ Battery (for use with wind turbine).		8507.2090
<b>13. Wind water pump</b>	8413.8100	
<b>14. Geothermal energy equipment.</b>		
(i). Geothermal heat pumps.	8418.6100	
(ii). Geothermal	8418.6990	

	Reversible Chillers.		
	(iii). Air handlers for indoor quality control equipments.	8418.6990	
	(iv). Hydronic heat pumps.	8415.8300	
	(v). Slim Jim heat exchangers.	8418.6100	
	(vi). HDPE fusion tools.	8419.5000	
	(vii). Geothermal energy Installation tools and Equipment.	8515.8000 8419.8990	
	(viii). Dehumidification equipment.	8479.6000	
	(ix). Thermostats and IntelliZone.	9032.1090	
	<b>15. Any other item approved by the Alternative Energy Development Board (AEDB) and concurred to by the FBR.</b>	Respective headings	
15	<b>Following items for promotion of renewable energy technologies or for conservation of energy:-</b>		Nil
	(i) SMD/LED/LVD lights with or without ballast, fittings and	9405.1090 8539.3290 8539.5010	



fixtures.	8539.5020
(ii) SMD/LED/ LVD street lights,with or without ballast, PV module, fitting and fixtures	9405.4090 8539.3290 8539.5010 8539.5020
(iii) Tubular day lighting device.	9405.5010
(iv) Wind turbines including alternators and mast.	8502.3100
(v) Solar torches.	8513.1040
(vi) Lanterns and related instruments.	8513.1090
(vii) LVD induction lamps.	8539.3290
(viii) LED bulb/tube lights.	8539.5010 8539.5020
(ix) PV module, with or without, the related componentsIncluding invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum PowerPoint Tracking (MPPT), charge controllers and solar batteries.	8539.4000 8504.4090 9032.8990 8507.0000
(x) Light emitting diodes (lightemitting in different colors).	8541.5000
(xi) Water pumps	8413.7010

	operating onsolar energy along with solar pump controllers	8413.7090 8504.4090	
	(xii) Energy saver lamps of varying voltages	8539.3110 8539.3210	
	(xiii) Energy Saving Tube Lights.	8539.3120 8539.3220	
	(xiv) Sun Tracking Control System	8543.7090	
	(xv) Invertors (off-grid/on grid/ hybrid) with provision for direct connection/ input from renewable energy source and with Maximum Power Point Tracking (MPPT).	8504.4090	
	(xvi) Charge controller/ Current controller. Provided that exemption under this serial shall be available with effect from 01.07.2016.	9032.8990	
205 [ 15A	Parts and Components for manufacturing LED lights:-		If imported by LED light manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by
	(i) Housing/shell, Shell cover and base cap for all kinds of LED lights and bulbs	Respective heading	
	(ii) Bare and stuffed	8534.0000	

	Metal Clad Printed Circuit Boards (MCPCB) for LED		the Input Output Co-efficient Organization (IOCO)]
	(iii) Constant Current Power Supply for of LED Lights and Bulbs (1-300W)	8504.4090	
	(iv) Lenses for LED lights and bulbs	9001.9000	
15B	CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP.	8408.9000	Subject to same conditions and limitations as are applicable for availing concession in customs duty on import of such CKD kits.]
206 [1 6	*****	*****	*****]
207 [1 7	Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited	Respective heading	Nil
18	The following parts for assembling and manufacturing of personal computers		If imported by manufacturers and assemblers of computers

	and laptops:		and laptops,
	(i) Bare PCBs	8534.0000	registered with
	(ii) Power Amplifier	8542.3300	and certified by
	(iii) Microprocessor/ Controllers	85.42	Engineering Development
	(iv) Equipment for SMT Manufacturing	8486.2000	Board in
	(v) Laptop batteries	8506.5000	accordance with
	(vi) Adopters	8504.4020	quota
	(vii) Cooling fans	8414.5190	determined by
	(viii) Heat sink	7616.9920	IOCO
	(ix) Hard Disk SSD	8471.7020	
	(x) RAM/ROMS	8471.7060 and 8471.7090	
	(xi) System on Chip/FPGA-IC	85.42	
	(xii) LCD / LED Screen	8528.7211	
	(xiii) Motherboards	8534.0000	
	(xiv) power supply	84.73	
	(xv) Optical Drives	8471.7040	
	(xvi) External Ports	8536.2090	
	(xvii) Network cards	8517.6990	
	(xviii) Graphic cards	8471.5000	
	(xix) wireless cards	8517.6970	
	(xx) micro phone	8518.3000	
	(xxi) Trackpad	8471.6020	
19	Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of aSpecial Economic Zone (SEZ)	9917(2)	Nil ]

	by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribed in the SEZ Act, 2012 and rules thereunder subject to such condition, limitations and restriction as a Federal Board of Revenue may impose from time to time.		
208 [ 20	Plant and machinery for the assembly/ manufacturing of electric vehicles	Respective headings	The exemption shall be admissible on one time basis for setting up the new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicle specific plant and machinery, duly approved/ certified and determined by the Engineering Development

			Board (EDB).]
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**ANNEX-A**

Header Information											
NTN/FTN of Importer				Regulatory authority No.				Name of Regulatory authority			
(1)				(2)				(3)			
Details of Input goods (to be filled by chief executive of the importing company)								Goods imported (Collectorate of import)			
HS Code	Description	Specs	Custom duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN Mac h. No	Date of CRN /Match No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

**CERTIFICATE.** It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy  
duly authorized by the Chief Executive

Name \_\_\_\_\_

N.I.C. No. \_\_\_\_\_

**NOTE:--***In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

*Explanation.* –

Chief Executive means. –

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

**ANNEX-B**

Header Information											
NTN/FTN of Importer						Approval No.					
(1)						(2)					
Details of Input goods (to be filled by authorized officer of Regulatory Authority)								Goods imported (Collectorate of import)			
HS Code	Description	Specs	Custom duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN Mach. No	Date of CRN/Mach No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**CERTIFICATE.** Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and *bonafide* requirement of the project and that the same are not manufactured locally.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**NOTE:--***In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

### HISTORY

- 1 The Sixth Schedule substituted by the Finance Act, 2005 (VII of 2005). Earlier this schedule was substituted by the Finance Act, 1998 (III of 1998). This schedule was originally inserted by the Finance Act, 1996 (IX of 1996). Before substitution, in 2005, this schedule was as under:

<sup>1.1</sup>[*The Sixth Schedule*  
{See section 13(1)}]

Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969).
(1)	(2)	(3)
1.	Live animals.	Respective headings of Chapter I.
2.	Agriculture produce of Pakistan, not subject to any further process of manufacture.	Respective headings.
3.	<sup>1.2</sup> [Food stuff] for human consumption which shall mean:- (i) all cereals, grains and pulses whether or not milled, hulled, polished, cellophane packed for retail sale <sup>1.3</sup> [*****]; (ii) all vegetables, fruits <sup>1.4</sup> [(excluding imported fruits, except fruits imported from Afghanistan)] and fruit juices whether fresh, frozen or otherwise preserved (e.g. in "cold storage") but excluding fruits, fruit juices and vegetable bottled, canned or packaged; (iii) all eggs, poultry and meats of bovine animals, fish and crustaceans, whether or not fresh, frozen or otherwise preserved;	Respective headings.



<p>1.5[(iv) Fresh, liquid and dried milk, without addition of sugar or any other sweetening matter whether packed or not; milk preparations obtained by replacing one or more of the constituents of milk by another substance, whether or not packed for retail sale, falling under Heading No.1901 of the First Schedule to the Customs Act, 1969 (IV of 1969); plain yogurt excluding packaged or sold under trade mark or brand name;]</p>	<p>Respective headings.]</p>
<p>(v) cream, whey and cheese excluding those packaged and sold under brand names or trade marks;</p>	
<p>(vi) breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk 1.6[****];</p>	
<p>1.7[(vii)Cooked or prepared food stuff served in messes run on the basis of mutuality and industrial canteens for workers of a particular class;]</p>	
<p>(viii) ice and water but excluding those for sale under brand names or trade marks;</p>	
<p>1.8[(ix) table salt including iodized salt, excluding salt sold in retail packing bearing brand names and trade marks;]</p>	
<p>1.9[(x)red chillies, ginger and turmeric excluding red chillies, ginger and turmeric sold in retail packing bearing brand names and trade marks;]</p>	
<p>1.10[(xi)****]</p>	
<p>1.11[(xii) poultry and meat of bovine animals, fish and crustaceans whether or not fresh, frozen or otherwise preserved and sold in retail packings or otherwise with or without brand names and trade marks.</p>	<p>Respective headings of Chapter 2 and 3.</p>

1.12[3A]	Eggs for hatching (parent stock), including consignments of such eggs imported either against bank guarantee or otherwise but without payment of sales tax since the 1st July, 1998.	1.13[0407.0010]
4.	The following agricultural produce on their import into Pakistan:--	
	Bulbs, tubers, etc.,	06.01
	1.14[Oil palm seedling.	0602.2090]
	Potatoes.	0701.1000 and 0701.9000
	Onions and shallots.	0703.1000
	Garlic.	0703.2000
	Dried leguminous vegetables, shelled, whether or not skinned or split.	07.13
	Live plants and seeds of vegetables, fruits and flowers	Respective headings.
	Wheat.	10.01
	Oats.	10.04
	Corn seeds.	1005.1000
	Grain sorghum seeds.	1007.0000
	Millet seeds.	1008.2000
	1.15[****]	****]
	Seeds, fruits and spores for sowing.	12.09
	Cinchona bark.	1.16[1211.9000]
	Sugar beet.	1212.9100
	Sugar cane.	1.17[1212.9900]
5.	Supply of cotton seed which is:-	1207.2000
	1.18[****]	
	(b) exclusively meant for sowing purposes, subject to such conditions as the Board may specify.	

1.19[6.	1.20[Desi Ghee derived from milk; butter not sold under brand name or trade mark and supply of locally produced crude vegetable oil 1.21[obtained from the locally produced seeds 1.22[other than cotton seed],] except cooking oil, without having undergone any process except the process of washing.]	Respective heading.]
1.23[6 A.	Edible oils and vegetable ghee, including cooking oil, on which Central Excise Duty is charged, levied and collected as if it were a tax payable under section 3 of this Act.	Respective heading.]
1.24[7.	*****	*****]
1.25[8.	*****	*****]
1.26[9.	*****	*****]
10.	*****	*****]
11.	Contraceptives 1.27[and accessories thereof]	1.28[Respective headings.]
1.29[12 .	*****	*****]
1.30[13 .	*****	*****]
1.31[14 .	*****	*****]
1.32[15 .	*****	*****]
1.33[16 .	*****	*****]
1.34[17 .	*****	*****]
1.35[18 .	*****	*****]
1.36[19 .	*****	*****]
20.	“Holy Quran”, complete or in parts, with or without translation; audio and video cassettes recorded with Quranic verses; other holy books.	49.01 and 85.24.

21.	Newspapers, books, journals and periodicals excluding directories of all sorts.	49.01, 49.02 and 49.03.
22.	Currency notes, bank notes, shares, stocks 1.37[and] bonds 1.38[*****].	49.07.
23.	Poultry feed and its ingredients.	Respective headings.
24.	Silver and gold, in un-worked condition; monetary gold.	71.06 and 71.08.
25.	Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969, are complied with.	Respective headings.
1.39[26	Goods (including dry fruits imported from Afghanistan) temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969 (IV of 1969).	1.40[99.19, 99.20 and 99.21] ]
27.	Re-importation of foreign goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of 1.41[applying zero-rate of customs duty] under the Customs Act, 1969.	1.42[99.18]
28.	Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes 1.43[of applying zero-rate of customs duty] under the Customs Act, 1969.	1.44[99.16]

29.	<b>1.45</b> [Defence stores (other than those as are manufactured in Pakistan) imported] by Federal Government against foreign exchange allocation for defence; defence stores supplied by manufacturers under Defence Production Division <b>1.46</b> [trucks and vehicles falling under PCT heading 87.04 of the First Schedule to the Customs Act, 1969 (IV of 1969) specially modified for mounting defence equipments], their parts and accessories assembled or manufactured by local manufacturers for supply to Armed Forces.	Respective headings.
30.	Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of <b>1.47</b> [applying zero-rate of customs duty] under the Customs Act, 1969. (IV of 1969).	<b>1.48</b> [99.09]
31.	Imported samples, <b>1.49</b> [*****], subject to the same conditions as are envisaged for the purposes of <b>1.50</b> [applying zero-rate of customs duty] under the Customs Act, 1969. (IV of 1969).	<b>1.51</b> [99.10]
32.	Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969).	Respective headings.
33.	Personal wearing apparel and bona fide baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties.	Respective headings.
34.	Ship which is neither; (a) a ship of gross tonnage of less than 15 LDT; nor (b) a ship designed or adapted for use for recreation or pleasure.	Respective headings.

35.	<i>Aircraft which is neither; (a) an aircraft of unladen weight of less than 8000 kilograms; nor (b) an aircraft designed or adapted for use for recreation or pleasure.</i>	<i>Respective headings.</i>
36.	<i>Spare parts and equipment for ships and aircraft covered by serial number 34 and 35 above.</i>	<i>Respective headings.</i>
1.52[36A]	<i>Import of ship stores, subject to the procedures, conditions and restrictions as may be specified by the Collector of Customs in this behalf including those consignments of such stores that have been released without charging sales tax since the 1st July, 1998, but excluding such consignments of ship stores as have been cleared on payment of sales tax.</i>	<i>Respective headings.</i>
37.	<i>Equipment and machinery for pilotage, salvage or towage for use in ports or airports.</i>	<i>Respective headings.</i>
38.	<i>Equipment and machinery for air navigation.</i>	<i>Respective headings.</i>
39.	<i>Equipment and machinery used for services provided for handling of ships or aircrafts in a customs port or Customs airport.</i>	<i>Respective headings.</i>
40.	<i>Goods imported by diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations made thereunder; and agreements by the Federal Government <sup>1.53</sup>[provided that such goods are charged to zero-rate of customs duty under Customs Act, 1969 and conditions laid down for customs purposes are observed].</i>	<sup>1.54</sup> [99.01, 99.02, 99.03 and 99.06]

1.55[40A]	Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of Gulf Sheikhdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the United Arab Emirates dignitaries as are listed in column (2) against heading No. 1.56[99.05] of the First Schedule to the Customs Act, 1969 (IV of 1969) for their personal use and for donation to welfare projects established in Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said Act.	1.57[99.05]
41.	Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the Central Board of Revenue; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement.	Respective headings.
42.	Supplies made 1.58[****] by:- (a) manufacturer whose annual turnover from taxable supplies made in any tax period during the last twelve months ending any tax period does not exceed rupees 1.59[five million]; and (b) retailers whose annual turnover from supplies, whether taxable or otherwise, made in any tax period during the last twelve months ending any tax period does not exceed rupees 1.60[five] million.	Respective headings.
43.	1.61[Raw material and intermediary goods manufactured or produced, and services provided and rendered, by a registered person, consumed by himself in manufacture of goods subject to sales tax.]	Respective headings.

44.	Such plant and machinery as is notified by the Federal Government in the official Gazette <sup>1.62</sup> [but if imported, these shall be entitled to exemption from sales tax on importation if these are not manufactured in Pakistan].	Respective headings.
45.	Computer hardware including lap tops, notebooks, PCs, main frame and their peripheral units and parts thereof.	Respective headings.
46.	Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution, subject to the similar conditions as are envisaged for the purposes of <sup>1.63</sup> [applying zero-rate of customs duty] under the Customs Act, 1969 (IV of 1969).	<sup>1.64</sup> [ <sup>1.65</sup> [99.12, 99.13 and 99.14](as applicable)]
<sup>1.66</sup> [46 A	Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969)	<sup>1.67</sup> [99.12, 99.14 and 99.15]]



47.	<i>Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, <sup>1.68</sup>[including goods imported for the President's Fund for Afghan Refugees, relief goods donated for Afghan Refugees, gifts for President's Fund for Assistance of Palestine and gifts received by Pakistani organizations from Church World Services or the Catholic Relief Services], subject to the similar conditions as are envisaged for the purposes of <sup>1.69</sup>[applying zero-rate of customs duty] under the Custom Act, 1969.</i>	1.70[99.07, 99.08, 99.09 and 99.11]
48.	Computer software.	Respective headings.
49.	<sup>1.71</sup> [Tractors, bulldozers and combined harvesters]; and CKD kits thereof imported by recognized local manufacturers as per their approved deletion programme subject to same conditions as are envisaged for the purposes of exemption under the Customs Act.	<sup>1.72</sup> [Respective headings.]
50.	Supply of other such agricultural implements as may be specified in a notification to be issued by the Federal Government in the official Gazette.	Respective headings.
1.73[51 .	*****	*****]
1.74[52 .	*****	*****]
1.75[53 .	Cattle feed <sup>1.76</sup> [other than oil cake and its solid residues, whether or not ground or in the form of pellets]	<sup>1.77</sup> [Respective headings.] ]
1.78[54 .	*****	*****]
1.79[55 .	*****	*****]
1.80[56 .	Bricks and cement blocks.	6810.1100 and 6901.000]
1.81[57 .	*****	*****]

1.82[58 .	*****	*****]
1.83[59 .	1.84[Artificial] kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis 1.85[double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, and angioplasty equipment (balloons, catheters, wires and stents), ], subject to the similar conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on these goods under the Customs Act, 1969 (IV of 1969).	1.86[99.24 and 99.25]
1.87[60 .	Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990.	Respective headings.]
1.88[ <b>Interpretation.</b> — For the purposes of exemption of sales tax under Serial Nos.11, 26, 27, 28, 30, 31, 40, 40A, 46, 46A, 47 and 59 of this Schedule, the definitions, restrictions, limitations, conditions and procedures and all the provisions of Chapter 99 of the First Schedule to Customs Act, 1969 (IV of 1969), for the purpose of applying zero-rate of customs-duty, shall, mutatis mutandis apply and shall be deemed and construed to be part of this Schedule.]”		

1.1 The Sixth Schedule substituted by the Finance Act, 1998 (III of 1998). Earlier it was added by the Finance Act, 1996 (IX of 1996). Before substitution, in 1998, this Schedule was as under:-

*“[The Sixth Schedule  
{See section 13}*

Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969).
(1)	(2)	(3)
1.	Live animals.	Respective headings of Chapter I.
2.	Agriculture produce, of Pakistan, not subject to any further process of manufacture.	Respective headings.

3.	<i>Unprocessed foodstuff for human consumption which shall mean:-</i>	<i>Respective headings.</i>
	<i>- all cereals, grains and pulses whether or not milled, hulled, polished, cellophane packed for retail sale, etc.;</i>	
	<i>- all vegetables, fruits and fruit juices whether fresh, frozen or otherwise preserved (e.g. in "cold storage") but excluding fruits, fruit juices and vegetable bottled, canned or packaged;</i>	
	<i>- all eggs, poultry and meats of bovine animals, fish and crustaceans, whether or not fresh, frozen or otherwise preserved but excluding canned or packaged;</i>	
	<i>- fresh and dried milk, yogurt, of all sorts, whether or not packed for retail sale.</i>	
	<i>- Cream, whey and cheese excluding packaged and sold under brand names;</i>	
	<i>- breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk, etc.;</i>	
	<i>- cooked or baked foodstuff, whether or not frozen, served by clubs, messes, restaurants, hotels and other retail or wholesale outlets but excluding preserved, canned, bottled or packaged.</i>	
	<i>- ice and water but excluding for sale under brand names;</i>	
	<i>- table salt including iodized salt, and</i>	
	<i>- red chillies, ginger and turmeric.</i>	
4.	<i>Edible oils and vegetable ghee, including cooking oil, on which Central Excise Duty is charged, levied and collected as if it were a tax payable under section 3 of this Act.</i>	<i>15.07, 15.08, 15.11, 15.12, 15.13, 15.14, 15.15, 04.05.</i>
1.1a [	<i>*****</i>	<i>*****]</i>
5.		
6.	<i>Crude petroleum oil.</i>	<i>27.09</i>

7.	<i>POL products and LPG</i>	2710.0011, 2710.0012, 2710.0019, 2710.0031, 2710.0041, 2710.0042, 2710.0043, 2710.0049, 2710.0051, 2710.0061, 2710.0071, 27.11.
8.	<i>Natural gas whether or not liquefied.</i>	27.11
9.	<i>Electrical energy.</i>	27.16
10.	<i>Contraceptives.</i>	3006.6000, 3926.9030, 4014.1000
11.	<i>Fertilizers.</i>	Chapter 31.
12.	<i>Fertilizers.</i>	38.08.
13.	<i>“Holy Quran”, complete or in parts, with or without translation; audio and video cassettes recorded with Quranic verses; <sup>1.1b</sup>[other holy books].</i>	49.01, 85.24.
14.	<i>Currency notes, bank notes, shares, stocks, bonds and similar documents of title.</i>	49.07.
15.	<i>Silver and gold, in un-worked condition; monetary gold.</i>	71.06 and 71.08.
16.	<i>Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969, are complied with.</i>	Respective headings.

<p>17.</p>	<p><i>Temporary import of goods for re-export, subject to similar conditions as are envisaged for the purposes of Customs Act, of the following:-</i></p> <p>(i) <i>Machinery and equipment for repair.</i></p> <p>(ii) <i>Professional equipment imported by visiting technicians, doctors, etc.</i></p> <p>(iii) <i>Equipment and material imported by visiting television and broad-casting units, press photographers and film companies.</i></p> <p>(iv) <i>Scientific and educational instruments, apparatus and appliances including simultaneous broad-casting equipment if imported for scientific, educational or cultural seminars to be held in Pakistan.</i></p> <p>(v) <i>Goods imported by governmental or semi-governmental institutions for demonstration purposes for their display centres.</i></p> <p>(vi) <i>Goods imported for display at international or single country exhibition by foreign missions.</i></p> <p>(vii) <i>Machinery imported by the representatives of foreign commercial firms for demonstration purposes.</i></p> <p>(viii) <i>Dry fruit temporarily imported from Afghanistan for subsequent exportation.</i></p> <p>1.1c[(ix) <i>Containers meant and used for packing of goods for export by air, sea or land routes; and containers stuffed with imported goods if these containers are meant for re-export, or otherwise]</i></p>	<p><i>Respective headings.</i></p>
<p>18.</p>	<p><i>Re-importation of foreign goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of Customs Act, 1969.</i></p>	<p><i>Respective headings.</i></p>
<p>19.</p>	<p><i>Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes Customs Act, 1969.</i></p>	<p><i>Respective headings.</i></p>

20.	<i>Defence stores imported by Federal Government against foreign exchange allocation for defence; defence stores supplied by manufacturers under Defence Production Division 1.1d[and trucks their parts and accessories assembled or manufactured by local manufacturers for supply to Armed Forces].</i>	<i>Respective headings.</i>
21.	<i>Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of Customs Act, 1969. (IV of 1969).</i>	<i>Respective headings.</i>
22.	<i>Imported samples of no commercial value, subject to the same conditions as are envisaged for the purposes of Customs Act.</i>	<i>Respective headings.</i>
23.	<i>Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of Customs Act, 1969 (IV of 1969).</i>	<i>Respective headings.</i>
24.	<i>Personal wearing apparel and bona-fide baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties.</i>	<i>Respective headings.</i>
25	<i>Ship which is neither; (a) a ship of gross tonnage of less than 15 LDT; nor (b) a ship designed or adapted for use for recreation or pleasure.</i>	<i>Respective headings.</i>
26.	<i>Air-craft which is neither; (a) an aircraft of unladen weight of less than 8000 kilograms; nor (b) an aircraft designed or adapted for use for recreation or pleasure.</i>	<i>Respective headings.</i>
27.	<i>Spare parts and equipment for ships and air-craft covered by serial number 34 and 35 above.</i>	<i>Respective headings.</i>
28.	<i>Equipment and machinery for pilotage, salvage or towage for use in ports or air-ports.</i>	<i>Respective headings.</i>

29.	<i>Equipment and machinery for air navigation.</i>	<i>Respective headings.</i>
30.	<i>Equipment and machinery used for services provided for handling of ships or air-crafts in a customs port or Customs air port.</i>	<i>Respective headings.</i>
31.	<i>Goods imported by diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules, regulations and agreements passed by the Parliament or issued or agreed to by the Government of Pakistan.</i>	<i>Respective headings.</i>
32.	<i><sup>11e</sup>[Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the Central Board of Revenue; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement].</i>	<i>Respective headings.</i>
33.	<i><sup>11f</sup>[Supplies made in Pakistan except following:- - (i) by manufacturers; (ii) by such retailers, from such date and subject to such conditions as the Federal Government may specify by a notification in the Official Gazette. (iii) by distributors, wholesalers, or retailers of Mild Steel products and such of their raw materials as the Federal Government may, by notification in the Official Gazette, specify. (iv) by ship-breakers; (v) by importers. (vi) by such persons and of such goods as the Federal Government may, by notification in the Official Gazette, specify.]</i>	<i>Respective headings.</i>
34.	<i>Partly manufactured goods if used within the same factory to manufacture goods in respect of which sales tax is leviable on their supply.</i>	<i>Respective headings.</i>
35.	<i>The following agricultural produce on their import into Pakistan:--</i>	

	<i>Bulbs, tubers, etc.,</i>	06.01
	<i>Potatoes.</i>	0701.1000 and 0701.9000
	<i>Onions and shallots.</i>	0703.1000
	<i>Garlic.</i>	0703.2000
	<i>Dried leguminous vegetables, shelled, whether or not skinned or split.</i>	07.13
	<i>Red chillies.</i>	0904.2000
	<i>Live plants and seeds of vegetables, fruits and flowers</i>	<i>Respective headings.</i>
	<i>Wheat.</i>	10.01
	<i>Oats.</i>	10.04
	<i>Corn seeds.</i>	1005.1000
	<i>Grain sorghum seeds.</i>	1007.0000
	<i>Millet seeds.</i>	1008.2000
	<i>Soyabean.</i>	12.01
	<i>Sunflower seeds.</i>	12.06
	<i>Palm nuts and kernels.</i>	1207.1000
	<i>Safflower seeds.</i>	1702.6000
	<i>Seeds, fruits and spores for sowing.</i>	12.09
	<i>Cinchona bark.</i>	1211.9020
	<i>Sugar beet.</i>	1212.9100
	<i>Sugar cane.</i>	1212.9200
1.1g[ 36.	<i>Medicaments excluding the following:--</i> <i>(i) Filled infusion solution bags imported with or without infusion giving sets.</i> <i>(ii) Scrub (washing preparation).</i> <i>(iii) Soft soap.</i> <i>(iv) Adhesive plaster.</i> <i>(v) Surgical tapes.</i> <i>(vi) Liquid paraffin.</i> <i>(vii) Disinfectants.</i> <i>(viii) Medicated shampoos.</i> <i>(ix) Absorbent cotton wool.</i>	<i>Respective headings of Chapter 30.</i>



37.	<p>Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976), excluding the following:--</p> <p>(i) Filled infusion solution bags imported with or without infusion giving sets.</p> <p>(ii) Scrub (washing preparation).</p> <p>(iii) Soft soap.</p> <p>(iv) Adhesive plaster.</p> <p>(v) Surgical tapes.</p> <p>(vi) Liquid paraffin.</p> <p>(vii) Disinfectants.</p> <p>(viii) Medicated shampoos.</p> <p>(ix) Absorbent cotton wool.</p>	Respective headings.
38.	Newspaper	49.02
39.	Plant and machinery of the description notified by the Federal Government in the official Gazette.	Respective headings.]
1.1h[ 40.	<p>Supply of cotton seed which is:-</p> <p>(i) used in the manufacture of cotton seed oil by the registered persons subject to such conditions as the Board may specify; and</p> <p>(ii) exclusively meant for sowing purposes, subject to such conditions as the Board may specify.</p>	1207.2000
41.	Cement.	25.23
42.	Raw material for basic manufacture of pharmaceutical active ingredients; if imported these will be subject to similar conditions as are envisaged for the purposes of the Customs Act, 1969 (IV of 1969).	Respective headings.
43.	Raw material for manufacture of pharmaceutical products; if imported these will be subject to similar conditions as are envisaged for the purposes of the Customs Act, 1969 (IV of 1969).	Respective headings.
44.	Packing materials for manufacture of pharmaceutical products, including neutral glass tubings for the manufacture of vials and ampouls; if imported these will be subject to similar conditions as are envisaged for the purposes of the Customs Act, 1969 (IV of 1969).	Respective headings.

45.	<i>Computer hardware including lap tops, notebooks, PCs, main frame and their peripheral units and parts thereof.</i>	<i>Respective headings.</i>
46.	<i>Poultry feed and its ingredients.</i>	<i>Respective headings.</i>
47.	<i>Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution, subject to the similar conditions as are envisaged for the purposes of Customs Act, 1969 (IV of 1969).</i>	<i>Respective headings.</i>
48.	<i>Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, subject to the similar conditions as are envisaged for the purposes of Custom Act, 1969.</i>	<i>Respective headings.</i>
49.	<i>Bagasse produced in a factory during the process of sugar manufacture, if used in-house as fuel.</i>	2303.2000
50.	<i>Supplies made by a manufacturers whose turn over does not exceed three hundred thousand rupees in any period during the last twelve months.</i>	<i>Respective headings.</i>
51.	<i>Computer software.</i>	<i>Respective headings.</i>
52.	<i>Book, journals and periodicals excluding directories of all sorts.</i>	49.01, 49.02 and 49.03]

1.1a. S. No. 5 omitted by the Sales Tax (Amendment) Ordinance, 1998 (IV of 1998). Before omission this entry was as under:

"5.	<i>Cane sugar, beet sugar</i>	17.01"
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1.1b. Insertion by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier it was added by the Sales Tax (Second Amendment) Ordinance, 1996 (CIX of 1996) dated 02.11.1996 and again by Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997).

1.1c. Insertion by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997). Earlier it was added by the Sales Tax (Second Amendment)

- Ordinance, 1996 (CIX of 1996) dated 02.11.1996 and again by Sales Tax (Amendment) Ordinance, 1997 (XXXIX of 1997).
- 1.1.d. Insertion by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997).
- 1.1.e. Substituted for *“Imports under grants-in-aid for which a specific consent has been obtained from the Central Board of Revenue; and imports under agreements signed by the Government of Pakistan before 31.12.1995.”* by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997).
- 1.1.f. Substituted for *“Supplies made in Pakistan except those made by manufacturers”* by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997).
- 1.1.g. S. Nos. 36 to 39 added by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997).
- 1.1.h. S. Nos. 40 to 52 inserted by the Finance Act, 1997 (XXII of 1997).
- 1.2. Substituted for *“Unprocessed foodstuff”* by the Finance Act, 2003 (I of 2003).
- 1.3. Omission of *“, etc”* by the Finance Act, 1999 (IV of 1999).
- 1.4. Insertion by the Finance Ordinance, 2000 (XXI of 2000).
- 1.5. Clause (iv) of S. No.3 substituted by the Finance Act, 2003 (I of 2003).  
Before substitution this clause was as under:  
*“(iv) Fresh and dried milk; milk preparations obtained by replacing one or more of the constituents of milk by another substance, whether or not packed or retail sale, falling under Heading No.19.01 of the First Schedule to the Customs Act, 1969 (IV of 1969), including those consignments of such milk preparations imported and released against bank guarantee since 1st July, 2000, but excluding those consignments already cleared on payment of sales tax; plain yogurt excluding packaged or sold under trade mark or brand name.]”*  
**Earlier** it was substituted by the Finance Ordinance, 2001 (XXV of 2001).  
Before substitution this provision was as under:  
*“(iv) Fresh and dried milk, milk preparations obtained by replacing one of the constituents of milk by another substances, whether or not packed for retail sale, plain yogurt excluding packaged or sold under trade mark or brand name.”*  
**Earlier** this was substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this provision was as under:  
*“(iv) fresh and dried milk, yogurt, of all sorts whether or not packed for retail sale,”*
- 1.6. Omission of *“, etc”* by the Finance Act, 1999 (IV of 1999).
- 1.7. Clause (vii) of S. No.3 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this clause was as under:

- “(vii) cooked 1.7a[\*\*\*\*] foodstuff, whether or not frozen, served by clubs, messes, restaurants, hotels and other retail or wholesale outlets but excluding preserved, canned, bottled or packaged;”*
- 1.7a. Omission of *“or baked”* by the Finance Act, 1999 (IV of 1999).
- 1.8. Clause (ix) of S. No.3 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this clause was as under:  
*“(ix) table salt including iodized salt;”*
- 1.9. Clause (x) of S. No.3 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this clause was as under:  
*“(x) red chillies, ginger and turmeric; and”*
- 1.10. Clause (xi) of S. No.3 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this clause was as under:  
*“(xi) milk based food preparations of heading 19.01 of the First Schedule to the Customs Act, 1969 (Iv of 1969).”*
- 1.11. Clause (xii) of S. No.3 inserted by the Tax Law (Amendments) Ordinance, 1999 (XXII of 1999) dated 17.12.1999.
- 1.12. S. No. 3A inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.13. Substituted for *“0407.0020”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.14. Insertion by the Finance Ordinance, 2000 (XXI of 2000).
- 1.15. Omission of following by the Finance Act, 2003 (I of 2003):
- |                                |                     |
|--------------------------------|---------------------|
| <i>“Soyabean.</i>              | <i>12.01</i>        |
| <i>Rape-seed.</i>              | <i>12.05</i>        |
| <i>Sunflower seeds.</i>        | <i>12.06</i>        |
| <i>Palm nuts and kernels.</i>  | <i>1207.1000</i>    |
| <i>Safflower seeds.</i>        | <i>1207.6000</i>    |
| <i>Canola seed 1.15a[****]</i> | <i>1.15b[12.05]</i> |
- 1.15a. The words *“for sowing”* omitted by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.15b. Substitution for *“1207.9900”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.16. Substitution for *“1211.9020”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.17. Substitution for *“1212.9200”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.18. Clause (a) of S. No.5 substituted by the Finance Act, 2004 (II of 2004). Before substitution this provision was as under:  
*“(a) used in the manufacturer of cotton seed oil by the registered persons subject to such conditions as the Board may specify; and”*

- 1.19. S. No. 6 substituted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Before substitution this provision was as under:

6.	<i>Edible oils (excluding import of palm oil and soyabean oil) and vegetable ghee; desi ghee derived from milk.</i>	15.07, 15.08, 15.11, 15.12, 15.13, 15.14 15.15 and 04.05"
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**Earlier**, it was substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this provision was as under:

6.	<i>Edible oils (excluding palm oil and soyabean oil) and vegetable ghee; desi ghee derived from milk.</i>	15.08, 15.12, 15.13, 15.14, 15.15 and 04.05"
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- 1.20. Substitution of "*Vegetable ghee; desi ghee derived from milk; butter not sold under brand name or trade mark and supply of edible oils*" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.

1.21. Insertion by the Finance Act, 2003 (I of 2003).

1.22. Insertion by the Finance Act, 2004 (II of 2004).

1.23. Insertion of S. No. 6A by the Finance Act, 2004 (II of 2004).

- 1.24. S. No. 7 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this provision was as under:

"7.	<i>Crude petroleum oil.</i>	27.09."
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- 1.25. S. No. 8 omitted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Before omission this provision was as under:

8.	<i>JP-1</i>	2710.0042"
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**Earlier**, it was substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was as under:

8.	<i>POL products and LPG</i>	2710.0011, 2710.0012, 2710.0019, 2710.0031, 2710.0041, 2710.0042, 2710.0043, 2710.0049, 2710.0051, 2710.0061, 2710.0071, and 27.11"
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- 1.26. S. Nos. 9 & 10 omitted by the Finance Ordinance, 2000 (XXI of 2000). Before Omission this entry was as under:

"9.	<i>Natural gas, whether or not liquefied.</i>	27.11
10.	<i>Electrical energy.</i>	27.16"

- 1.27. Addition by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

1.28. Substitution for "**3000.6000, 3926.9030** <sup>1.28a</sup>[, **4014.1000 and 9908.0050**]" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.

1.28a. Substitution for "**and 4014.1000**" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

- 1.29. S. No. 12 omitted by the Finance Ordinance, 2002 (XVI of 2002) dated 21.03.2002. Before omission this entry was under:

"12.	<p><i>Medicaments classifiable under any of the headings of Chapter 30 of the First Schedule to the Customs Act, 1969 (Iv of 1969), but excluding the following even if medicated or medicinal in nature, namely:--</i></p> <p><i>(a) Filled infusion solution bags imported with or without infusion giving sets.</i></p> <p><i>(b) Scrub (washing preparation).</i></p> <p><i>(c) Soft soap.</i></p> <p><i>(d) Adhesive plaster.</i></p> <p><i>(e) Surgical tapes.</i></p> <p><i>(f) Liquid paraffin.</i></p> <p><i>(g) Disinfectants.</i></p> <p><i>(h) Medicated shampoos.</i></p> <p><i>(i) Absorbent cotton wool.</i></p>	<p><i>Respective headings of Chapter 30."</i></p>
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**Earlier,** S. No. 12 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was under:

"12.	<p><i>Medicaments excluding the following:--</i></p> <p><i>(a) Filled infusion solution bags imported with or without infusion giving sets.</i></p> <p><i>(b) Scrub (washing preparation).</i></p> <p><i>(c) Soft soap.</i></p> <p><i>(d) Adhesive plaster.</i></p> <p><i>(e) Surgical tapes.</i></p> <p><i>(f) Liquid paraffin.</i></p> <p><i>(g) Disinfectants.</i></p> <p><i>(h) Medicated shampoos.</i></p> <p><i>(i) Absorbent cotton wool.</i></p>	<p><i>Respective headings of Chapter 30."</i></p>
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1.30. S. No. 13 omitted by the Finance Ordinance, 2002 (XVI of 2002) dated 21.03.2002. Before omission this entry was under:

"13.	<p><i>Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976), classifiable under any of headings of chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969), but excluding the following even if medicated or medicinal in nature, namely:--</i></p> <p><i>(a) Filled infusion solution bags imported with or without infusion giving sets.</i></p> <p><i>(b) Scrub (washing preparation).</i></p> <p><i>(c) Soft soap.</i></p> <p><i>(d) Adhesive plaster.</i></p> <p><i>(e) Surgical tapes.</i></p> <p><i>(f) Liquid paraffin.</i></p> <p><i>(g) Disinfectants.</i></p> <p><i>(h) Medicated shampoos.</i></p> <p><i>(i) Absorbent cotton wool.</i></p>	Respective headings."
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**Earlier,** S. No. 13 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was under:

"13.	<p><i>Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976), classifiable under any of headings of chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969), but excluding the following even if medicated or medicinal in nature, namely:--</i></p> <p><i>(a) Filled infusion solution bags imported with or without infusion giving sets.</i></p> <p><i>(b) Scrub (washing preparation).</i></p> <p><i>(c) Soft soap.</i></p> <p><i>(d) Adhesive plaster.</i></p> <p><i>(e) Surgical tapes.</i></p> <p><i>(f) Liquid paraffin.</i></p> <p><i>(g) Disinfectants.</i></p> <p><i>(h) Medicated shampoos.</i></p> <p><i>(i) Absorbent cotton wool.</i></p>	Respective headings."
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1.31. S. No. 14 omitted by the Finance Ordinance, 2002 (XVI of 2002) dated 21.03.2002. Before omission this entry was under:

"14	Raw materials for basic manufacture of pharmaceutical active ingredients; but if imported, these shall be entitled to exemption from tax on importation only if also entitled to exemption from payment of the whole or part of the custom duty leviable thereon; and also those raw materials for basic manufacture of pharmaceutical active ingredients which <sup>1.31a</sup> [attracted during the period from 1st July, 1999 in 17th June, 2001] statutory custom duty @ 10% ; but if imported these shall be subject to similar conditions as are envisaged for the raw materials entitled to exemption from payment of the whole or part of the custom duty leviable thereon.	Respective headings."
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**Earlier**, S. No. 14 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was under:

"14	Raw materials for basic manufacture of pharmaceutical active ingredients; <sup>1.31b</sup> [but if imported, these shall be entitled to exemption from tax on importation only if also entitled to exemption from payment of the whole or part of the customs duty leviable thereon.]	Respective headings."
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- 1.31a. Substituted for "*if imported, this exemption will be subject to similar conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969)*" by the Finance Act, 1999 (IV of 1999).
- 1.31b. Substituted for "*attract*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.32. S. No. 15 omitted by the Finance Ordinance, 2002 (XVI of 2002) dated 21.03.2002. Before omission this entry was under:



"15	Raw materials for manufacture of pharmaceutical products; but if imported, these shall be entitled to exemption from tax on importation only if also entitled to exemption from payment of the whole or part of the custom duty leviable thereon; and also those raw materials for basic manufacture of pharmaceutical products which <sup>1.32a</sup> [attracted during the period from 1st July, 1999 in 17th June, 2001] statutory custom duty @ 10% ; but if imported these shall be subject to similar conditions as are envisaged for the raw materials entitled to exemption from payment of the whole or part of the custom duty leviable thereon.	Respective headings."
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**Earlier,** S. No. 15 substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was under:

"15	Raw materials for basic manufacture of pharmaceutical products; <sup>1.32b</sup> [but if imported, these shall be entitled to exemption from tax on importation only if also entitled to exemption from payment of the whole or part of the customs duty leviable thereon.]	Respective headings."
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- 1.32a. Substituted for "*if imported, this exemption will be subject to similar conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969)*" by the Finance Act, 1999 (IV of 1999).
- 1.32b. Substituted for "*attract*" by the Federal Finance Ordinance, 2001 (Ord XXV of 2001) dated 18.06.2001.
- 1.33 S. No. 16 omitted by the Finance Ordinance, 2000 (XXI of 2000). Before omission this entry was under:

"16	Packing materials for manufacture of pharmaceutical products; including neutral glass tubings for manufacture of vials and ampoules; <sup>1.33a</sup> [but if imported, these shall be entitled to exemption from tax on importation only if also entitled to exemption from payment of the whole or part of the customs duty leviable thereon.]	Respective headings."
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- 1.33a. Substituted for "*if imported, this exemption will be subject to similar conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969)*" by the Finance Act, 1999 (IV of 1999).

- 1.34. S. No. 17 omitted by the Sales Tax (Third Amendment) Ordinance, 2001 (XLVIII of 2001) dated 02.09.2001. Before omission this entry was as under:

"17.	1.34a [Fertilizers excluding urea fertilizer].	1.34b [Respective headings of Chapter 31]"
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- 1.34a. Substituted for "**Fertilizers**" by Sales Tax (Second Amendment) Ordinance, 2001 (XVII of 2001) dated 31.03.2001.

- 1.34b. Insertion by the Sales Tax (Second Amendment) Ordinance, 2001 (XVII of 2001) dated 31.03.2001.

- 1.35. S. No. 18 omitted by the Sales Tax (Second Amendment) Ordinance, 2001 (XVII of 2001) dated 31.03.2001. Before omission this entry was as under:

"18	Insecticides, pesticides, fungicides and herbicides or weedicides, for agricultural purposes.	38.08"
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- 1.36. S. No. 19 omitted by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 05.09.2000. Before omission this entry was under:

"19.	Cement	25.23"
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Earlier, this entry was substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was as under:

"19.	Cement	45.23"
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- 1.37. Substituted for comma by the Finance Act, 2003 (I of 2003).
- 1.38. Omission of "**and similar documents of title**" by the Finance Act, 2003 (I of 2003).
- 1.39. S. No. 26 substituted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001. Before substitution this entry was as under:-

"26.	<p><i>Temporary import of goods for re-export, subject to similar conditions as are envisaged for the purposes of Customs Act, of the following:-</i></p> <p><i>(a) Machinery and equipment for repair.</i></p> <p><i>(b) Professional equipment imported by visiting technicians, doctors, etc.</i></p> <p><i>(c) Equipment and material imported by visiting television and broad-casting units, press photographers and film companies.</i></p> <p><i>(d) Scientific and educational instruments, apparatus and appliances including simultaneous broad-casting equipment if imported for scientific, educational or cultural seminars to be held in Pakistan.</i></p> <p><i>(e) Goods imported by governmental or semi-governmental institutions for demonstration purposes for their display centres.</i></p> <p><i>(f) Goods imported for display at international or single country exhibition by foreign missions.</i></p> <p><i>(g) Machinery imported by the representatives of foreign commercial firms for demonstration purposes.</i></p> <p><i>(h) Dry fruit temporarily imported from Afghanistan for subsequent exportation.</i></p> <p><i>(i) Containers meant and used for packing of goods for export by air, sea or land routes; and containers stuffed with imported goods if these containers are meant for re-export, or otherwise.</i></p>	Respective headings.
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- 1.40. Substituted for "9906.0020, 9906.0030 and 9906.0040" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.41. Substituted for "**exemption**" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.42. Substituted for "9906.0010" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier it was substituted for "**Respective headings**" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.

- 1.43. Substituted for "*exemption*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.44. Substituted for "**9904.0010**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier it was substituted for "*Respective headings*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.45. Substituted for "*Defence stores imported*" by the Finance Act, 1999 (IV of 1999).
- 1.46. Substituted for "*and trucks*" by the Finance Act, 2003 (I of 2003).
- 1.47. Substituted for "*exemption*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.48. Substituted for "**9902.0060**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier it was substituted for "*Respective headings*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.49. Omission of "*of no commercial value*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.50. Substituted for "*exemption*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.51. Substituted for "**9902.0070**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier it was substituted for "*Respective headings*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.52. S. No.36A inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.53. Insertion by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.54. Substituted for "**9901.0010, 9901.0020, 9901.0030, 9901.0040, 9901.0050, 9901.0060 and 9901.0080**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier it was substituted for "*Respective headings*" by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.55. S. No.40A inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.56. Substituted for "**9901.0070**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.57. Substituted for "**9901.0070**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.58. Omission of "*in Pakistan*" by the Finance Act, 2003 (I of 2003).

- 1.59. Substituted for *“five hundred thousand”* by the Finance Act, 2004 (II of 2004). Earlier it was *“five”* substituted for *“three”* by the Finance Act, 1999 (IV of 1999).
- 1.60. Substituted for *“one”* by the Finance Act, 2004 (II of 2004). Earlier it was substituted for *“five”* by the Finance Act, 1999 (IV of 1999).
- 1.61. Substituted for *“Raw material and intermediary goods or services if used by the sales tax registered manufacturer, himself in the manufacture of goods subject to sales tax”* by the Finance Act, 2004 (II of 2004). Earlier it was substituted for *“Partly manufactured goods if used within the same factory to manufacture goods in respect of which sales tax is leviable on their supply”* by the Finance Act, 2003 (I of 2003).
- 1.62. Insertion by the Finance Act, 1999 (IV of 1999).
- 1.63. Substituted for *“exemption”* by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.64. Substituted for *“Respective headings”* by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.65. Substituted for *“9903.0010”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.66. S. No.46A inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.67. Substituted for *“9903.0010”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.68. Inserted by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.69. Substituted for *“exemption”* by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.70. Substituted for *“9902.0010, 9902.0020, 9902.0030, 9902.0040 and 9902.0050”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier, it was substituted for *“Respective headings”* by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.71. Substituted for *“Supply of tractors, bulldozers and combined harvesters for agricultural purposes”* by the Finance Act, 2004 (II of 2004).
- 1.72. Substituted for *“84.29, 8433.5100, 8701.9019 and 8701.9012”* by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.73. S. No.51 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Finance Ordinance, 2000 (XXI of 2000). Before omission this entry was as under:

“51.	One bus in CBU condition, meant for transportation of passengers imported by a person under NRI scheme.	87.02”
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- 1.74. S. No.52 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Sales Tax (Amendments) Ordinance, 1999 (XXII of 1999) dated 17.12.1999. Before omission this entry was as under:

"52.	<i>Imported motor vehicles meant for transportation of persons which pay custom duty in foreign exchange.</i>	87.03"
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- 1.75. S. No.53 added by the Finance Act, 1999 (IV of 1999) and was substituted by the Finance Ordinance, 2000 (XXI of 2000). Before substitution this entry was as under:

"53.	<i>Cattle feed.</i>	2309.9000"
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- 1.76. Insertion by the Finance Act, 2004 (II of 2004).  
 1.77. Substituted for "**2302.1000, 2306.1000, 2306.7000 and 2309.9000**" by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002. Earlier, it was substituted for "**2306.1000, 2309.9000**" by the Sales Tax (Amendment) Ordinance, 2000 (XLII of 2000) dated 02.09.2001.

- 1.78. S. No.54 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Finance Ordinance, 2000 (XXI of 2000). Before omission this entry was as under:

"54.	<i>Fertilizer grade phosphatic rocks, and phosphoric acid imported by recognized fertilizer factories for use in the manufacture of phosphatic fertilizers including the phosphoric acid imported by FFCJ and cleared provisionally without payment of sales tax during 1998-1999.</i>	2809.2000 and 25.10"
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- 1.79. S. No.55 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Sales Tax (Second Amendment) Ordinance, 2001 (XVII of 2001) dated 31.03.2001. Before omission this entry was as under:

"55.	<i>Chemical inputs, as are not manufactured in Pakistan, imported by recognized manufacturers of agricultural pesticides and used in the local manufacture of agricultural pesticides.</i>	2903.6900, 2916.2000, 2917.3900, 29.19, 29.20, 2923.9000, 2924.1000, 2926.9000, 2930.2000, 2930.9090,2932.1900 and 2933.9000"
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- 1.80. S. No.56 added by the Finance Act, 1999 (IV of 1999).  
 1.81 S. No.57 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Finance Ordinance, 2000 (XXI of 2000). Before omission this entry was as under:

“57.	Supply of CNG kits for automotive vehicles.	Respective headings.”
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- 1.82. S. No.58 added by the Finance Act, 1999 (IV of 1999) and was omitted by the Finance Act, 2003 (I of 2003). Before omission this entry was as under:

“58.	Imported machinery and equipment, specified in Table-III of section 18 of the Finance Act, 1999, provided that no customs duty is levied thereon under the said section 18 of the Finance Act, 1999.	Respective headings.”
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- 1.83. S. No.59 added by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 1.84. Substituted for **“Import of artificial”** by the Finance Act, 2003 (I of 2003).
- 1.85. Insertion by the Finance Act, 2003 (I of 2003).
- 1.86. Substituted for **“9908.0040 (where applicable) and 9908.0060”** by the Finance Ordinance, 2002 (XXVII of 2002) dated 15.06.2002.
- 1.87. S. No.60 added by the Finance Act, 2003 (I of 2003).
- 1.88. Insertion by the Finance Ordinance, 2001 (XXV of 2001) dated 18.06.2001.
- 2 Insertion (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).
- 3 Substituted (*w.e.f.* 02.06.2012) for **“0101.1000”** by the Finance Act, 2012 (XVII of 2012).
- 4 Substituted for **“0101.3100”** by the Finance Act, 2017 (XXVII of 2017).
- 5 **“0102.1010”** omitted by the Finance Act, 2017 (XXVII of 2017).
- 6 Substituted (*w.e.f.* 02.06.2012) for **“0102.1020”** by the Finance Act, 2012 (XVII of 2012).
- 7 Substituted (*w.e.f.* 02.06.2012) for **“0102.1030”** by the Finance Act, 2012 (XVII of 2012).
- 8 Substituted (*w.e.f.* 02.06.2012) for **“0102.1040”** by the Finance Act, 2012 (XVII of 2012).
- 9 Substituted (*w.e.f.* 02.06.2012) for **“0102.1090”** by the Finance Act, 2012 (XVII of 2012).
- 10 Substituted (*w.e.f.* 02.06.2012) for **“0102.9010”** by the Finance Act, 2012 (XVII of 2012).
- 11 Substituted (*w.e.f.* 02.06.2012) for **“0102.9020”** by the Finance Act, 2012 (XVII of 2012).
- 12 Substituted (*w.e.f.* 02.06.2012) for **“0102.9030”** by the Finance Act, 2012 (XVII of 2012).
- 13 Substituted (*w.e.f.* 02.06.2012) for **“0102.9040”** by the Finance Act, 2012 (XVII of 2012).
- 14 Substituted (*w.e.f.* 02.06.2012) for **“0102.9090”** by the Finance Act, 2012 (XVII of 2012).
- 15 **“0105.1900”** omitted by the Finance Act, 2017 (XXVII of 2017).

- 16 Substituted (*w.e.f.* 10.06.2007) for “0105.9200, 0105.9300” by the Finance Act, 2007 (IV of 2007).
- 17 At S. No. 2, substituted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007). Before substitution this entry was as under:

<i>Meat of bovine animals, sheep, goat and poultry, excluding offal, whether or not fresh, frozen or otherwise, preserved.</i>	0201.1000, 0201.2000, 0201.3000, 0202.1000, 0202.2000, 0202.3000, 0204.1000, 0204.2100, 0204.2200, 0204.2300, 0204.3000, 0204.4100, 0204.4200, 0204.4300, 0204.5000, 0207.1100, 0207.1200, 0207.1300, 0207.1400, 0207.2400, 0207.2500, 0207.2600, 0207.2700, 0207.3200, 0207.3300, 0207.3500 and 0207.3600”
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- 18 The words inserted by Finance Act, 2019 (V of 2019).
- 19 S. No. 3 substituted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007). Before substitution this entry was as under:

3	<i>Fish and crustaceans, whether or not fresh, frozen or otherwise preserved.</i>	0302.1100, 0302.1200, 0302.1900, 0302.2100, 0302.2200, 0302.2300, 0302.2900, 0302.3100, 0302.3200, 0302.3300, 0302.3400, 0302.3500, 0302.3600, 0302.3900, 0302.4000, 0302.5000, 0302.6100, 0302.6200, 0302.6300, 0302.6400, 0302.6500, 0302.6500, 0302.6600, 0302.6900, 0303.1100, 0303.1900, 0303.2100, 0303.2200, 0303.2900, 0303.3100, 0303.3200, 0303.3300, 0303.3900, 0303.4100, 0303.4200, 0303.4300, 0303.4400, 0303.4500, 0303.4600, 0303.4900, 0303.5000, 0303.6000, 0303.7100, 0303.7200, 0303.7300, 0303.7400, 0303.7500, 0303.7600, 0303.7700, 0303.7800, 0303.7900, 0304.1000, 0304.2000, 0304.9000, 0305.3000, 0305.4100, 0305.4200, 0305.4900, 0305.5100, 0305.5900, 0305.6100, 0305.6200, 0305.6300, 0305.6900, 0306.1100, 0306.1200, 0306.1300, 0306.1400, 0306.1900, 0306.2100, 0306.2200, 0306.2300, 0306.2400 and 0306.2900”
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- 20 The words inserted by Finance Act, 2019 (V of 2019).
- 21 S.No.4 to 10 omitted (*w.e.f.* 06.06.2006) by the Finance Act, 2006 (III of 2006). Before omission these entries were as under:

“4.	<i>Fresh, liquid and dried milk without addition of sugar or any other sweetening matter whether packed or not.</i>	0401.1000, 0401.2000, 0401.3000, 0402.1000, 0402.2100 and 0402.9100
5.	<i>Cream excluding those packed and sold under brand name or trade mark.</i>	0401.1000, 0401.2000, 0401.3000, 0402.1000, 0401.2100, 0402.2900, 0402.9100 and 0402.9900



6.	Plain yogurt excluding packaged or sold under trademark or brand name.	0403.1000
7.	Whey excluding packaged or sold under brand names or trademarks.	0404.1010 and 0404.1090
8.	Butter not sold under brand names or trademarks.	0405.1000
9.	Desi ghee derived from milk.	0405.9000
10.	Cheese excluding packaged or sold under brand name or trademarks.	0406.1010, 0406.2000, 0406.3000, 0406.4000 and 0406.9000"

- 22 Substituted (*w.e.f.* 02.06.2012) for **"0407.0010"** by the Finance Act, 2012 (XVII of 2012).
- 23 Substituted (*w.e.f.* 02.06.2012) for **"0407.0090"** by the Finance Act, 2012 (XVII of 2012).
- 24 Substituted (*w.e.f.* 10.06.2007) for **"and tubers, etc."** by the Finance Act, 2007 (IV of 2007).
- 25 Insertion by the Finance Act, 2009 (I of 2009).
- 26 Substituted for comma by the Finance Act, 2008 (I of 2008).
- 27 The words **"or packaged"** omitted by the Finance Act, 2008 (I of 2008).
- 28 **"0701.9000,"** omitted by the Finance Act, 2009 (I of 2009).
- 29 **"0703.1000,"** omitted by the Finance Act, 2009 (I of 2009).
- 30 Substituted (*w.e.f.* 10.06.2007) for **"0709.5200, 0709.5900"** by the Finance Act, 2007 (IV of 2007).
- 31 Substituted for **"0713.2000"** by the Finance Act, 2009 (I of 2009).
- 32 Substituted for comma by the Finance Act, 2008 (I of 2008).
- 33 The words **"or packaged"** omitted by the Finance Act, 2008 (I of 2008).
- 34 **"0803.0000"** omitted by the Finance Act, 2017 (XXVII of 2017).
- 35 Substituted for **"0805.2010"** by the Finance Act, 2017 (XXVII of 2017).
- 36 Substituted for **"0805.2090"** by the Finance Act, 2017 (XXVII of 2017).
- 37 Substituted (*w.e.f.* 02.06.2012) for **"0808.2000"** by the Finance Act, 2012 (XVII of 2012).
- 38 Omission (*w.e.f.* 10.06.2007) of **"0810.3000"** by the Finance Act, 2007 (IV of 2007).
- 39 Substituted (*w.e.f.* 02.06.2012) for **"0904.2010"** by the Finance Act, 2012 (XVII of 2012).
- 40 Substituted (*w.e.f.* 02.06.2012) for **"0904.2020"** by the Finance Act, 2012 (XVII of 2012).
- 41 Substituted for **"0910.1000"** by the Finance Act, 2017 (XXVII of 2017).
- 42 Substituted (*w.e.f.* 10.06.2007) for **"Cereals whether or not milled, hulled, polished, packed for retail sale"** by the Finance Act, 2007 (IV of 2007).
- 43 The expression inserted by Finance Act, 2019 (V of 2019).
- 44 Substituted for **"1006.1000,"** by the Finance Act, 2009 (I of 2009).
- 45 Omission of **"1006.1010"** by the Finance Act, 2015 (V of 2015).

- 46 The figures "**1102.1000**," omitted by Finance Act, 2019 (V of 2019).  
 47 "**1102.3000**" omitted by the Finance Act, 2017 (XXVII of 2017).  
 48 Substituted (*w.e.f.* 10.06.2007) for "**and respective headings of 1104**" by the Finance Act, 2007 (IV of 2007).  
 49 Substituted for "**1209.1000**" by the Finance Act, 2015 (V of 2015).  
 50 "**1209.1010**" omitted by the Finance Act, 2017 (XXVII of 2017).  
 51 Omission (*w.e.f.* 10.06.2007) of "**1209.2600**" by the Finance Act, 2007 (IV of 2007).  
 52 Substituted for "**1212.9990**" by the Finance Act, 2017 (XXVII of 2017). Earlier it was substituted for "**1212.9900**" by the Finance Act, 2009 (I of 2009).  
 53 Insertion (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).  
 54 Explanation inserted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).  
 55 Substituted for "**to**" by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.  
 56 Insertion by the Finance Act, 2014 (IX of 2014).  
 57 Omission (*w.e.f.* 10.06.2007) of "**1511.9010**" by the Finance Act, 2007 (IV of 2007).  
 58 Insertion by the Finance Act, 2008 (I of 2008).  
 59 Omission (*w.e.f.* 10.06.2007) of "**1517.1000**" by the Finance Act, 2007 (IV of 2007).  
 60 S. No. 25 and entries relating thereto omitted by the Finance Act, 2013 (XXII of 2013). Before omission this provision was as under:

"25	Milk preparations obtained by replacing one or more of the constituents of milk by another substance, whether or not packed for retail sale.	<sup>a</sup> [1901.1000, 1901.9020 and 1901.9090]"
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- a. Substituted (*w.e.f.* 10.06.2007) for "**19.01**" by the Finance Act, 2007 (IV of 2007).

- 61 Substituted for "**4907.0000**" by the Finance Act, 2017 (XXVII of 2017).  
 62 S. No.28 and entries relating thereto omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

"28	Poultry feed and Cattle feed including their all ingredients except soyabean meal of PCT heading 2304.000 and oil-cake of cottonseed falling under PCT heading 2306.1000.	<sup>a</sup> [2301.2090, 2305.000, 2306.2000, 2306.3000, 2306.4100, 2306.5000, 2309.9010, 2309.9020, 2309.9090, 2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700 and 2936.2800]"
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- a. Substituted (*w.e.f.* 10.06.2007) for “**2306.7000, 2309.9000 and respective headings of 29.36**” by the Finance Act, 2007 (IV of 2007).
- 63 S. No.29A and 29B omitted by the Finance Act, 2011 (XVI of 2011). Earlier these entries were inserted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007). Before omission, in 2011, these entries were as under:

“29A	<i>Surgical tapes</i>	30.05
29B	<i>Ultrasound gel</i>	3006.7000”

- 64 S. No. 29C inserted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).
- 65 S. No.30 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

“a[30	<i>Diapers for adults (patients)</i>	4818.4010]”
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- a. S. No. 30 substituted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007). Before substitution this entry was as under:

“30	<i>Adult diapers used for incontinence.</i>	4818.9000”
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- 66 Substituted (*w.e.f.* 10.06.2007) for “**4901.9910**” by the Finance Act, 2007 (IV of 2007).
- 67 Substituted (*w.e.f.* 02.06.2012) for “**8523.4010**” by the Finance Act, 2012 (XVII of 2012).
- 68 Substituted (*w.e.f.* 02.06.2012) for “**8523.4030**” by the Finance Act, 2012 (XVII of 2012).
- 69 Substituted (*w.e.f.* 02.06.2012) for “**8523.4090**” by the Finance Act, 2012 (XVII of 2012).
- 70 “**8523.5100 and 8523.5200**” omitted by the Finance Act, 2017 (XXVII of 2017).
- 71 Substituted for “**Newspaper**” by the Finance Act, 2009 (I of 2009).
- 72 Omission of “, *etc.*” by the Finance Act, 2008 (I of 2008).
- 73 Insertion by the Finance Act, 2009 (I of 2009).
- 74 Substitution for “**4902.1010, 4902.1090, 4902.9010, 4902.9090,**” by the Finance Act, 2009 (I of 2009).

- 75 Substituted for “**4907.0000**” by the Finance Act, 2017 (XXVII of 2017).
- 76 S. No. 34 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

“34	<i>Bricks</i>	6901.0000”
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- 77 S. No. 35 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

“35	<i><sup>a</sup>[Building blocks of cement <sup>b</sup>[including ready mix concrete blocks].]</i>	6810.1100”
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- a. Substituted (*w.e.f.* 10.06.2007) for “**Cement Blocks**” by the Finance Act, 2007 (IV of 2007).
- b. Addition by the Finance Act, 2008 (I of 2008).
- 78 S.No.36 & 37 omitted by Finance Act, 2019 (V of 2019). Before omission these entries were as under:

36.	<i>Silver, in unworked condition.</i>	<sup>a</sup> [7106.1000, 7106.9110 and 7106.9190]
37.	<i>Gold, in un-worked condition.</i>	<sup>b</sup> [7108.1100, 7108.1210 and 7108.1290]

a. Substituted (*w.e.f.* 10.06.2007) for “**7106.1000 and 7106.9100**” by the Finance Act, 2007 (IV of 2007).

b. Substituted (*w.e.f.* 10.06.2007) for “**7108.1100 and 7108.1200**” by the Finance Act, 2007 (IV of 2007).

79 Substituted for “**7108.2000**” by the Finance Act, 2017 (XXVII of 2017).

80 Insertion (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).

81 S. No. 39 omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

“39	<i>Incinerators of disposal of waste management, motorized sweepers and snow ploughs.</i>	8417.8000, 8430.2000 and 8479.8990”
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82 S. No. 40 omitted (*w.e.f.* 06.06.2006) by the Finance Act, 2006 (III of 2006). Before omission this entry was as under:

“40	<i>Computer hardware including laptops, notebooks, PCs mainframe and other peripheral units and parts thereof.</i>	8471.1000, 8471.3010, 8471.3020, 8471.3090, 8471.4110, 8471.4190, 8471.4910, 8471.4990, 8471.5000, 8471.6010, 8471.6020, 8471.6030, 8471.6040, 8471.6050, 8471.6061, 8471.6069, 8471.6071, 8471.6079, 8471.6080, 8471.6090, 8471.7010, 8471.7020, 8471.7030, 8471.7040, 8471.7050, 8471.7090, 8471.8010, 8471.8020, 8471.8030, 8471.8040, 8471.8050, 8471.8060, 8471.8090, 8471.9010, 8471.9020, 8471.9090, 8473.3010, 8473.3020, 8473.3030 and 8473.3090”
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83 S. No. 41 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

“41	<i>Computer software</i>	<sup>a</sup> [8523.2990, 8523.4010, 8523.4090, 8523.5990 and 8523.8090]”
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a. Substituted (*w.e.f.* 10.06.2007) for “**8524.3100, 8524.3900, 8524.4000, 8524.9100, 8524.9910 and 8524.9990**” by the Finance Act, 2007 (IV of 2007).

84 S. No. 42 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

"42	<i>Ambulances, firefighting vehicles, waste disposal trucks, brake down lorries, special purposes vehicles for the maintenance of streetlights and overhead cables.</i>	87.02, 87.03, 8704.2200, 8704.2300, 8705.3000, and 8705.9000"
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- 85 S. No. 43 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

"a[43	<i>Aircrafts</i>	8802.2000, 8802.3000 and 8802.4000]"
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- a. S. No. 43 substituted (*w.e.f.* 06.06.2006) by the Finance Act, 2006 (III of 2006). Before substitution this entry was as under:

"43	<i>Aircraft of unladen weight exceeding 8000 kgs excluding those for recreational or pleasure purpose.</i>	8802.3000 and 8802.4000"
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- 86 S. No. 44 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

"44	<i>Ships of gross tonnage exceeding 15 LDTs, excluding those for recreational or pleasure purpose.</i>	<sup>a</sup> [8901.2000, 8901.3000 and 8901.9000]"
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- a. Substituted (*w.e.f.* 10.06.2007) for "**Respective headings**" by the Finance Act, 2007 (IV of 2007).

- 87 Omission (*w.e.f.* 10.06.2007) of "**imported**" by the Finance Act, 2007 (IV of 2007).

- 88 Substituted (*w.e.f.* 10.06.2007) for "**9201.3900**" by the Finance Act, 2007 (IV of 2007).

- 89 Contents in column (2) against S. No.46 substituted (*w.e.f.* 10.06.2007) for "**Goods imported by diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, orders, rules, regulations made thereunder and agreements by the Federal Government provided that such goods are charged to zero-rate of customs duty under the Customs Act, 1969 (IV of 1969), and the conditions laid down for customs purposes are observed.**" by the Finance Act, 2007 (IV of 2007).

- 90 Substituted (*w.e.f.* 10.06.2007) for "**Central Board of Revenue**" by the Finance Act, 2007 (IV of 2007).

- 91 S. No. 52A inserted by the Finance Act, 2008 (I of 2008).

- 92 The words inserted by Finance Act, 2019 (V of 2019).

- 93 S. No. 56 omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

"56	<i>Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of applying of zero-rate of customs duty under the Customs Act, 1969 (IV of 1969).</i>	99.18"
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- 94 Substituted for "**and**" by the Finance Act, 2008 (I of 2008).  
 95 Insertion by the Finance Act, 2014 (IX of 2014).  
 96 Substitution for "**and 99.25**" by the Finance Act, 2008 (I of 2008).  
 97 Insertion by the Finance Act, 2014 (IX of 2014).  
 98 Substituted (*w.e.f.* 10.06.2007) for "**Respective headings**" by the Finance Act, 2007 (IV of 2007).  
 99 S. No. 62 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

"62	<i>Defence stores, whether manufactured locally or imported by the Federal Government against foreign exchange allocation for defence, including trucks, trailers and vehicles falling under PCT heading 87.04 of the First Schedule to the Customs Act, 1969 (IV of 1969), specially modified for mounting defence equipments, their parts and accessories for supply to Armed Forces.</i>	<i>Respective headings"</i>
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- 100 S. Nos. 64, 65, 66, 67 & 68 and entries relating thereto omitted by the Finance Act, 2011 (XVI of 2011). Before omission these entries were as under:

"64.	<i>Spare parts and equipment for aircraft and ships covered by serial number 43 and 44 above.</i>	<i>Respective headings.</i>
65.	<i>Equipment and Machinery for pilotage, salvage or towage for use in ports or airports.</i>	<i>Respective headings.</i>
66.	<i>Equipment and Machinery for air navigation.</i>	<i>Respective headings.</i>
67.	<i>Equipment and machinery used for services provided for handling of ships or aircrafts in a customs-port or customs-airport.</i>	<i>Respective headings.</i>
68	<i>Such plant and machinery as is notified by the Federal Government in the official Gazette but if imported, these shall be entitled to exemption from sales tax on importation if these are not manufactured in Pakistan.</i>	<i>Respective headings.</i>

a[69]	<i>b[Bulldozers] and combined harvesters; and components (which include sub-components, components, sub-assemblies and assemblies but exclude consumables) imported in any kit form and direct materials or assemblies or assembly or manufacture thereof, subject to the same conditions as are envisaged for the purpose of exemption under the Customs Act, 1969 (IV of 1969).</i>	<i>Respective headings.]</i>
c[70]	<i>Import and supply of fully dedicated CNG Euro-2 buses, whether CBU or CKD condition.</i>	<i>8702.9010 and 8702.9090]"</i>

a. S. No. 69 substituted by the Finance Act, 2009 (I of 2009). Before substitution this entry was as under:

"69	<i>Tractors, bulldozers and combined harvesters; and CKD kits thereof imported by recognized local manufacturers as per their approved deletion programme subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969).</i>	<i>aa[8701.9010, 8701.9020 ab[,8701.9090], 8429.1900 and 8433.5100]"</i>
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aa. Substituted (*w.e.f.* 10.06.2007) for "*Respective headings*" by the Finance Act, 2007 (IV of 2007).

ab. Insertion made by the Finance Act, 2008 (I of 2008).

b. Substituted for "*Tractors, bulldozers*" by the Sales Tax (Amendment) Ordinance, 2011 (II of 2011) dated 15.03.2011.

c. Substituted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).

Before substitution this entry was as under:

70	<i>Import and supply of CNG Euro-2 buses, whether CBU or CKD condition.</i>	<i>Respective headings</i>
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101 S. No. 71 inserted by the Finance Act, 2008 (I of 2008).

102 S. Nos. 72 to 116 inserted by the Finance Act, 2014 (IX of 2014).

103 The words inserted by Finance Act, 2019 (V of 2019).

104 S. Nos.73 to 80 substituted by the Finance Act, 2015 (V of 2015). Before substitution these entries were as under:

"73.	<i>Milk and cream</i>	<i>04.01 and 04.02</i>
74.	<i>Flavored milk</i>	<i>0402.9900</i>
75.	<i>Yogurt</i>	<i>0403.1000</i>
76.	<i>Whey</i>	<i>04.04</i>
77.	<i>Butter</i>	<i>0405.1000</i>
78.	<i>Desi ghee</i>	<i>0405.9000</i>

79	<i>Cheese</i>	0406.1010
80.	<i>Processed cheese not grated or powdered.</i>	0406.3000"

- 105 The words and figures "**04.01 and**" omitted by Finance Act, 2019 (V of 2019).
- 106 Substituted for "**1207.2000**" by the Finance Act, 2017 (XXVII of 2017).
- 107 The expression added by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 108 The expression added by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 109 "**1604.3000**" omitted by the Finance Act, 2017 (XXVII of 2017).
- 110 Substituted for "*Preparations for infant use, put up for retail sale*" by the Finance Act, 2017 (XXVII of 2017).
- 111 The Expression inserted by Finance Act, 2019 (V of 2019).
- 112 Substituted for "**8539.3910**" by the Finance Act, 2017 (XXVII of 2017).
- 113 S. No. 95 omitted by Finance Act, 2019 (V of 2019). Before omission this entry was as under:

95.	<i>Vessels for breaking up.</i>	89.08
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- 114 Substituted for "*Pens and ball pens*" by the Finance Act, 2017 (XXVII of 2017).
- 115 S. Nos. 100A and 100B inserted by the Finance Act, 2016 (XXIX of 2016).
- 116 The expression inserted by the Finance Act, 2017 (XXVII of 2017).
- 117 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 118 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 119 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 120 The expression inserted w.e.f. 01.06.2020 by the Finance Act, 2020 (XIX of 2020). Earlier this amendment was made by the Tax Laws (Amendment) Ordinance, 2019 (XIII of 2019) dated 08.10.2019.
- 121 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 122 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 123 The expression inserted w.e.f. 01.06.2020 by the Finance Act, 2020 (XIX of 2020). Earlier this amendment was made by the Tax Laws (Amendment) Ordinance, 2019 (XIII of 2019) dated 08.10.2019.
- 124 Substituted for "*time of import*" w.e.f. 01.06.2020 by the Finance Act, 2020 (XIX of 2020). Earlier this amendment was made by the Tax Laws (Amendment) Ordinance, 2019 (XIII of 2019) dated 08.10.2019.
- 125 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 126 Substituted for "*Gawadar*" by the Finance Act, 2017 (XXVII of 2017).
- 127 Sr. No. 100C inserted by the Finance Act, 2017 (XXVII of 2017).
- 128 Sr. No.100D inserted w.e.f. 01.06.2020 by the Finance Act, 2020 (XIX of 2020). Earlier this amendment was made by the Tax Laws (Amendment) Ordinance, 2019 (XIII of 2019) dated 08.10.2019.



- 129 Substituted for “2020” by the Finance Act, 2020 (XIX of 2020).  
 130 Omission of “of gross tonnage of less than 15 LDT” by the Finance Act, 2016 (XXIX of 2016).  
 131 Substitution for “ten” Finance Act, 2016 (XXIX of 2016).  
 132 Insertion by the Finance Act, 2015 (V of 2015).  
 133 “0206.2000” omitted by the Finance Act, 2017 (XXVII of 2017).  
 134 Substituted for “3825.9099” by the Finance Act, 2017 (XXVII of 2017).  
 135 The expression inserted by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.  
 136 Substitution for “8539.3990” Finance Act, 2016 (XXIX of 2016).  
 137 Substitution for “9405.1090” Finance Act, 2016 (XXIX of 2016).  
 138 Substituted for “8543.7090” by the Finance Act, 2017 (XXVII of 2017).  
 139 Addition by Finance Act, 2016 (XXIX of 2016).  
 140 S. No.111 omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this entry was as under:

“111	White crystalline sugar	1701.9910 and 1701.9920”
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- 141 Entry No.7 to 25 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 142 Entry No.7 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 143 Entry No.7 to 11 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 144 Entry No.6 to 12 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 145 Entry No.5 to 18 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 146 The words added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.  
 147 Substituted for “8424.8100” by the Finance Act, 2017 (XXVII of 2017).  
 148 Insertion by the Finance Act, 2015 (V of 2015).  
 149 Substituted for “8430.3100, 8430.3900” by the Finance Act, 2015 (V of 2015).  
 150 Substituted for “9406.0010” by the Finance Act, 2017 (XXVII of 2017).  
 151 S. Nos. 117 to 129 inserted by the Finance Act, 2015 (V of 2015).  
 152 S. No.117 substituted by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019. Before substitution this entry was as under:

117	Appliances for colostomy	3006.9100
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- 153 S. No.118 omitted by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019. Before omission this entry was as under:

118.	Colostomy and urostomy bags	3926.9050
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- 154 S. No. 119 omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this entry was as under:

“119	Tubular day lighting devices (TDDs)	8539.3930”
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- 155 Colon inserted by the Finance Act, 2016 (XXIX of 2016).
- 156 Proviso inserted by the Finance Act, 2016 (XXIX of 2016).
- 157 S. Nos. 130 to 133 inserted by the Finance Act, 2016 (XXIX of 2016).
- 158 Substituted for “*Premises for growth stunting*” by the Finance Act, 2017 (XXVII of 2017).
- 159 The words “*ingredients for pesticides*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 160 The figures “*2903.3040*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 161 The words “*Cadusafos Technical Material*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 162 The figures “*2903.6900*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 163 The words “*ingredients for pesticides*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 164 The figures “*2918.9010*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 165 The words “*ingredients for pesticides*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 166 The figures “*2919.0010*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 167 The words “*other ingredients for pesticides*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 168 The figures “*2919.0090*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 169 The words “*Tiethanolamine and its salts*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 170 Substituted for “*2922.1300*” by the Finance Act, 2017 (XXVII of 2017).
- 171 The words “*ingredients for pesticides*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 172 The figures “*2924.2930*” omitted by the Finance Act, 2017 (XXVII of 2017).
- 173 Substituted for “*2939.9910*” by the Finance Act, 2017 (XXVII of 2017).
- 174 Substituted for “*3824.9099*” by the Finance Act, 2017 (XXVII of 2017).
- 175 Sr. No.134, 135 & 136 and entries relating thereto inserted by the Finance Act, 2017 (XXVII of 2017).
- 176 S. No.137 to 149 inserted by Finance Act, 2018 (XXX of 2018).
- 177 S. No. 150 added by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.
- 178 S. No. 151 to 153 inserted by Finance Act, 2019 (V of 2019).
- 179 S. No. 154, 155 & 156 inserted by the Finance Act, 2020 (XIX of 2020).
- 180 Annex-A to Annex-D inserted by Finance Act, 2018 (XXX of 2018).
- 181 Annex-I inserted by the Finance Act, 2016 (XXIX of 2016).

182 Insertion (*w.e.f.* 02.06.2012) by the Finance Act, 2012 (XVII of 2012). Earlier the same insertion was made (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007).

183 S. No. 3 substituted (*w.e.f.* 10.06.2007) by the Finance Act, 2007 (IV of 2007). Before substitution this entry was as under:

“3.	Supplies made by (a) manufacturer whose annual turnover from taxable supplies made in any tax period during the last twelve months ending any tax period does not exceed rupees five million; and (b) retailers whose annual turnover from supplies, whether taxable or otherwise, made in any tax period during the last twelve months ending any tax period does not exceed rupees five million.	Respective headings.
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184 Substituted for “Supplies made by (a) cottage industry; and (b) retailers whose annual turnover from supplies, whether taxable or otherwise, made in any tax period during the last twelve months ending any tax period does not exceed rupees five million” by the Finance Act, 2014 (IX of 2014).

185 S. No. 5 omitted by the Finance Act, 2011 (XVI of 2011). Before omission this entry was as under:

“5.	Supply of other such agricultural implements as may be specified in a notification to be issued by the Federal Government in the official Gazette.	Respective headings.”
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186 S. No. 11 inserted by the Finance Act, 2009 (I of 2009).

187 S. No. 12 added (*w.e.f.* 02.06.2012) by the Finance Act, 2012 (XVII of 2012) and later on omitted by the Finance Act, 2013 (XXII of 2013). Before omission this entry was as under:

“12.	Supplies against international tender	Respective headings.”
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188 S. Nos. 13 and 14 inserted by the Finance Act, 2014 (IX of 2014) and omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

“13.	Reclaimed lead, if supplied to recognized manufacturers of lead batteries.	Respective headings
14.	Waste paper	Respective headings.

189 S. Nos. 15 and 16 inserted by the Finance Act, 2014 (IX of 2014).

190 The words “and ginned cotton” omitted by Finance Act, 2019 (V of 2019).

191 S. Nos. 17 to 21 inserted Finance Act, 2015 (V of 2015).

192 Sr. No.22 and entries relating thereto inserted by the Finance Act, 2017 (XXVII of 2017).

- 193 Sr. No.23 and entries relating thereto inserted by the Finance Act, 2018 (XXX of 2018).
- 194 Sr. No.24 and entries relating thereto inserted by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.
- 195 S. No. 25 inserted by Finance Act, 2019 (V of 2019).
- 196 Table-3 inserted by the Finance Act, 2014 (IX of 2014).
- 197 The figuresand word inserted by the Finance Act, 2017 (XXVII of 2017).
- 198 Substituted for “3824.9099” by the Finance Act, 2017 (XXVII of 2017).
- 199 Insertion of words by the Finance Act, 2016 (XXIX of 2016).
- 200 The expression “*under this notification*” omitted by the Finance Act, 2020 (XIX of 2020).
- 201 Substituted for “*etc*” by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.
- 202 S. No. 10 omitted Finance Act, 2015 (V of 2015). Before omission this entry was as under:

“10.	<i>Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.</i>	<i>Respective headings.</i>	<i>Nil”</i>
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- 203 Sr. No. 14, 14A, 15, 15A and 15B and entries relating thereto substituted for already existing Sr. No. 14 and 15 by the Finance Act, 2017 (XXVII of 2017). Before substitution the Sr. 14 & 15 were as under:

14.	Following items with dedicated use of renewable source of energy like solar, wind, geothermal <i>etc</i> :-	Nil
	<b>1. Solar Home Systems.</b>	
	(a) Inverters.	8504.4090
	(b) Charge controllers/ current controllers.	9032.8990
	(c) Energy saver lamps of varying voltages (operating on DC).	8539.3110
	(d) Energy saver lamps of varying voltages (operating on AC).	8539.3110
	(e) Light emitting diodes (light emitting in different colours).	8541.5000
	(f) Water pumps operating on solar energy.	8413.7090, 8413.7010
	(g) Water purification plants operating on solar energy.	8421.2100

(h) Batteries NiCd, Li-ion & Lead Acid specific utilization and integrated with solar electrification system.	8507.3000 8507.8000
(i) Energy Saving Tube Lights	8539.3120
<b>2. Solar Parabolic Trough Power Plants.</b>	8502.3900
(a) Parabolic Trough collectors modules.	8503.0010
(b) Absorbers/ Receives tubes.	8503.0090
(c) Steam turbine of an output exceeding 40MW.	8406.8100
(d) Steam turbine of an output not exceeding 40MW.	8406.8200
(e) Sun tracking control system.	8543.7090
(f) Control panel with other accessories.	8537.1090
<b>3. Solar Dish Sterling Engine.</b>	8412.8090
(a) Solar concentrating dish.	8543.7000
(b) Sterling engine.	8543.7000
(c) Sun tracking control system.	8543.7090
(d) Control panel with accessories.	8406.8200
(e) Generator	8501.6100
<b>4. Solar Air Conditioning System</b>	8415.1090
(a) Absorption chillers.	8418.6990
(b) Cooling towers.	8419.8910
(c) Pumps.	8413.3090
(d) Air handling units.	8415.8200
(e) Fan coils units.	8415.9099
(f) Charging & Testing equipment.	9031.8000
<b>5. Solar Desalination System</b>	8421.2100
(a) Solar photo voltaic panels	8541.4000
(b) Solar water pumps	8413.3090
(c) Storage batteries.	8507.2090
(d) Charge controllers.	9032.8990
(e) Inverters.	8504.4090
<b>6. Solar Thermal Power Plants with accessories.</b>	8502.3900
<b>7. Solar Water Heaters with accessories.</b>	8419.1900
(a) Vacuum tubes (Glass).	7020.0090

(b) Selective coating for absorber plates.	Respective heading
(c) Copper, aluminium and stainless steel sheets.	Respective heading
(d) Copper and aluminium tubes.	Respective heading
<b>8. PV Modules</b>	8541.4000
(a) Solar cells.	8541.4000
(b) Tempered Glass.	7007.2900
(c) Aluminium frames.	7610.9000
(d) O-Ring.	4016.9990
(e) Flux	3810.1000
(f) Adhesive labels.	3919.9090
(g) Junction box + Cover	8538.9090
(h) Sheet mixture of Paper and plastic	3920.9900
(i) Ribbon for PV Modules (made of silver & Lead)	Respective headings
(j) Bypass diodes.	8541.1000
(k) EVA (Ethyl Vinyl Acetate) Sheet (Chemical).	3920.9900
<b>9. Solar Cell Manufacturing Equipment.</b>	
(a) Crystal (Grower) Puller (if machine).	8479.8990
(b). Diffusion furnace.	8514.3000
(c) Oven.	8514.3000
(d). Wafering machine	8479.8990
(e). Cutting and shaping machines for silicon ingot.	8461.9000
(f). Solar grade polysilicon material.	3824.9099
(g). Phosphene Gas.	2848.0000
(h). Aluminum and silver paste.	Respective headings
<b>10. Pyranometers and accessories for solar data collection</b>	9030.8900
<b>11. Solar chargers for charging electronic devices</b>	8504.4020
<b>12. Remote control for solar charge controller.</b>	8543.7010
<b>13. Wind Turbines.</b>	8412.8090
(a) Rotor	8412.9090

	(b) Hub	8412.9090	
	(c) Generator	8501.6490	
	(d) Deep cycle battery	8507.8000	
	<b>14. Wind water pump</b>	8413.8190	
	<b>15. Geothermal energy equipments.</b>		
	(1) Geothermal Heat Pumps	8418.6100, 8418.6990	
	(2) Geothermal Reversible Chillers	8418.6990	
	(3) Air handlers for indoor quality control equipments	8415.8300	
	(4) Hydronic heat pumps	8418.6100	
	(5) Slim Jim heat exchangers	8419.5000	
	(6) HDPE fusion tools	8515.8000	
	(7) Geothermal energy Installation tools and Equipment	8419.8990	
	(8) De-humidification equipment	8479.6000	
	(9) Thermostats and Intelli Zone	9032.1090	
	<b>16. Any other item approved by the Alternative Energy Development Board (AEDB) and concurred to by the FBR.</b>		
15	Following items for promotion of renewable energy technologies		Nil
	1. LVD induction lamps	8539.3990	
	2. SMD, LEDs with or without ballast with fittings and fixtures.	9405.1090	
	3. Wind turbines including alternators and mast.	8502.3100	
	4. Solar torches	8513.1040	
	5. Lanterns and related instruments	8513.1090	

	6. PV module, with or without, the related components including invertors, charge controllers and batteries	8541.4000, 8504.4090, 9032.8990, 8507.0000	Subject to certification by AEDB that the inverters, charge controllers and batteries being imported are in quantities which commensurate with the PV modules being imported.
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204 Substituted for “*etc*” by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019.

205 S. NO. 15A substituted by the Finance Act, 2020 (XIX of 2020). Before substitution this entry was as under:

15 A	<b>Parts and components for manufacturing LED lights<sup>a</sup>[and bulbs]:</b>		If imported by LED light <sup>b</sup> [and bulbs] manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by the Input Output Co-efficient Organization (IOCO).
	(i) Aluminum housing/Shell for LED (LED Light <sup>c</sup> [and bulbs] Fixture)	9405.1090	
	(ii) Metal Clad Printed Circuit Boards (MCPCB) for LED	8534.0000	
	(iii) Constant Current Power Supply for of LED Lights <sup>d</sup> [and bulbs](1-300W)	8504.4090	
	(iv) Lenses for LED lights <sup>e</sup> [and bulbs]	9001.9000	

a. The words inserted by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.



- b. The words inserted by the Finance Supplementary (Amendment) Act, 2018 ( XXXVIII of 2018) dated 08.10.2018.
- c. The words inserted by the Finance Supplementary (Amendment) Act, 2018 ( XXXVIII of 2018) dated 08.10.2018.
- d. The words inserted by the Finance Supplementary (Amendment) Act, 2018 ( XXXVIII of 2018) dated 08.10.2018.
- e. The words inserted by the Finance Supplementary (Amendment) Act, 2018 ( XXXVIII of 2018) dated 08.10.2018.

206 S. No. 16omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

“1 6	<p><i>Plant, machinery, equipment and specific items used in production of bio-diesel.</i></p>	<p><i>Respective headings.</i></p>	<p><i>The Alternative Energy Development Board (AEDB), Islamabad shall certify in prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.”</i></p>
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- 207 Sr. No.17 to 19 and entries relating thereto inserted by the Finance Act, 2018 (XXX of 2018).
- 208 Sr. No. 20 and entries relating thereto inserted by the Finance Act, 2020 (XIX of 2020).

<sup>1</sup>The**SEVENTH SCHEDULE**

[OMITTED]

**HISTORY**

1. The Seventh Schedule added by the Finance Supplementary (Amendment) Act, 1997 (IV of 1997) and was omitted by the Finance Act, 1997 (XXII of 1997).

<sup>1</sup>The**EIGHT SCHEDULE**

[See clause (aa) of sub-section (2) of section 3]

**Table-1**

S. No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
(1)	(2)	(3)	(4)	(5)
1.	Soyabean meal.	2304.0000	<sup>2</sup> [10%]	-
<sup>3</sup> [2.	*****	*****	*****	*****]
<sup>4</sup> [3.	*****	*****	*****	*****]
4.	Oilseeds	Respective	5%	Import thereof

	meant for sowing.	headings		subject to the condition that concerned department of the Division dealing with the subject matter of oil seeds certifies that the imported seeds are fungicide and insecticides treated and are meant for sowing.
5.	Raw cotton and ginned cotton.	Respective headings	<sup>5</sup> [10%]	On import
6.	Plant and machinery not manufactured locally and having no compatible local substitutes.	Respective headings	<sup>6</sup> [10%]	(i) On import of such plant and machinery by registered manufacturers, post-dated cheque(s) equal to the differential amount of sales tax payable at import stage, shall be submitted to the

			<p>customs authorities, which shall be returned on furnishing proof of filing of first sales tax return after import of such machinery, showing the import of such machinery;</p> <p><b>(ii)</b> On import by commercial importers, good-for-payment cheque, bank guarantee, pay order or treasury challan showing deposit, equal to the differential amount of sales tax payable at import stage, shall be submitted to the customs authorities, which shall be returned back, or as the case may be,</p>
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			<p>refunded, after evidence of subsequent supply to registered manufacturers or industrial users is furnished to the customs authorities;</p> <p><b>(iii)</b> Supply of such imported plant and machinery by commercial importers to unregistered persons or persons other than manufacturers shall be liable to standard rate of tax, and evidence to that effect shall be produced to the customs authorities for release of the above mentioned</p>
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			<p>instruments or refund of the amount paid at import stage;</p> <p><b>(iv)</b> Subsequent supply of plant and machinery imported or acquired by registered manufacturers to unregistered persons or persons other than manufacturers shall be liable to tax at standard rate; and</p> <p><b>(v)</b>the validity period of instruments furnished under this provision shall not be less than one hundred and twenty days.</p> <p><i>Explanation.--</i> For the purpose of this provision, plant and machinery</p>
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				means such plant and machinery as is used in the manufacture or production of goods.
7[7.	Flavoured milk.	0402.9900	10%	Sold in retail packing under brand name.
8.	Yogurt.	0403.1000	10%	Sold in retail packing under brand name.
9.	Cheese.	0406.1010	10%	Sold in retail packing under brand name.
10.	Butter.	0405.1000	10%	Sold in retail packing under brand name.
11.	Cream.	04.01 and 04.02	10%	Sold in retail packing under brand name.
12.	Desi ghee.	0405.9000	10%	Sold in retail packing under brand name.
13.	Whey.	04.04	10%	Sold in retail packing under brand name.

8[14	Milk and cream, concentrated or containing added sugar or other sweetening matter.	0402.1000 and 0402.2000	10%	Sold in retail packing under brand name.]
15.	Ingredients of poultry feed, cattle feed, except soyabean meal of PCT heading 2304.0000 and oil-cake of cottonseed falling under PCT heading 2306.1000	9[2301.1000 (Meat and Bone meal)], 2305.0000, 2306.2000, 2306.3000, 2306.4100, 2306.5000, 2309.9010, 2309.9020, 2309.9090, 2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700, 2936.2800, and 2308.9000 (Guar Meal), 2303.1000 (Corn Gluton	13[10%]	



		Feed/Meal), 2303.1000 (Residues of starch manufacture and similar residues), 3507.9000 (Enzymesot her), 2302.1000 (Maize Bran), 2302.2000 (Rice Bran), 2302.3000 (Wheat Bran), 2302.4000 (Other Cereals), 2302.5000 (Bran of Leguminous Plants), 2306.7000 (Oil- cake and other solid residues of Maize (corn) germ), 2306.4900 (Sesame Cake), 2306.9000 (Sesame		
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		<p>Meal/other Meal),                  2842.1000                  (Double or complex silicates, including aluminosilicates whether or not chemically defined),  <sup>10</sup>[2301.2090 ] (Fish Meal),                  0505.9000                  (Poultry by product Meal), and the following items only of Feed Grade:                  2827.6000                  (Potassium Lodide),                  2833.2990                  (Manganese Sulphate),  <sup>11</sup>[2833.2940 ] (Zinc Sulphate),                  2817.4000                  (Zinc Oxide),</p>		
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		2833.2500 (Copper Sulphate), 2833.2910 (Ferrous Sulphate), 2915.5000 (Propionic acid, its salts and esters), 2930.4000 (DL Methionine) , 2930.4000 (Methionine Hydroxy Analogue (liquid)), 2922.4100 (Lysine Monohydro Chloride / sulphate), 2923.2000 (Lecithins), 12[2923.9010 ] (Betafin), 2922.4290 (Arganine), 2934.9910 (Furazolidone), 2922.5000 (Threonine), 2835.2600 (Mono		
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		Calcium Phosphate), 2835.2500 (Di Calcium Phosphate), and 2835.2600 (Mono Di Calcium Phosphate)		
16.	Incinerators of disposal of waste management, motorized sweepers and snow ploughs.	8417.8000, 8430.2000, and 8479.8990	5%	
17.	Re-importation of foreign origin goods which were temporarily exported out of Pakistan.	99.18	5%	Subject to similar conditions as are envisaged for the purposes of customs duty under the Customs Act, 1969, and taxable value shall be the value determined under PCT heading 99.18 of the said Act increased by

				customs duty payable.
14[18	*****	*****	*****	*****]
19.	Waste paper.	47.07	5%	If supplied locally.
20.	Plant, machinery, 15 [and equipment] used in production of bio-diesel.	Respective heading	5%	The Alternative Energy Development Board (AEDB), Islamabad shall certify in the prescribed manner and format as per Annex-B, as given in the Sixth Schedule, that the imported goods are <i>bona fide</i> project requirement. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and

				payment of customs duties and taxes leviable at the time of import.
21.	16[*****	*****	*****	*****]
22.	Soya bean seed.	1201.1000	17[10] %	On import by solvent extraction industries, subject to the condition that no refund of input tax shall be admissible.
23.	Secondhand and worn clothing or footwear.	6309.0000	5%	
25.	Agricultural tractors.	18[8701.9220 8701.9320]	19[5%]	
26.	Tillage and seed bed preparation equipment:		20[5%]	
	(i) Rotavator	8432.8010		
	(ii) Cultivator	8432.2910		
	(iii) Ridger	8432.8090		
	(iv) Sub soiler	21[8432.3900]		

(v) Rotary slasher	8432.8090		
(vi) Chisel plow	8432.1010		
(vii) Ditcher	8432.1090		
(viii) Border disc	8432.2990		
(ix) Disc harrow	8432.2100		
(x) Bar harrow	8432.2990		
(xi) Mould board plow	8432.1090		
(xii) Tractor rear or front blade	8430.6900		
(xiii) Land leveler or land planner	8430.6900		
(xiv) Rotary tiller	8432.8090		
(xv) Disc plow	8432.1090		
(xvi) Soil-scraper	8432.8090		
(xvii) K.R. Karundi	8432.8090		
(xviii) Tractor mounted trancher	8701.9020		
(xix) Land leveler	8430.6900		
<sup>22</sup> [(xx) Laser	Respective		

	Land leveler comprising of laser transmitter, laser receiver, control box, rigid mask pack, with or without scrapper	heading]		
27.	Seeding or planting equipment:		23[5] %	
	(i) Seed-cum-fertilizer drill (wheat, rice, barley, etc.)	8432.3010		
	(ii) Cotton or maize planter with fertilizer attachment	24[8432.3900]		
	(iii) Potato planter	25[8432.3900]		
	(iv) Fertilizer or manure spreader or broadcaster	26[8432.4100]		
	(v) Rice transplanter	27[8432.3900]		
	(vi) Canola or sunflower drill	28[8432.3100]		
	(vii) Sugarcane planter	29[8432.3900]		
28.	Irrigation, drainage and agro-		30[5] %	



	chemical application equipment:		
	(i) Tubewells filters or strainers	8421.2100, 8421.9990	
	(ii) Knapsack sprayers	8424.2010	
	(iii) Granular applicator	8424.2010	
	(iv) Boom or field sprayers	8424.2010	
	(v) Self propelled sprayers	8424.2010	
	(vi) Overhead sprayers	8424.2010	
29.	(i) Harvesting, threshing and storage equipment:		31[5]%
	(ii) Wheat thresher	8433.5200	
	(iii) Maize or groundnut thresher or sheller	8433.5200	
	(iv) Groundnut digger	8433.5900	
	(v) Potato digger or harvester	8433.5300	
	(vi) Sunflower	8433.5200	

	thresher			
	(vii) Post hole digger	8433.5900		
	(viii) Straw balers	8433.4000		
	(ix) Fodder rake	8433.5900		
	(x) Wheat or rice reaper	8433.5900		
	(xi) Chaff or fodder cutter	8433.5900		
	(xii) Cotton picker	8433.5900		
	(xiii) Onion or garlic harvester	8433.5200		
	(xiv) Sugar harvester	8433.5200		
	(xv) Tractor trolley or forage wagon	8716.8090		
	(xvi) Reaping machines	8433.5900		
	(xvii) Combined harvesters	8433.5100		
	(xviii) Pruner/ shears	8433.5900		
30.	Post-harvest handling and processing & miscellaneous machinery		32[5]%	

	(i) Vegetables and fruits cleaning and sorting or grading equipment	8437.1000		
	(ii) Fodder and feed cube maker equipment	8433.4000		
33[31]	*****	*****	*****	*****] ]
34[32]	*****	*****	*****	*****]
35[33]	*****	*****	*****]	
34.	1. Set top boxes for gaining access to internet.	8517.6950	5%	Subject to type approval by PEMRA. This concession shall be available upto 30th June, 36[2018]].
	2. TV broadcast transmitter.	8525.5020		
	3. Reception apparatus for receiving satellite signals of a kind used with TV (satellite dish receivers).	8528.7110 and 8528.7220		
	4. Other set top boxes.	8528.7190 and 8528.7290		
37[35].	38[*****	*****	*****	*****

36.	*****	*****	*****	*****
37.	*****	*****	*****	*****
38.	*****	*****	*****	*****
39.	*****	*****	*****	*****
40.	*****	*****	*****	*****
41.	*****	*****	*****	*****
42.	*****	*****	*****	*****]
43.	Natural gas	Respective heading	39[5]%	If supplied to fertilizer plants for use as feed stock in manufacturing of fertilizer
44.	Phosphoric acid	2809.2010	5%	If imported by fertilizer company for manufacturing of DAP
45.	Following machinery for poultry sector:			Import and supply
	(i) Machinery for preparing feeding stuff	8436.1000	7%	
	(ii) Incubators, brooders and other poultry	8436.2100 and	7%	

	equipment	8436.2900		
	(iii) Insulated sandwich panels	Respective heading	7%	
	(iv) Poultry sheds	9406.1020 and 9406.9020	7%	
	(v) Evaporative air cooling system	8479.6000	7%	
	(vi) Evaporative cooling pad	8479.9010	7%	
46.	Multimedia projectors	8528.6210	10%	Nil
47.	Locally produced coal	27.01	Rs.425 per metric tonne or 17% ad valorem, whichever is higher	Nil
40[4 8	*****	*****	*****	*****
49.	*****	*****	*****	*****]]
41[50	LNG/RLNG	2711.1100	12%	Import thereof
42[51	LNG/RLNG	2711.1100 and 2711.2100	12%	If supplied to gas transmission and distribution companies]
52	Fertilizers (all	Respective	2%	Nil

	types)	heading		
53	The following cinematographic equipment imported during the period commencing on the 1 <sup>st</sup> day of July, 2018 and ending on the 30 <sup>th</sup> day of June, 2023.		5%	Subject to same limitations and conditions as are specified in Part-1 of Fifth Schedule to the Customs Act, 1969 for availing 3% concessionary rate of customs duty on the import of these equipment.
	(i) Projector	9007.2000		
	(ii) Parts and accessories for projector	9007.9200		
	(iii) Other instruments and apparatus for cinema	9032.8990		
	(iv) Screen	9010.6000		
	(v) Cinematographic parts and accessories	9010.9000		
	(vi) 3D Glasses	9004.9000		
	(vii) Digital Loud Speakers	8515.2200		
	(viii) Digital Processor	8519.8190		
	(ix) Sub-woofer and Surround Speakers	8518.2990		
	(x) Amplifiers	8518.5000		

	(xi) Audio rack and termination board	7326.9090 8537.1090		
	(xii) Music Distribution System	8519.8990		
	(xiii) Seats	9401.7100		
	(xiv) Recliners	9401.7900		
	(xv) Wall Panels and metal profiles	7308.9090		
	(xvi) Step Lights	9405.4090		
	(xvii) Illuminated Signs	9405.6000		
	(xviii) Dry Walls	6809.1100		
	(xix) Ready Gips	3214.9090		
54	lithium iron phosphate battery (Li-Fe-PO <sub>4</sub> )	8506.5000	12%	Nil
55	Fish babies / seedlings	Respective hearings	5%	Nil
56	Potassium Chlorate (KClO <sub>3</sub> )	Respective headings	17% along with rupees <sup>43</sup> [80] per kilogram	Import and supply thereof. Provided that rate of rupees <sup>44</sup> [80] per kilogram shall not apply on imports made by and supplies made to organizations

				under the control of Ministry of Defence Production
57	Rock phosphate	Respective headings	10%	If imported by fertilizer manufacturers for use in the manufacturing of fertilizers.]
<sup>45</sup> [58]	LPG	2711.1910	10%	Imports thereof and local supplies of such imported LPG.]
<sup>46</sup> [59]	Products of milling industry except wheat and meslin flour	1102.2000, 1102.9000, 1103.1100, 1103.1300, 1103.1900, 1104.2200, 1104.2300, 1104.2900 and 1104.3000	10%	If sold in retail packing under a brand name or trademark
60	Fat filled milk	1901.9090	10%	If sold in retail packing under a brand name or trademark
61	Silver, in unworked condition	7106.1000, 7106.9110 and 7106.9190	1%	
62	Gold, in unworked	7108.1100, 7108.1210	1%	



	condition	and 7108.1290		
63	Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal.	71.13	1.5% of value of gold, plus 0.5% of value of diamond, used therein, plus 3% of making charges	No input tax adjustment to be allowed except of the tax paid on gold
64	Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat	Respective headings	7.5%	Supplies only, subject to condition that no input tax shall be adjusted

	shops			
65	Ginned cotton	Respective headings	10%	
66	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	Respective Headings	47[12] %	if supplied goods are finished fabric, and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather subject to the condition that they have maintained 4% value addition during the last six months
67	LNG imported for servicing CNG sector and local supplies thereof	2711.1100, 2711.2100	5%	
68	Frozen prepared	1601.0000	8%	<sup>48</sup> [If sold in retail packing under a

	or preserved sausages and similar products of poultry meat or meat offal			brand name or trademark]
69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish	1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020 and 1604.2090	8%]	49[If sold in retail packing under a brand name or trade mark]
50[70	Following locally manufacture d electric vehicles			
	(i) Road Tractors for semi-trailers (Electric Prime Movers)	8701.2060	1 %	Local supplies only]
	(ii) Electric Buses	8702.4090	1 %	
	(iii) Three	8703.8030	1 %	

	Wheeler Electric Rickshaw			
(iv)	Three Wheeler Electric Loader	8704.9030	1 %	
(v)	Electric Trucks	8704.9059	1 %	
(vi)	Electric Motorcycle	8711.6090	1 %	

**Table-2**

Plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be charged to sales tax at the rate of **five percent**<sup>51</sup>[, except goods mentioned in serial numbers 1, 5 and 6 of the Annexure which shall be charged at the rate of **ten percent**,], subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

- (i) the imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board;
- (ii) the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's *bonafide* requirement. He shall furnish all relevant information Online to Pakistan Customs Computerized System against a specific user ID and

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password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and

- (iii) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, lay out plan and drawings.

*Explanation.*-In this Table the expression, capital goods mean any plant, machinery, equipment, spares and accessories, classified in chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for--

- (a) the manufacture or production of any goods, and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or
- (b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

## ANNEXURE

S. No.	Description	PCT Heading	Condition
(1)	(2)	(3)	(5)
1.	Machinery and equipment for development of grain handling and storage facilities <sup>52</sup> [including silos].	Respective heading	Nil
2.	Cool chain machinery and equipment.	Respective heading	Nil
53[3	*****	*****	*****]
4.	<p>1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) <i>i.e.</i> single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.</p> <p>2. Construction machinery, equipment and specialized</p>	Respective heading	<p>1.This concession shall be available to those Mineral Exploration and Extraction Companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government.</p> <p>2. Temporarily imported goods shall be cleared against a</p>

	<p>vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase.</p>		<p>security in the form of a post-dated cheque for the differential amount between the statutory rate of customs duty and sales tax and the amount payable 54[*****], along with an undertaking to pay the customs duty and sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.</p> <p>3. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and the payment of customs duties and taxes leviable at the time of import. These shall however be allowed to be transferred to other entitled mining companies with prior approval of the Board.</p>
<p>5.</p>	<p>Complete plants</p>	<p>Respective</p>	<p>Nil</p>

	for relocated industries.	heading	
6.	Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro-cracking and other value added petroleum products), petrochemical and petrochemical downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling.	Respective heading	Nil
55[7	*****	*****	*****]
56[8	1. Milk Chillers.	8418.6910 and 8418.6990	If imported by registered manufacturer who is member of Pakistan
	2. Tubular heat	8419.5000	



	exchanger (for pasteurization).		Dairy Association
	3. Milk processing plant, milk spray drying plant, Milk UHT plant.	8419.3900 and 8419.8100	
	4. Milk filters.		
	5. Any other machinery and equipment for manufacturing of dairy products.	8421.2900 Chapter 84 and 85	
57[9]	Capital goods otherwise not exempted, for Transmission Line Projects.	Respective heading	The concession will be available in respect of those Transmission Line Projects which are being executed under Standard implementation Agreement under Policy Framework for Private Sector Transmission Line Projects, 2015 and Projects Specific Transmission Services Agreement. Provided that sales tax charged under this provision shall be non-adjustable and non-refundable.]

ANNEX-A

Header Information											
NTN/FTN of Importer				Regulatory authority No.				Name of Regulatory authority			
(1)				(2)				(3)			
Details of Input goods (to be filled by chief executive of the importing company)								Goods imported (Collectorate of import)			
HS Code	Description	Specs	Custom duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN Mach. No.	Date of CRN /Mach No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

**CERTIFICATE.** It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy  
duly authorized by the Chief Executive

Name \_\_\_\_\_

N.I.C. No. \_\_\_\_\_

**NOTE:--***In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

Explanation.--

Chief Executive means.--

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

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**ANNEX-B**

Header Information											
NTN/FTN of Importer						Approval No.					
(1)						(2)					
Details of Input goods (to be filled by authorized officer of Regulatory Authority)								Goods imported (Collectorate of import)			
HS Code	Description	Specs	Custom duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN Mach. No	Date of CRN /Mach No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**CERTIFICATE.** Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and *bonafide* requirement of the project and that the same are not manufactured locally.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**NOTE:--***In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

### HISTORY

- 1 The Eighth Schedule added by the Finance Act, 2014 (IX of 2014).
- 2 Substituted for "5%" by the Finance Act, 2015 (V of 2015).
- 3 S. No. 2 omitted by the Finance Act, 2020 (XIX of 2020). Before omission this provision was as under:

2.	Oil cake and other solid residues, whether or not ground or in the form of pellets.	2306.1000	5%	-
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- 4 S. No.3 and entries relating thereto omitted by the Finance Act, 2015 (V of 2015). Before omission this entry was as under:

"3.	Directly reduced iron	72.03	5%"
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- 5 Substituted for "5%" by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.

- 6 Substituted for "5%" by the Finance Act, 2015 (V of 2015).
- 7 S. Nos. 7 to 31 inserted by the Finance Act, 2015 (V of 2015).
- 8 S. No. 14 substituted by Finance Act, 2019 (V of 2019). Before substitution this entry was as under:

14.	Milk and cream, concentrated and added sugar or other sweetening matter.	0402.1000	10%	Sold in retail packing under brand name.
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- 9 Substituted for "2301.2090" by the Finance Act, 2016 (XXIX of 2016).
- 10 Substituted for "2301.2010" by the Finance Act, 2016 (XXIX of 2016).
- 11 Substituted for "2833.2600" by the Finance Act, 2016 (XXIX of 2016).
- 12 Substituted for "2923.9000 (Betafin)" by the Federal Finance Act, 2016 (Act XXIX of 2016).
- 13 Substituted for "5" by the Finance Act, 2016 (XXIX of 2016).
- 14 S. No. 18 omitted by the Finance Act, 2019 (V of 2019). Before omission this provision was as under:

18.	Reclaimed Lead.	Respective heading	5%	If supplied to recognized manufacturers of lead and lead batteries.
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15 Substituted for “*equipment and specific items*” by the Finance Act, 2016 (XXIX of 2016).

16 S. No.21 omitted by Finance Act, 2019 (V of 2019). Before omission this entry was as under:

21.	<i>Rapeseed, sunflower seed and canola seed.</i>	1205.0000, 1206.0000	16%	<i>On import by solvent extraction industries.</i>
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17 Substituted for “6” by Finance Act, 2019 (V of 2019).

18 Substituted for ““8701.9020” by the Finance Act, 2018 (XXX of 2018).

19 Substituted for “10%” by the Finance Act, 2016 (XXIX of 2016).

20 Substituted for “7” by the Finance Act, 2018 (XXX of 2018).

21 Substitution for “8432.3090” by Finance Act, 2017 (XXVII of 2017).

22 Clause (xx) of S. No. 26 substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

<i><sup>a</sup>[Laser land leveler</i>	<i>8432.8090]</i>
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a. Clause inserted by the Finance Act, 2016 (XXIX of 2016).

23 Substituted for “7” by the Finance Act, 2018 (XXX of 2018).

24 Substituted for “8432.3090” by Finance Act, 2019 (V of 2019).

25 Substituted for “8432.3090” by Finance Act, 2019 (V of 2019).

26 Substitution for “8432.4000” by Finance Act, 2017 (XXVII of 2017).

27 Substituted for “8432.3090” by Finance Act, 2019 (V of 2019).

28 Substitution for “8432.3010” by Finance Act, 2017 (XXVII of 2017).

29 Substitution for “8432.3090” by Finance Act, 2017 (XXVII of 2017).

30 Substituted for “7” by the Finance Act, 2018 (XXX of 2018).

31 Substituted for “7” by the Finance Act, 2018 (XXX of 2018).

32 Substituted for “7” by the Finance Act, 2018 (XXX of 2018).

33 S. No.31 and entries relating thereto inserted by the Finance Act, 2015 (V of 2015) and omitted by the Finance Act, 2016 (XXIX of 2016). Before omission this provision was as under:

“31.	<i>Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents, namely:-</i>	38.08	7%	<i>In case of supplies, no input tax credit shall be admissible, except that of the tax paid under this serial number.”</i>
	<i>Xylol (xylenes)</i>	2707.3000		
	<i>- Beta Pinene / Agrotin 527 / Terpenic derivative</i>	2902.1990		
	<i>Toluene</i>	2902.3000		
	<i>Mixed xylene isomers</i>	2902.4400		

<i>Naphthalene</i>	2902.9010		
<i>Solvesso-100, 150, 200</i>	2902.9090		
<i>Ingredients for pesticides</i>	2903.3040		
<i>Cadusafos Technical Material</i>	2903.6900		
<i>Methanol (methyl alcohol)</i>	2905.1100		
<i>Propylene glycol (propane-1, 2-diol)</i>	2905.3200		
<i>- Adhesives Polyvinyl Acetate - Polyvinyl Alcohol</i>	2905.4900		
<i>Ingredients for pesticides</i>	2906.2910		
<i>Other Ingredients for pesticides</i>	2906.2990		
<i>- Solvenon MP / 1-Methoxy 2-Propanol - Methylglycol Acetate</i>	2909.4910		
<i>Methanal (formaldehyde)</i>	2912.1100		
<i>Cyclo-hexanone and methyl-cyclo-hexanones</i>	2914.2200		
<i>- Cyclohexanon - Cyclohexanone Mixed petroleum Xylene (1,2 &amp; 1,3 &amp; 1,4 dimethyl benzene and ethyle benzene)</i>	2914.2990		
<i>Acetic anhydride</i>	2915.2400		
<i>Ingredients for pesticides</i>	2916.3920		
<i>Diocetyl orthophthalates</i>	2917.3200		
<i>Ingredients for pesticides</i>	2918.9010		
<i>Ingredients for pesticides</i>	2919.0010		
<i>Other Ingredients for pesticides</i>	2919.0090		
<i>Endosulfan Technical Material</i>	2920.9020		
<i>Other Ingredients for pesticides</i>	2920.9090		
<i>Diethylamine and its salts</i>	2921.1200		
<i>Ingredients for pesticides</i>	2921.4310		
<i>Other Ingredients for pesticides</i>	2921.4390		
<i>Ingredients for pesticides</i>	2921.5110		

<i>Triethanolamine and its salts</i>	2922.1300		
<i>Dimethyl Formamide (DMF)</i>	2924.1990		
<i>Ingredients for pesticides</i>	2924.2930		
<i>Other Ingredients for pesticides</i>	2924.2990		
<i>Alpha cyano, 3-phenoxybenzyl (-) cis, trans 3-(2,2-dicloro vinyl) 2,2 dimethyl cyclopropane carboxylate</i>	2926.9010		
<i>(S) Alpha cyano, 3-phenoxybenzyl (S)-2-(4, chloro phenyl)-3 mehtyl butyrate</i>	2926.9020		
<i>Cyano, 3-phenony benzyl 2,2,3,3 tetra methyl cyclopropane carboxalate</i>	2926.9030		
<i>- Cypermethrin, Alpha Cypermethrin, Beta-Cypermethrin, Zeta-Cypermethrin, Lambda Cylalothrin, Deltamethrin, Fenpropathrin, Esfenvalerate, Bifenthrin Technical Material- Acetamiprid, Imidacloprid Technical Material- Monomehypo, Chlorothalonil Technical Material- Bromoxynil Technical Material</i>	2926.9050		
<i>Other nitrite compounds- Cyfluthrin, Beta Cyfluthrin Technical Material</i>	2926.9090		
<i>2-N, N-Dimethyl amino-1 sodium thiosulphate, 3-thiosulfouropane</i>	2930.2010		
<i>Ingredients for pesticides</i>	2930.2020		

2- N,N-dimethyamino 1,3 disodium thiosulphate propane	2930.9010		
Other organosulphur compounds - Ethion, Methamidophos Technical Material - Dimethylsulfoxid	2930.9090		
Ingredients for pesticides	2931.0010		
Other Ingredients for pesticides	2931.0090		
Ingredients for pesticides	2932.2920		
2,3 Dihydro 2-2 dimethyl-7 benzo furanyl methyl-carbamate	2932.9910		
Other ingredients for pesticides - Carbosulfan Technical Material	2932.9990		
Fipronil	2933.1900		
Ingredients for pesticides	2933.3930		
Other Ingredients for pesticides	2933.3990		
- Chlorpyrifos, Triazophos, Diazinon Technical Material	2933.5950		
Other Ingredients for pesticides	2933.5990		
Pyrimethanine	2933.6910		
Ingredients for pesticides	2933.6940		
- Atrazine Technical Material	2933.6990		
Isatin (lactam of isitic acid)	2933.7910		
1-Vinyl-2-pyrrol-idone	2933.7920		
- Triazophos Technical Material	2933.9910		
Ingredients for pesticides	2934.1010		
Ingredients for pesticides	2934.9920		



-Methyl benzimidazol - 2 - ylcarbamate.	2938.9010		
-Dicopper chloride trihydroxide			
Ingredients for pesticides	2939.9910		
- Abamectin, Emamectin Technical Material	2941.9050		
Other Ingredients for pesticides	2941.9090		
Sulphonic acid (Soft)	3402.1110		
Other surface active agents	3402.1190		
Cationic	3402.1290		
Non ionic surface active agents	3402.1300		
Other organic surface active agents	3402.1990 3402.9000		
Chemical preparations	3824.9099		
Solvent C-9	2707.5000		

- 34 S. No. 32 omitted by Finance Act, 2019 (V of 2019). Before omission this provision was as under: Earlier S. No. 32, 33 and 34 inserted by the Finance Act, 2016 (XXIX of 2016).

White Crystalline Sugar.	1701.9910 and 1701.9920	8%		
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- 35 S. No. 33 omitted by the Finance Act, 2018 (XXX of 2018).  
 36 Substitution for “2017” by Finance Act, 2017 (XXVII of 2017).  
 37 Sr. No.35 to 49 and entries relating thereto inserted by the Finance Act, 2017 (XXVII of 2017).  
 38 S. No. 35 to 42 omitted by the Finance Act, 2018 (XXX of 2018). Before omission these entries were as under:

35.	DAP	Respective headings	Rs.100 per 50 kg bag	Nil
36.	NP (22-20)	Respective headings	Rs.168 per 50 kg bag	If manufactured from gas other than imported LNG
37.	NP (18-18)	Respective headings	Rs.165 per 50 kg bag	If manufactured from gas other than imported LNG

38.	NPK-I	Respective headings	Rs.251 per 50 kg bag	If manufactured from gas other than imported LNG
39.	NPK-II	Respective headings	Rs.222 per 50 kg bag	If manufactured from gas other than imported LNG
40.	NPK-III	Respective headings	Rs.341 per 50 kg bag	If manufactured from gas other than imported LNG
41.	SSP	Respective headings	Rs.31 per 50 kg bag	If manufactured from gas other than imported LNG
42.	CAN	Respective headings	Rs.98 per 50 kg bag	If manufactured from gas other than imported LNG

39 Substituted for "10" by the Finance Act, 2018 (XXX of 2018).

40 S. No. 48 & 49 omitted by the Finance Act, 2018 (XXX of 2018). **Before omission these** entries were as under:

48.	Liquefied Natural Gas	2711.1100	5%	Imported by fertilizers manufacturers for use as feed stock
49.	Fish feed	2309.9090	10%	Nil

41 S. No. 50 to 57 added by the Finance Act, 2018 (XXX of 2018).

42 S. No.51 and entries relating thereto substituted by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018. Before substitution this entry was as under:

51	RLNG	2711.2100	12%	Supply thereof
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43 Substituted for "70" by the Finance Act, 2020 (XIX of 2020). Earlier it was substituted for "65" by Finance Act, 2019 (V of 2019). Earlier it was substituted for "40" by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.

44 Substituted for "70" by the Finance Act, 2020 (XIX of 2020). Earlier it was substituted for "65" by Finance Act, 2019 (V of 2019). Earlier it was substituted for "40" by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.

45 S. No.58 added by the Finance Supplementary (Amendment) Act, 2018 (XXXVIII of 2018) dated 08.10.2018.

46 S. No. 59 to 69 inserted by Finance Act, 2019 (V of 2019).

47 Substituted for "14" by the Finance Act, 2020 (XIX of 2020).

- 48 The expression inserted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 49 The expression inserted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- 50 S. No. 70 inserted by the Finance Act, 2020 (XIX of 2020).
- 51 The expression inserted by the Finance Act, 2015 (V of 2015).
- 52 Insertion by the Finance Act, 2016 (XXIX of 2016).
- 53 S. No.3 omitted by the Finance Act, 2015 (V of 2015). Before omission this provision was as under:

"3.	<i>Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by the Pakistan Telecommunication Authority.</i>		Nil"
	(1) Telephone sets/head sets.	8517.1100	
	(2) Cat 5/Cat 6/Power cables	8544.4990	
	(3) PABX Switch	8517.6290	
	(4) Plasma TV	8528.7212	
	(5) Dedicated telephone exchange system for call centers.	8517.6290	
	(6) Other (digital call recorders)	8519.8990	

- 54 The expression "***under this notification***" omitted by the Finance Act, 2020 (XIX of 2020).
- 55 S.No.7 omitted by the Finance Act, 2015 (V of 2015). Before omission this provision was as under:

7	<i>Proprietary Formwork System for building/structures of a height of 100 ft and above and its various items/components consisting of the following, namely:-</i>		7308.4000	<i>(i) If not manufactured locally and imported by the construction companies registered with Pakistan Engineering Council;</i>		
	(1)	<i>Plastic tube.</i>			3917.2390	<i>(ii) the system is to be procured from a well renowned international</i>
	(2)	<i>Plastic tie slot filters/plugs, plastic cone.</i>			3926.9099	

(3)	Standard steel ply panels, Special sized steel ply panels, wedges, tube clamps (B-Type & G Type), push/pull props, brackets (structure), steel soldiers (structure), drop head, standard, prop tie, buard rail post (structure), coupler brace, cantilever frame, decking beam/Infill beam and doorway angles.	7308.4000	<p>manufacturer;</p> <p>(ii) a certificate from one of the following International Pr-shipment Inspection Companies/ Survey Firms to the extent that all the components/ parts are to be used in the Proprietary Formwork System for construction of structures/ buildings for more than 100 feet height, is produced namely:--</p>
(4)	Lifting Unit (Structure)	7308.9090	(a) Messrs Lioyds of London;
(5)	Bolts, tie bolts, anchor bolt assembly (fastener), anchor screw (fastener)	7318.1590	(b) Messrs Quality Tech, LLC;
(6)	Nuts	7318.1690	(c) Messrs ABS;
(7)	Steel pins, tie wing nut (fastener)	7318.1900	(d) Messrs Bureau Veritas; and
(8)	Steel washers, water plate (fastener)	7318.2290	(e) Messrs SGS; and
(9)	Adjustable base jack (thread rod with nut and steel plate), adjustable fork head (threaded rod with nut and steel channel).	825.4900	(iv)The Pakistan Engineering Council shall certify that the imported Proprietary Formworks System conform to the requirement of the Company's project.

56 S. No.8 added by the Finance Act, 2016 (XXIX of 2016).

57 S. No.9 added by the Finance Act, 2018 (XXX of 2018).

<sup>1</sup>The

**NINTH SCHEDULE**

[See sub-section (3B) of section 3]

<sup>2</sup>[Table-I

S. No	Description/ Specification of Goods	Sales tax on supply (payable at the time of supply by CMOs)
(1)	(2)	(3)
1.	Subscriber Identification Module (SIM) Cards	Rs.250

Table-II

S. No	Description/ Specification of Goods	Sales tax on CBUs at the time of import or registratio n (IMEI number by CMOs)	Sales tax on import in CKD/ SKD condition	Sales tax on supply of locally manufact ured mobile phones in CBU condition in addition to tax under column (4)
(1)	(2)	(3)	(4)	(5)
1	Cellular mobile phones or satellite			

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phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-			
A. Not exceeding US\$ 30 (excluding smart phones)	Rs.130	Rs.10	Rs.10
B. Not exceeding US\$ 30 (smart phones)	Rs.200	Rs.10	Rs.10
C. Exceeding US\$ 30 but not exceeding US\$ 100	Rs.200	Rs.10	Rs.10
D. Exceeding US\$ 100 but not exceeding US\$ 200	Rs.1,680	Rs.10	Rs.10
E. Exceeding US\$ 200 but not exceeding US\$ 350	Rs.1,740	Rs.1,740	Rs.10
F. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 5,400	Rs. 5,400	Rs.10
G. Exceeding US\$ 500	Rs. 9,270	Rs. 9,270	Rs.10]

**LIABILITY, PROCEDURE AND CONDITIONS**

- <sup>3</sup>[(i) The liability to pay the tax on the goods specified in this Schedule shall be -
- (a) in case of the goods specified in Table-I, of the Cellular Mobile Operator (CMO);
  - (b) in case of goods specified in column (3) and (4) of Table-II, of the importer; and
  - (c) in case of goods specified in column (5) of the Table-II, of the local manufacturers of the goods.
- (ii) The time of payment of tax due under this Schedule shall be the same as specified in section 6;
- (iii) The tax paid under this Schedule shall not be deductible against the output tax payable by the purchaser or importer of the goods specified in this Schedule;
- (iv) The input tax paid on the input goods attributable to the goods specified in this Schedule shall not be deductible for the tax payable under this Schedule; and
- (v) The Board may prescribe further mode and manner of payment of tax due under this Schedule.

### HISTORY

1. Ninth Schedule added by the Finance Act, 2014 (IX of 2014).
2. The Table-I and Table-II substituted for Table by Finance Act, 2020 (XIX of 2020). Before substitution this Table was as under:

(1)	(2)	(3)	(4)	(5)
S. No	Description/ Specification of Goods	Sales tax on import <sup>a</sup> [or local supply]	Sales tax (chargeable at the time of registration of IMEI number by CMOs)	Sales tax on supply (payable at time of supply by CMOs)
1.	Subscriber	-	-	Rs.250.

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	Identification Module (SIM) Cards			
b[2]	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-			
	A. Not exceeding US\$ 30	¢[Rs. 130]	¢[Rs. 130]	
	B. Exceeding US\$ 30 but not exceeding US\$ 100	¤[Rs.200]	¤[Rs.200]	
	C. Exceeding US\$ 100 but not exceeding US\$ 200	Rs. 1,680	Rs. 1,680	
	D. Exceeding US\$ 200 but not exceeding US\$ 350	Rs. 1,740	Rs. 1,740	
	E. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 5,400	Rs. 5,400	
	F. Exceeding US\$ 500	Rs. 9,270	Rs. 9,270]	

a. Substituted for “(payable by importer at the time of import)” by the Finance Act, 2015 (V of 2015).

b. Substituted by Finance Act, 2019 (V of 2019). Before substitution this provision was as under:

ba[2]	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-			
	A. Not exceeding US\$ 30	Rs.150	Rs.150	
	B. Exceeding US\$ 30 but not exceeding US\$ 100	Rs.1,470	Rs.1,470	



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C. Exceeding US\$ 100 but not exceeding US\$ 200	Rs.1,870	Rs.1.870	
D. Exceeding US\$ 200 but not exceeding US\$ 350	Rs.1,930	Rs.1,930	
E. Exceeding US\$ 350 but not exceeding US\$ 500	Rs.6,000	Rs.6,000	
F. Exceeding US\$ 500	Rs.10,300	Rs.10,300]	

**ba.**Substituted by Finance Supplementary (Second Amendment) Act, 2019 (III of 2019) dated 10.03.2019. Before substitution this provision was as under:

2.	A. <u>Low Priced Cellular Mobile Phones or Satellite Phones</u> (i) All cameras: 2.0 mega-pixels or less (ii) Screen size: 2.6 Inches or less (iii) Key pad	Rs. <sup>bb</sup> [650]	Rs. <sup>bb</sup> [650]
	B. <u>Medium Priced Cellular Mobile Phones or Satellite Phones</u> (i) One or two cameras: between 2.1 to 10 mega-pixels (ii) Screen size: between 2.6 inches and 5.0 inches (iii) Micro-processor: less than 2 GHZ	Rs. <sup>bc</sup> [650]	Rs. <sup>bc</sup> [650]
	C. <u>Smart Cellular Mobile Phones or Satellite Phones</u> (i) One or two cameras: 10 mega-pixels and above (ii) Touch Screen: size 5.0 inches and above (iii) 4GB or higher Basic Memory (iv) Operating system of the type IOS, Android V2.3, Android Gingerbread or higher, Windows 8 or Blackberry RIM	Rs. <sup>bd</sup> [1500]	Rs. <sup>bd</sup> [1500]

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	(v) Micro-processor: 2GHZ or higher, dual core or quad core		
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- bb.**Substituted for “300” by Finance Act, 2017 (XXVII of 2017). Earlier it was substituted for “150” by the Finance Act, 2015 (V of 2015).
- bc.**Substituted for “1000” by Finance Act, 2017 (XXVII of 2017). Earlier it was substituted for “500” by the Finance Act, 2016 (XXIX of 2016). Earlier to above this was substituted for “250” by the Finance Act, 2015 (V of 2015).
- bd.**Substituted for “1000” by the Finance Act, 2016 (XXIX of 2016). Earlier this was substituted for “500” by the Finance Act, 2015 (V of 2015).
- c.** Substituted for “Rs.135” by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
- d.** Substituted for Substituted for “Rs.1,320” by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
3. Substituted for (i) to (viii) and note by the Finance Act, 2020 (XIX of 2020). Before substitution this provision was as under:
- (i) *In case of the goods specified against S. No.1 of the Table, the liability to charge, collect and pay tax shall be on the Cellular Mobile Operator (CMO) at the time of supply. In case of the goods specified against S. No.2, the liability to pay sales tax at the time of import shall be on the importer, and the liability to charge, collect and pay sales tax payable on supplies shall be on the Cellular Mobile Operator at the time of registering International Mobile Equipment Identity (IMEI) number in his system.*
  - (ii) *The Cellular Mobile Operators shall, if not already registered, obtain registration under the Sales Tax Act, 1990.*
  - (iii) *No IMEI shall be registered in his system by a Cellular mobile Operator without charging and collecting the sales tax as specified in the Table.*
  - (iv) *The Cellular Mobile Operator shall deposit the sales tax so collected through his monthly tax return in the manner prescribed in section 26 of the Sales Tax Act, 1990, and rules made thereunder.*
  - (v) *The Cellular Mobile Operator shall maintain proper records of all IMEI numbers registered for a period of six years, and such records shall be produced for inspection, audit or verification, as and when required, by an authorized officer of Inland Revenue.*
  - (vi) *The Pakistan Telecommunication Authority shall provide data regarding IMEI numbers registered with other Cellular Mobile Operators to prevent double taxation on the same IMEI number in case of switching by a*

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*subscriber from one operator to another, and to provide data regarding registration of IMEI numbers to the Board on monthly basis.*

- <sup>a</sup>[(via) *The sales tax as indicated in column (3) of the Table above shall be paid by the importer, in case of imports and by the manufacturer, in case of locally manufactured cellular mobile phones.*]
- (vii) *No adjustment of input tax shall be admissible to the Cellular Mobile Operator or any purchaser of cellular mobile phone against the sales tax charged and paid in terms of this Schedule.*
- (viii) *The tax specified in column (4) of the Table shall be charged, collected and paid with effect from such date as may be specified by the Board and the sales tax specified in column (3) shall stand withdrawn from the date so specified.*

*Note:- Notwithstanding anything contained in any other law for the time being in force, the levy, collection and payment of sales tax under Notification No. S.R.O. 460(I)/2013, dated the 30th May, 2013, shall be deemed to always have been lawfully and validly levied, collected and paid.*

**a.** Clause (via) inserted by the Finance Act, 2015 (V of 2015).

\* \* \* \* \*

**10<sup>th</sup> Schedule (enforced in Pakistan)**

**<sup>1</sup>[THE TENTH SCHEDULE**

[See sub-section (1B) of section 3]

<sup>2</sup>[(1)] The tax on bricks, falling in PCT heading <sup>3</sup>[6901.0000], shall be paid on fixed basis, <sup>4</sup>[\*\*\*\*\*] at the rates specified in the Table below:-

**TABLE**

<b>S. No.</b>	<b>Region or area</b>	<b>Tax payable per month</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	Lahore, Rawalpindi and Islamabad districts	Rs. 12,500
2.	Attock, Chakwal, Jehlum, Mandi Bahauddin, Sargodha, Gujrat, Sialkot, Narowal, Gujranwala, Hafizabad, Sheikhpura, Kasur, Nankana Sahib, Chiniot, Faisalabad, Jhang, Toba Tek Singh, Okara and Sahiwal districts	Rs. 10,000
3.	Khushab, Mianwali, Bhakar, Layyah, Muzaffarghar, Dera Ghazi Khan, Rajanpur, Multan, Lodhran, Khanewal, Vehari, Bahawalpur, Pakpattan, Bahawalnagar, Rahim Yar Khan districts; and Sindh, Khyber-Pakhtunkhwa and Baluchistan provinces	Rs. 7,500]

<sup>5</sup>[(2)] Tax on cement or concrete blocks falling in PCT heading 6810.1100, shall be charged on fixed basis as per the following Table, namely:-

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**Table**

<b>S. No.</b>	<b>Item</b>	<b>Tax</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	Paver	Rs. 2 per sq. ft
2.	Hollow block (volume less than 1 cubic feet)	Rs.3 per piece
3.	Solid block (volume less than 1 cubic feet)	Rs.3 per piece
4.	Kerb Stone (volume less than 1 cubic feet)	Rs.5 per piece
5.	Kerb stone (volume greater than 1 cubic feet)	Rs.10 per piece

**Note:** No input tax adjustment shall be allowed against the tax so paid]

**10<sup>th</sup> Schedule (enforced in Azad Jammu and Kashmir)**

**<sup>1</sup>[THE TENTH SCHEDULE**

[See sub-section (1B) of section 3]

<sup>2</sup>[(1)] The tax on bricks, falling in PCT heading <sup>3</sup>[6901.0000], shall be paid on fixed basis, <sup>4</sup>[\*\*\*\*\*] at the rates specified in the Table below:-

**TABLE**

Region or area	Tax Payable per month
Azad Jammu and Kashmir	Rs.7,500/-]

<sup>5</sup>[(2) Tax on cement or concrete blocks falling in PCT heading 6810.1100, shall be charged on fixed basis as per the following Table, namely:-

**Table**

S. No.	Item	Tax
(1)	(2)	(3)
1.	Paver	Rs. 2 per sq. ft
2.	Hollow block (volume less than 1 cubic feet)	Rs.3 per piece
3.	Solid block (volume less than 1 cubic feet)	Rs.3 per piece
4.	Kerb Stone (volume less than 1 cubic feet)	Rs.5 per piece
5.	Kerb stone (volume greater than 1 cubic feet)	Rs.10 per piece

**Note:** No input tax adjustment shall be allowed against the tax so paid]

## HISTORY

1. The Tenth Schedule added by the Finance Act, 2019 (V of 2019). In AJK, Tenth Schedule with different contents was added by AJK Finance Act, 2019 (Act XVIII of 2019).
2. The existing paragraph numbered as paragraph (1) by the Finance Act, 2020 (XIX of 2020).
3. Substituted for "**6901.1000**" by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
4. The expression "*on monthly return*" omitted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
5. Paragraph (2) and Table inserted by the Finance Act, 2020 (XIX of 2020).

**<sup>1</sup>[THE ELEVENTH SCHEDULE**

[see sub-section (7) of section 3]

TABLE

The rates for withholding or deduction by the withholding agent <sup>2</sup>[are specified as below provided that withholding of tax under this Schedule shall not be applicable to the goods and supplies specified vide clauses (i) to (viii) after the Table:]

<b>S No</b>	<b>Withholding agent</b>	<b>Supplier category</b>	<b>Rate or extent of deduction</b>
(1)	(2)	(3)	(4)
1.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	<sup>3</sup> [Active Taxpayers]	1/5 <sup>th</sup> of Sales Tax as shown on invoice
2.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	<sup>4</sup> [Active Taxpayers] registered as a wholesaler, dealer or distributor	1/10 <sup>th</sup> of Sales Tax as shown on invoice
3.	Federal and provincial government departments; autonomous bodies; and public sector organizations	<sup>5</sup> [persons other than Active Taxpayers]	Whole of the tax involved or as applicable to supplies on the



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			basis of gross value of supplies
4.	Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	<sup>6</sup> [persons other than Active Taxpayers]	5% of gross value of supplies
5.	Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of sales tax applicable
6.	Registered persons purchasing cane molasses.	<sup>7</sup> [persons other than Active Taxpayers]	Whole of sales tax applicable

- (i) Electrical energy;
- (ii) Natural gas;
- (iii) Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;
- (iv) Vegetable ghee and cooking oil;
- (v) Telecommunication services;
- (vi) Goods specified in the Third Schedule to the Sales Tax Act, 1990;
- (vii) Supplies made by importers who paid value addition tax on such goods at the time of import; and
- (viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered persons with exception of advertisement services.

- <sup>8</sup>[(ix) Supply of sand, stone, gravel/crush and clay to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority.]

### HISTORY

1. The Eleventh Schedule added by the Finance Act, 2019 (V of 2019).
2. Substituted for "*shall not be applicable to goods and supplies specified after the end of this Table*" by the Finance Act, 2020 (XIX of 2020).
3. Substituted for "*Registered persons*" by the Finance Act, 2020 (XIX of 2020).
4. Substituted for "*Person*" by the Finance Act, 2020 (XIX of 2020).
5. Substituted for "*Unregistered persons*" by the Finance Act, 2020 (XIX of 2020).
6. Substituted for "*Unregistered persons*" by the Finance Act, 2020 (XIX of 2020).
7. Substituted for "*Unregistered persons*" by the Finance Act, 2020 (XIX of 2020).
8. Clause (ix) inserted by the Finance Act, 2020 (XIX of 2020).

**1[THE TWELFTH SCHEDULE**

[See sub-section (2) of section 7A]

TABLE

S. No.	Goods or class of goods	PCT Heading	Rate
(1)	(2)	(3)	(4)
1.	All imported goods subject to exclusions as in conditions and procedure given after the Table	Respective Heading	3% ad valorem

**Procedure and conditions:-**

(1) The sales tax on account of minimum value addition as payable under this Schedule (hereinafter referred to as value addition tax), shall be levied and collected at import stage from the importer on all taxable goods as are chargeable to tax under section 3 of the Act or any notification issued thereunder at the rate specified in the Table in addition to the tax chargeable under section 3 of the Act or a notification issued thereunder:

(2) The value addition tax under this Schedule shall not be charged on,-

- <sup>2</sup>(i) Raw materials and intermediary goods imported by a manufacturer for in-house consumption;]
- (ii) The petroleum products falling in Chapter 27 of Pakistan Customs Tariff as imported by a licensed Oil Marketing Company for sale in the country;
- (iii) Registered service providers importing goods for their in-house business use for furtherance of their taxable activity and not intended for further supply;
- (iv) Cellular mobile phones or satellite phones;
- (v) LNG / RLNG;

- (vi) second hand and worn clothing or footwear (PCT Heading 6309.000);
- (vii) gold, in un-worked condition; <sup>3</sup>[\*\*\*\*\*]
- (viii) silver, in un-worked condition <sup>4</sup>[: <sup>5</sup>[\*\*\*\*\*]]
- <sup>6</sup>[(ix) the goods as specified in the Third Schedule on which tax is paid on retail price basis <sup>7</sup>[: and]]
- <sup>8</sup>[(x) plant, machinery and equipment falling in Chapters 84 and 85 of the First Schedule to the Customs Act, 1969 (IV of 19639), as are imported by a manufacturer for in-house installation or use.]

(3) The value addition tax paid at import stage shall form part of input tax, and the importer shall deduct the same from the output tax due for the tax period, subject to limitations and restrictions under the Act, for determining his net liability. The excess of input tax over output tax shall be carried forwarded to the next tax period as provided in section 10 of the Act.

<sup>9</sup>[(4) The refund of excess input tax over output tax, which is attributable to tax paid under this Schedule, shall not be refunded to a registered person in any case, except that as used for making of zero-rated supplies.]

(5) The registered person, if also dealing in goods other than imported goods, shall be entitled to file refund claim of excess carried forward input tax for a period as provided in section 10 or in a notification issued there under by the Board after deducting the amount attributable to the tax paid at import stage i.e. sum of amounts paid during the claim period and brought forward to claim period. Such deducted amount may be carried forward to subsequent tax period]

## HISTORY

1. The Twelfth Schedule added by the Finance Act, 2019 (V of 2019).
2. Clause (i) substituted by the Finance Act, 2020 (XIX of 2020). Before substitution this provision was as under:  
*(i) Raw materials and intermediary goods meant for use in an industrial process which are subject to customs duty at a rate less than 16% ad valorem under First Schedule to the Customs Act, 1969*
3. The word "*and*" omitted by S.R.O.1321(I)/2019 dated 08.11.2019.
4. Substituted for full stop by S.R.O.1321(I)/2019 dated 08.11.2019.
5. The word "*and*" omitted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
6. Sub-Clause (ix) added by S.R.O.1321(I)/2019 dated 08.11.2019.
7. Substituted for full stop by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
8. Added by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019.
9. Clause (4) substituted by the Tax Laws (Amendment) Act, 2020 (XVII of 2020) dated 30.03.2020. Earlier, this amendment was introduced by the Tax Laws (Second Amendment) Ordinance, 2019 (Ordinance No.XXVI of 2019) dated 26.12.2019. Before substitution this provision was as under:  
*(4) In no case, the refund of excess input tax over output tax, which is attributable to tax paid at import stage, shall be refunded to a registered person.*