



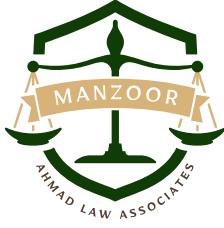
Sales Tax Act, 1990

The
Sales Tax Act, 1990

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

th
As amended up to 30 June, 2023

The amendments made through
Finance Act, 2023
have been shown in Red



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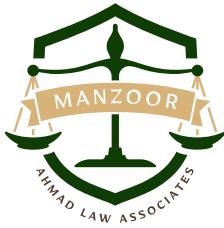
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Sales Tax Act, 1990

The Sales Tax Act, 1990

1

[Act No. III of 1951 as Amended by Act VII of 1990]

An Act to consolidate and amend the law relating to the levy of a tax on the

2 sale [, importation, exportation, production, manufacture or consumption] of goods

WHEREAS it is expedient to consolidate and amend the law relating
3 to the levy of a tax on the sale [, importation, exportation, Production, manufacture or consumption] of goods;

It is hereby enacted as follows:-

4

[Chapter-I PRELIMINARY

1. Short title, extent and commencement.— (1) This Act may
5 be called the Sales Tax [...] Act, 1990.

(2) It extends to the whole of Pakistan.

6

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

7

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

8

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

¹For Statements of Objects and Reasons see Gazette of Pakistan, dated the 30th March 1951, Pt. V. pp 36 and 37.

²Substituted for the words “or consumption of goods” by the Finance Act, 1960.

³Substituted for the words “or consumption of goods” by the Finance Act, 1960.

⁴Chapter I to X substituted for Chapters I to XVI by the Finance Act, 1990.

⁵Brackets and word “(Amendment)” omitted by the Finance Act, 1991.

⁶Came into force by Notification No. S.R.O. 1100(I)/90, dated 28-10-1990 w.e.f. 1st November, 1990.

⁷Section 2 Substituted by the Finance Act, 1996.

⁸Clauses (I) and (IA) substituted for clause (I) by Finance Act, 2015.



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⁹(a) who is blacklisted or whose registration is suspended [***] 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-

¹⁰(d) who fails to file [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);]

¹¹

(2) "**appropriate officer**" means an [officer of Inland Revenue] authorised by the Board by notification in the official Gazette to perform certain functions under this Act;

¹²

[(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;]

¹³

[(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;

⁹ The words "or is blocked" omitted by Finance Act, 2020.

¹⁰ The word substituted by Finance Act, 2020.

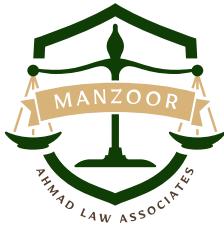
¹¹ Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

¹² Clause (2A) substituted by Finance Act, 2008. Earlier it was inserted by Tax Laws (Amendments) Ordinance, 1999. Originally it was inserted by Finance Act, 1991.

¹³ Clause (3) substituted by Finance Act, 2008.



- (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) a 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 –



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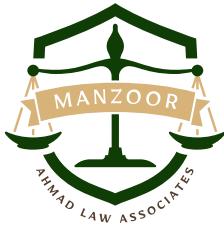
- (i) fifty *per cent* or more of the voting power in both companies;
- (ii) fifty *per cent* or more of the rights to dividends in companies; or
- (iii) fifty *per cent* or more of the rights to capital in both companies.
- (iv) two persons shall not be associates under sub-clause (a) or (b) of paragraph (iii) where the [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).]
- [3A) **“association of persons”** includes a firm, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company;]
- [3AA) **“banking company”** means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes anybody corporate which transacts the business of banking in Pakistan;]
- [4) **“Board”** means the Federal Board of Revenue established under section 3 of the Federal Board of Revenue Act, 2007;]

¹⁴ Substituted for “Collector of Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

¹⁵ Clause (3A) inserted by Finance Act, 2008.

¹⁶ Clause (3A) re-numbered as (3AA). Earlier it was inserted by Finance Act, 2004.

¹⁷ Clause (4) substituted by Finance Act, 2008. Earlier it was substituted by Finance Act, 2007.



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¹⁸ [(4A) “**Chief Commissioner**” means a person appointed as the chief Commissioner Inland Revenue under section 30;]

19

[(4AA) “Commissioner (Appeals)” means Commissioner of Inland Revenue (Appeals) appointed under section 30;]

20

[(5) “**Commissioner**” means the Commissioner of Inland Revenue appointed under section 30;]

21

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

22

[(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) a *modaraba*;

(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

¹⁸ Clause (4A) inserted by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made

¹⁹ New clause 4AA inserted by Finance Act, 2021.

²⁰ Clause (5) inserted by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made Through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

²¹ Clause (5A) inserted by Finance Act, 2006. Earlier clause (5A) was omitted by Finance Act, 2004. Earlier it was inserted by Tax Laws (Amendments) Ordinance, 1999.

²²Clause (5AA) inserted by Finance Act, 2008.



company for the purposes of the Income Tax Ordinance 2001 (XLIX of 2001);

23

[(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;]

24

[(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

25

(d) annual turnover from all supplies does not exceed [eight] million rupees;]

26

[(5AC) “**CREST**” means the computerized program for analyzing and cross matching of sales tax returns, also referred to as COMPUTERISED 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;

27

[(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 partner or a proprietor and includes guarantors or successors, who fail to pay the arrears;]

28

[(6B) “**default surcharge**” means the default surcharge levied under section 34;]

²³ Clause (5AA) re-numbered as (5AAA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006.

²⁴ Clause (5AB) substituted by Finance Act, 2019.

²⁵ Word “eight” substituted by Finance (Supplementary) Act, 2022.

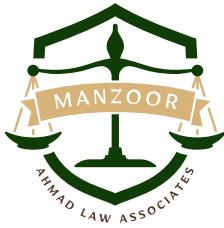
² CREST 5AC inserted by Finance Act, 2013.

⁶ Clause (6A) inserted by Tax Laws (Amendments) Ordinance, 1999.

⁷ Clause (6B) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2005.

²

⁸



(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;

29

(9) "**due date**" in relation to the furnishing of a return [under
30 31 32 33 th]

section 26], [[...] [...] means the [15 day of the month following
34

the end of the tax period, or such other date as the [Board] may, by
35 notification in the official Gazette, specify [and different dates may be
36 specified for furnishing of different parts or annexures of the return];

36

[(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;]

37

[(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;

3839

[(11A) "FBR Refund Settlement Company [10a] Limited" means
40

the company with this name as incorporated under the [Companies Act, 2017 (XIX of 2017)], for the purpose of settlement of sales tax and

²⁹The words and figure inserted by Finance Act, 1998.

³⁰The words and figure inserted by Tax Laws Amendment Ordinance, 2000, dated 24th May, 2000.

³¹Comma and words etc. ", sub-section (6) of section 26A" omitted by Finance Act, 2004.

³²The expression "and section 26AA omitted by Finance, Act, 2016.

³³Substituted for "20th" by Finance Act, 1998

³⁴Substituted for "Federal Government" by Finance Act, 2008

³⁵Expression inserted through Finance Act, 2016.

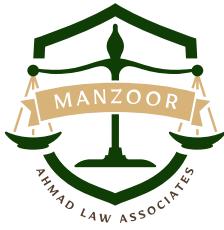
³⁶Clause (9A) inserted by Finance Act, 2006. Earlier clause (9A) was omitted by Finance Act, 2004. Originally it was inserted by Tax Laws (Amendments) Ordinance, 2001.

³⁸Clause (9AA) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated February 7, 2001.

³⁹Existing clause re-numbered as clause (11B) and new clause (11A) inserted by Finance Supplementary (Second Amendment) Act, 2019

⁴⁰The word (Pvt) omitted by Finance Act, 2019.

Words substituted vide Finance Act, 2019



income tax refund claims including payment by way of issuing refund bonds under section 67A';]

4110

[(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;]

⁴²

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

43

[("12A) "green 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 not previously been utilised 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 an 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; and⁴¹

⁴¹ Clause (11A) inserted by Finance Act, 2008.

⁴² Expression omitted by Finance Act, 2023.

⁴³ New clause (12A) inserted through Tax Laws (Amendment) Act, 2020, dated 31-3-2020.

the
prescribed form and manner, accompanied by the prescribed



documents and, such other documents as may be required by the Commissioner:

st

Provided that this definition shall be applicable from the 1 July, 2019 and onwards.".]

44

(13) "**importer**" means any person who [...] imports any goods into Pakistan;

45

[(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; []
4647
4849

(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;]

50

[(14A) the expression "**KIBOR**" means Karachi Inter-Bank Offered Rate prevalent on the first day of each quarter of the financial year;]

51 [(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;]

⁴⁵Word "lawfully" omitted by Finance Act, 2008

⁴⁶Clause (14) substituted by Finance Act, 2008.

⁴⁷Word "and" added at the end of clause through Finance, Act, 2016.

⁴⁸Word "and" omitted through Tax Laws (Amendment) Ordinance, 2016.

⁴⁹Expression omitted through Finance, Act, 2016.

⁵⁰Expression re-inserted through Tax Laws (Amendment) Ordinance, 2016 having affect from 01st day of July, 2016..

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



(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 patent, 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

⁵¹Clause (15) substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.



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or company sells, distributes, consigns or otherwise disposes
⁵² of the goods[:]

⁵³

[Provided that for the purpose of refund under this Act, only such 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;]

⁵⁴

[(18) "**Officer of Inland Revenue**" means an officer appointed under section 30;]

⁵⁵

[(18A) "**online market place**" includes an electronic interface such as a market place, e-commerce platform, portal or similar means which facilitate sale of goods, including third party sale, in any of the following manner, namely:-

(a) by controlling the terms and conditions of the sale;

(b) authorizing the charge to the customers in respect of the payment for the supply; or

(c) ordering or delivering the goods.]

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

⁵⁶

[(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;

⁵²Substituted for the semi-colon by Finance Ordinance, 2000

⁵³Proviso inserted by Finance Ordinance, 2000.

⁵⁴Clause (18) substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary part I at pages 12 to 17.

⁵⁵New clause 18A inserted by Finance Act, 2021.

⁵⁶Clause (20) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2007.



⁵⁷[(c) sales tax levied on the services rendered or provided by the person under Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);]

⁵⁸

[(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;

⁵⁹

[(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;]

(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 ⁶⁰[Commissioner];

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

⁵⁷ Clause (c) substituted by Finance Act, 2020.

⁵⁸Clause (21) substituted by Finance Act, 2008.

⁵⁹Clause (22A) inserted by Finance Act, 2008.

⁶⁰The word "Collector" was substituted for "Commissioner" by Finance (Amendment) ordinance, 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.



⁶¹ [(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

⁶² under this Act [...] 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;]

⁶³

[(26) ***]

(27) "**retail price**", with reference to the Third Schedule, means the

⁶⁴ price fixed by the manufacturer [or importer, in case of imported goods]
⁶⁵⁶⁶

[...], inclusive of all [duties], charges and taxes (other than sales tax
⁶⁷)

[...] 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 [:].

⁶⁸

[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.]

⁶⁹

(28) "**retailer**" means a person [***] supplying goods to general

⁷⁰ public for the purpose of consumption [:].

⁷¹

[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 [***].]

⁶⁰Clause (25) substituted by Finance Ordinance, 2002.

⁶²Words "shall remain liable to further tax under sub-section (1A) of section 3 and" omitted by Finance Act, 2004.

⁶³Clause (26) omitted by Finance Ordinance, 2002.

⁶⁴The expression inserted vide Finance Act, 2019.

⁶⁵Words "or the importer" omitted by Finance Act, 2005. Earlier these were inserted by Finance Act, 2003.

⁶⁶Words and comma inserted by Finance Act, 2007.

⁶⁷Words "and octroi" omitted by Finance Act, 1998.

⁶⁸The "semicolon" has been substituted by" colon" in Finance Act, 2014

⁶⁹Inserted by Finance Act 2014.

⁷⁰Words "not being a manufacturer or producer or an importer" omitted by Finance Act, 2003, after omission the commas become superfluous. Earlier commas and words were inserted by Finance Act, 1998.

⁷³Substituted for the semi-colon by Finance Act, 2003.

⁷²Proviso inserted by Finance Act, 2003.

⁷³The 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 Finance Act, 2015.



⁷⁴ [(28A) ***]

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

⁷⁵

[(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

⁷⁶

[excluding fee and service charges imposed and collected under section 76]; and

(c) any other sum payable under the provisions of this Act or the rules made thereunder;]

⁷⁷

[(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 ⁷⁸ [resembles] the characteristics, quantity, components and materials of the aforementioned goods;

⁷⁹

[(31A) "**special audit**" means an audit conducted under section 32A;]

(32) "**Special Judge**" means the Special Judge appointed under ⁸⁰ Section [37C of the act until such appointment is made by the Special Judge appointed under section] 185 of the Customs Act;

⁷⁴ Clause (28A) omitted by Finance Act, 2008. Earlier it was inserted by Finance Act, 1997.
⁷⁵ Clause (29A) inserted by Finance Act, 2008.

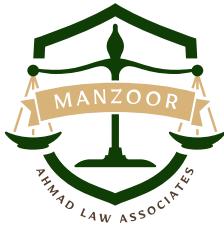
⁷⁶ Words inserted by Finance Act, 2022.

⁷⁷ Clause (29A) renumbered as (29AA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006.

⁷⁸ Substituted for "resemble" by Finance Act, 2008.

⁷⁹ Clause (31A) inserted by Finance Act, 1998.

⁸⁰ Words etc. inserted by Finance Act, 2010 w.e.f. June 5, 2010.



⁸¹[(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

⁸²person; [***]

(c) possession of taxable goods held immediately before a person ⁸³⁸⁴ceases to be a registered person[; [***]]

⁸⁵

[(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 ⁸⁶nominated by him [; and]

⁸⁷

[***]

⁸⁸

Provided that the [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;]

⁸⁹

[(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;]

⁹⁰

[(34)] "**tax**", unless the context requires otherwise, means sales tax;]

⁹¹

[(35) "**taxable activity**", means any economic activity carried on by a person whether or not for profit, and includes --

⁸¹Clause (33) substituted by Finance Act, 2008.

⁸²Word "and" omitted by Finance Act, 2015.

⁸³Semi-colon and word "and" substituted for colon by Finance Act, 2015. Semi-colon and word "and" substituted for colon by Finance Act, 2015.

⁸⁴Word "and" omitted by Finance Act, 2022.

⁸⁵Clause (d) added by Finance Act, 2015.

⁸⁶Semi colon and the word "and" substituted by Finance Act, 2022.

⁸⁷Sub-clause (e) omitted by Finance Act, 2023

⁸⁸The words "Federal Government" substituted with the expression vide Finance Act, 2019.

⁸⁹Clause (33A) inserted by Finance Act, 2013.

⁹⁰Clause (34) substituted by Finance Act, 2008.



- (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: -

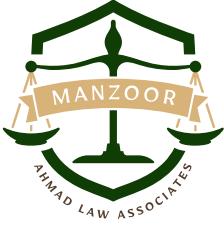
$$\frac{a}{100 + a}$$

('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

⁹¹ Clause (35) substituted by Finance Act, 2008.



(ii) omitting to take any action or causing the omission to take
⁹² any action, [including the making of taxable supplies
⁹³ without getting registration under this Act [;/ or],]
⁹⁴ ⁹⁵ ⁹⁶
[(iii)] falsifying [or causing falsification [of] 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
⁹⁷ liability [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;
⁹⁸

⁹⁹ [(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;
⁹⁹

¹⁰⁰ (41) "**taxable supply**" means a supply of taxable goods made [...]
[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;

¹⁰¹

¹⁰² [(42) ***]

¹⁰³ (43) "**tax period**" means a period of one month or such other
period as the [Board, with the approval of the Federal Minister-in-
charge,] may [,] by notification in the official Gazette, specify;

⁹⁹ Words etc. inserted by Finance Act, 2004.

⁹⁹ Substituted for comma by Finance Act, 2005

⁹⁴ Sub-clause (iii) inserted by Finance Act, 2005.

⁹⁵ Word "or" inserted by Finance Act, 2021.

⁹⁵ Words inserted by Finance Act, 2007.

⁹⁶ Words inserted by Finance Ordinance, 2000.

⁹⁸ Clause (38) omitted by Finance Act, 2004.

⁹⁹ The words "In Pakistan" omitted by Finance Act, 2003.

¹⁰⁰ The words and commas inserted by Finance Act, 1998.

¹⁰¹ Clause (42) omitted by Finance Act, 1997.

¹⁰² The words "Federal Government" substituted with the expression vide Finance Act, 2019.

¹⁰³ Substituted for semi-colon by Finance Act, 2008



^{104 105} [“**Tier-1 retailer**” 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 ^{106 107} Rupees [twelve] hundred thousand; []

(d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well ¹⁰⁸ as on retail basis to the general body of the consumers”;] []

¹⁰⁹ [***]

¹¹⁰ [(f) a retailer who has acquired point of sale for accepting payment through debit or credit cards from banking companies or any other digital payment service provider ¹¹¹ authorized by State Bank of Pakistan; ***]

¹¹⁰ (g) a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001(XLIX of 2001) during the immediately preceding twelve consecutive months has exceeded the threshold as may be specified by the Board through notification in the official Gazette; and ¹¹¹ [***]

¹⁰⁴ Clause (43A) inserted through Finance Act, 2017

¹⁰⁵ Expression substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020 substituted expression read as under:

“Tier-1 retailers means”

Word “six” substituted by “twelve” though Tax Laws (Amendment) Act, 2020, dated 30-3-2020

¹⁰⁷ The word “and” omitted vide Finance Act, 2019.

¹⁰⁸ The word “and” omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

¹⁰⁹ New clause (f) inserted by Finance Act, 2021.

¹¹⁰ Word “and” omitted by Finance (Supplementary) Act, 2022.

¹¹¹ New clause (g) inserted by Finance (Supplementary) Act, 2022.

¹¹² ¹¹³ Sub-clause (ga) omitted by Finance Act, 2023



¹¹⁴[(h) any other person or class of persons as prescribed by the Board.]

¹¹⁵

[(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

¹¹⁶

available to the recipient of the supply" [****];

(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;

¹¹⁷

[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;]

¹¹⁸

[(45) ***]

(46) "**value of supply**" means:-

¹¹⁴Existing clause (f) re-numbered as clause (h) by Finance Act, 2021.

¹¹⁵Clause (44) (44 A) and (44 AA) substituted for clause (44) by Finance Act, 2008.

¹¹⁶Words omitted by Finance Act, 2021.

¹¹⁷Proviso added by Finance Act, 2013.

⁷Clause (45) omitted by Finance Act, 2004.

¹¹⁸

⁸



(a) in respect of a taxable supply, the consideration in money¹¹⁹ including all Federal and Provincial duties [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 supply¹²⁰ excluding the amount of tax; [...]

(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 of¹²¹ the supply excluding the amount of tax; [and]¹²²

[(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)¹²³ in case of imported goods [excluding those as specified in the Third Schedule], the value determined under section 25

¹¹ Words inserted by Finance Act, 1999.

⁹ Words "and" omitted by Finance Ordinance,

¹² 2001, Word inserted by Finance Ordinance,

⁰ 2001.

¹² Sub-clause (iii) inserted by Finance Ordinance,

¹ 2001. The expression inserted vide Finance Act,

¹² 2019.

²

¹²

³



Sales Tax Act, 1990

- 124 [...] of the Customs Act, including the amount of customs-
125 duties and central excise duty levied thereon; [...]
 (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
126 comprising representatives of trade and the [Inland
127 128 129 Revenue] constituted by the [Commissioner] [;] []
130 [(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;]
131 [(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.]
132 [(h) in case of supply of electricity by an independent power
133 producer [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
134 included in the value of supply; [***]]

¹²⁴ Words etc. "or 25B" omitted by Finance Act, 2004.

¹²⁵ The word "and" omitted by Finance Supplementary (Amendment) Act, 1997. Earlier the same amendment was made by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1979.

¹²⁶ Substituted for "Sales Tax Department" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) ordinance 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

¹²⁷ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) ordinance 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

¹²⁸ Word etc. ";" and" substituted for "colon" by Finance Supplementary (Amendment) Act, 1997. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1979.

¹²⁹ The word "and" omitted vide Finance Act, 2019.

¹³⁰ Sub clause (f) substituted by Finance Act, 2019. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1997.

¹³¹ Sub-Clause (g) inserted by Finance Act, 1997.

¹³² Clauses (h) and (i) added by Finance Act, 2019. The words inserted by Finance Act, 2020, shall be deemed to have been inserted with effect from 1st July, 2019.

¹³³ The word "and" omitted by Finance Act, 2020, the word "and" and "new clause j" inserted by Finance Act, 2020 .

³

¹³⁴

⁴



(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

¹³⁵ and the amount of sales tax; [:]

Explanation. - It is clarified that the value of supply does not include the amount of subsidy provided by the federal government or provincial governments to the electricity [or natural gas including re-gasified liquefied natural gas] consumers and has never been chargeable to tax under the

Act;]

¹³⁶

[(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.]

¹³⁷

[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;]

¹³⁸

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

¹³⁵ For expression “and” expression “:” substituted and thereafter Explanation inserted by Finance Act, 2022.

¹³⁶ Expression inserted by Tax Laws (Second Amendment) Ordinance, 2022.

¹³ Provisos substituted by Finance Act, 2006.

⁷ Clause (46A) added by Finance Act, 2015.

¹³

⁸



¹³⁹ (47) “**wholesaler**” [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

¹⁴⁰ belonging to others as an agent for the purpose of sale; and includes [a
¹⁴¹ ¹⁴² person supplying taxable goods to [a person [who deducts income tax
¹⁴³ at source under the Income Tax Ordinance, 2001 (XLIX of 2001)]]] [...];
and

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

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 ¹⁴⁴ [eighteen] per cent of the value of—

¹⁴⁵ (a) taxable supplies made[...] by a registered person in the ¹⁴⁶ course or furtherance of any [taxable activity] carried on by him; and
¹⁴⁷ (b) goods imported into Pakistan, [irrespective of their final destination in territories of Pakistan].

¹⁴⁸ [(1A) Subject to the provision of sub section (6) of section 8 or any notification issued thereunder, where taxable supplies are
Source inserted by Finance Act, 1998.

¹⁴⁹ The words, brackets and figures inserted by Finance Act, 1998.

¹⁴¹ Substituted for “person deducting advance tax under sub-section (4) of section 50 of the Income Tax, 1979 (XXXI of 1979)” by Finance Act, 2004.

¹⁴² 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 Finance Act, 2006.

¹⁴⁴ Comma and words “, and a person who in addition to making retail supplies is engaged in wholesale business” omitted by Finance Act, 2008.

¹⁴⁵ Substituted for seventeen vide Finance (Supplementary) Act, 2023.

¹⁴⁶ Words “in Pakistan” omitted by Finance Act, 2003

¹⁴⁶ Words substituted by Finance Act, 1996.

¹⁴⁷ Words inserted through Finance Act, 2017

¹⁴⁸ Sub section (1A) inserted by Finance Act, 2013.



¹⁴⁹ made to a person who has not obtained registration number [or he is not an active taxpayer], there shall be charged, levied and paid a further tax at ¹⁵⁰ the rate of [four] percent of the value In addition to the rate specified in ¹⁵¹ sub sections (1), (1B), (2), (5), [(6) and section 4] provided that the Federal Govt. 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.]

¹⁵² ¹⁵³ [(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 manner specified therein–

(a) on the production capacity of plants, machinery, undertaking,

¹⁵⁴ 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.]

¹⁵⁴ [(2) Notwithstanding the provisions of sub-section (1): –

¹⁵⁵ ¹⁵⁶ ¹⁵⁷ (a) taxable supplies [and import of goods] specified in the Third Schedule shall be charged to tax at the rate of

¹⁵⁸ [eighteen] per cent of the retail price [or in case such

supplies [or imports] are also specified in the Eighth Schedule, at the rates specified therein and the retail price thereof,] along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the

¹⁴ Words inserted by Finance Act, 2022.

⁹ For the word “three” the word “four” substituted by Finance Act, 2023

¹⁵ The expression inserted through Finance Act, 2017

⁶ Clause (1B) substituted vide Finance Act, 2019.

¹⁵³ Word substituted by Finance Act, 2021.

¹⁵ Sub section (2) substituted by Finance Act, 2001

⁴ The expression inserted through Finance Act, 2019.

¹⁵⁶ Substituted for seventeen vide Finance (Supplementary) Act, 2023.

⁵ The expression inserted through Finance Act, 2017

⁷ The words “or imports” inserted vide Finance Act, 2019.

¹⁵

⁸



Sales Tax Act, 1990

¹⁵⁹ manufacturer [, or the importer, in case of imported goods,] on each article, packet, container, package, cover or label, as the case may be; [:][]

¹⁶⁰¹⁶¹
¹⁶²

[Provided that the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that the tax on goods specified in the Third Schedule shall be collected and paid at such higher rate or rates on the retail price thereof, as may be specified in the said notification: and]

¹⁶³ ¹⁶⁴ ¹⁶⁵

[Provided [further] that the [Board], may, by notification in the official Gazette, exclude any taxable supply ¹⁶⁶ [or import] from the said Schedule or include any taxable ¹⁶⁷ ¹⁶⁸ supply [or import] therein; [...]

(aa)¹⁶⁹

[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]

¹⁷⁰[(b)¹⁷¹

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 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,-

¹⁵ The expression inserted through Finance Act, 2019.

⁹ Substituted for “; and” by Finance Act, 2007.

¹⁶ The word ‘; and’ omitted by Finance Act, 2014.

¹⁶ New proviso inserted by Finance (Supplementary) Act, 2023.

² Proviso inserted by Finance Act, 2007.

¹⁶ Word inserted by Finance (Supplementary) Act, 2023.

³ Word “Board” substituted by Finance (Supplementary) Act, 2022.

¹⁶ The words “or imports” inserted through Finance Act, 2019.

⁴ The words “or imports” inserted through Finance Act, 2019.

¹⁶ Word “and” omitted by Finance Bill, 2014.

¹⁶ Inserted by Finance Act, 2014

⁵ Clause (b) substituted by Finance Act, 2015.

⁸ Words “Federal Government” substituted by Finance Act, 2018.

¹⁶

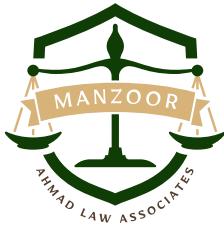
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Sales Tax Act, 1990

¹⁷²(a) in the case of supply of goods [...], of the person making the supply, and

(b) in the case of goods imported into Pakistan, of the person importing the goods.

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¹⁷⁴[(3A) Notwithstanding anything contained in clause (a) of sub-

section (3), the [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.]

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¹⁷⁶[(3B) Notwithstanding anything contained in sub section (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.]

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¹⁷⁸[(4) ***]

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¹⁸⁰[(5) The [Federal Government] may, in addition to the tax levied under sub-section (1)[...], [...] sub-section (2) and sub-section (4), levy and collect [“tax at such extra rate or amount”] not exceeding [eighteen] 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.]

¹⁸¹

¹⁸²[(6) The Federal Government or [the Board] may, in lieu of the tax under sub-section (1), by notification in the official Gazette, levy and

¹⁷ Words “in Pakistan” omitted by Finance Act, 2003.

¹⁸ This section inserted by Finance Act, 1998.

¹⁹ The expression inserted through Finance Act, 2019.

²⁰ Inserted by Finance Act 2014

²¹ Sub section (4) omitted by Finance Act, 2008.

²² Sub section (5) inserted by Finance Act, 1999.

²³ Words “Federal Government” substituted by Finance Act, 2018.

²⁴ Word etc. “and (1 A)” omitted by Finance Act, 2004.

²⁵ Word etc. “clause (C) of” omitted by Finance Ordinance, 2002

²⁶ Words substituted by Finance Act, 2013.

²⁷ Substituted for seventeen vide Finance (Supplementary) Act, 2023.

²⁸ Sub section (6) inserted by Finance Ordinance 2001

²⁹ Substituted for “Central Board of Revenue” by Finance Act, 2007

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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.

185 11

[(7) The tax shall be withheld [***] at the rate as specified in the
186 Eleventh Schedule, by any person or class of persons [being purchaser
187 of goods or services [, other than the services liable to pay sales tax
under a Provincial enactment,] 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
188 in the official Gazette [:]

[Provided that in case of the online market place facilitating the sale of third party goods, the liability to withhold tax on taxable supplies of such party at the rates specified in column (4) against S. No. 8 of the Eleventh Schedule to the Sales Tax Act, 1990 shall be on the operator of such market place.]

189

[(8) Notwithstanding anything contained in any law or notification
190 made thereunder [, 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
191 CNG stations at the rate of [eighteen] 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.

192

[(9) Notwithstanding anything contained in sub-section (1), tax
shall be charged from retailers, other than those falling in Tier-1, through
their monthly electricity bills, at the rate of five percent where the monthly
193 bill amount does not exceed rupees twenty thousand and at the rate of
The words omitted and the expression inserted by Finance Act, 2020.
seven and half percent where the monthly bill amount exceeds the
Expression inserted by Finance Act, 2022.

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Colon and proviso inserted by Finance Act, 2022.

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Sub-section 8 Inserted by Finance Act, 2014.

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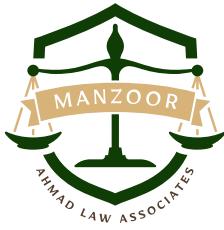
Comma and words inserted by Finance Act, 2015.

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Substituted for seventeen vide Finance (Supplementary) Act, 2023.

192

Sub-section 9 substituted by Tax Laws (Second Amendment) Ordinance, 2022 and shall be deemed to have been so substituted from the 01st day of July, 2022.



aforesaid amount 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-sections (1), (1A) and (5):

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.]

¹⁹³

[(9A) Notwithstanding anything contained in this Act, Tier-1 retailers 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:

¹⁹⁴

[****]

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.]

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[(9AA) In respect of goods, specified in the Thirteenth Schedule, the minimum production for a month shall be determined on the basis of a single or more inputs as consumed in the production process as per criterion specified in the Thirteenth Schedule and if minimum production so determined exceeds the actual supplies for the month, such minimum production shall be treated as quantity supplied during the month and the liability to pay tax shall be discharged accordingly.]

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[(10) *** repealed]

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[(11) Notwithstanding anything contained in the Act, the Board through Notification in the official Gazette, may require class of persons to integrate their invoice issuing machines with the Board's

¹⁹³ Sub-section (9A) substituted through Finance Act, 2019.

¹⁹ First proviso omitted by Finance Act, 2021.

⁴ New sub-section inserted by Finance Act, 2021.

¹⁹ Section 10 repealed which was earlier inserted by Tax Laws (Third Amendment) Ordinance, 2021.

⁵ New sub-section (11) added by Finance Act, 2022.

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Computerized System for real time reporting of sales in such mode and manner and from such date as may be prescribed.]

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[(12) Notwithstanding anything contained in this Act, the Federal Government may, in lieu of or in addition to the tax under sub-section (9), by notification in the official Gazette, levy and collect such amount of tax at such rates and from such date as it may deem fit, from retailers, other than those falling in Tier-1, through their monthly electricity bill, and may also specify the mode, manner or time of payment of such tax:

Provided that different rates or amounts of tax may be specified for different persons or class of persons.]

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[3A. ***]

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[3AA. ***]

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[3AAA. ***]

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[3B. Collection of excess sales 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.

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[(2) Notwithstanding anything contained in any law or judgement 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.]

¹⁹⁸ New sub-section (12) added by Tax Laws (Second Amendment) Ordinance, 2022.

¹⁹ Section (3A) omitted by Finance Act, 2004.

²⁰ Section (3AA) omitted by Finance Act, 2008.

²⁰ Section (3AAA) omitted by Finance Act, 2002.

⁰ Old section (3A) renumbered as (3B) by Finance Act, 1996.

²⁰ Sub-section (2) substituted by Finance Act, 2014.

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(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.]

4. Zero rating.— Notwithstanding the provisions of section 3

^{204 205} [except those of sub-section (1A)], [...] the following goods shall be charged to tax at the rate of zero per cent:--

[(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);

²⁰⁶

[(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:"; and]

²⁰⁷

[(d) omitted.]

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

^{208 209}

[***] [; or]

²⁰ The expression inserted through Finance Act, 2017.

⁴ Words "a Supply of" omitted by Finance Act, 2004.

²⁰ Clause (c) substituted through Finance Act, 2019.

⁵ Clause (d) omitted by Finance Act, 2019.

²⁰ Words omitted by Finance Act, 1999.

⁶ Substituted for "full stop" by Finance Act, 1991.

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(iii) [have been exported to a country specified by the Federal Government, by Notification in the official

²¹¹ Gazette [:]

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[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.]

5. Change in the rate of tax.— If there is a change in the rate of tax-

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(a) a taxable supply made [***] by a registered person shall be charged to tax at such rate as is in force at the time of supply;

force,-
⁹

(i) in case the goods are entered for home consumption, on

the date on a [goods declaration] is presented under section 79 of the Customs Act, 1969 (IV of 1969);

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(ii) in case the goods are cleared from warehouse, on the

date on which a [goods declaration] for clearance of such goods is presented under section 104 of the

Customs Act, 1969 (IV of 1969);
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Provided that where a [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

^{215,216} of the [goods declaration] [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.

²¹⁰ Added by Finance Act, 1991.

²¹¹ Substituted for "full stop" by Finance Act, 1996.

²¹² Proviso added by Finance Act, 1996.

²¹³ Words "in Pakistan" omitted by Finance Act, 2003

²¹⁴ Substituted for "bill of entry" by Finance Act, 2005

²¹⁵ Substituted for "bill of entry" by Finance Act, 2005

²¹⁶ Words, figure and comma inserted by the Finance Act, 1996.

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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 under²¹⁷²¹⁸ the Customs Act, 1969 [and the provisions of the said Act [including section 31A thereof], shall, so far as they relate to collection, payment and²¹⁹ enforcement [including recovery] of tax under this Act on such goods where no specific provision exists in this Act, apply,].

²²⁰

[(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.]

²²¹

(2) The tax in respect of taxable supplies made [***] during a²²² tax period shall be paid by the registered person [by the date as²²³ prescribed in this respect] [:]

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[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

²¹ The Words inserted in place of "IV of 1969" by Finance Act, 1996

²² The words inserted by Finance Act, 1998.

²³ Words "including recovery" inserted by Finance Act, 2015.

²⁴ Sub Section (1A) inserted by Sales Tax (amendment) Ordinance, 2002 dated June 07, 2002 and shall be deemed to have always been so inserted.

²⁵ Words "in Pakistan" omitted by Finance Act, 2013

²⁶ Words substituted through Finance Act, 2016.

²⁷ Substituted for full stop by Finance Act, 1997

²⁸ Proviso inserted by Finance Act, 1997



Sales Tax Act, 1990

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.]

²²⁵ 226

[(3) The tax due on taxable supplies [***] 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.]

²²⁷

[4. ***]

²²⁸

[(5) The Federal Government may, subject to such conditions, limitations and restrictions as it may impose, by notification in the official Gazette, allow payment of sales tax on installments basis by the Federal or Provincial Governments or any public sector organization on import or supply of any goods or class of goods:

Provided that such payment may be allowed from any previous date specified in the notification under this sub-section.]

²² Sub Section III substituted by Finance Act, 1996.

⁵ Words "made in Pakistan" omitted by Finance Act, 2003.

²² Sub Section 4 omitted by Finance Act, 1996.

²²⁸ New sub-section (5) added by Finance Act, 2022.

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229. Determination of tax liability. – (1) [Subject to the

230 provisions of [section 8 and] 8B, for] the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a

231 registered person shall [, subject to the provisions of section 73,] be

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entitled to deduct input tax [paid /or payable /during the tax period for the purpose of taxable supplies made, or to be made, by him] from the output tax [excluding the amount of further tax under sub-section (1A) of section 3.] [] that is due from him in respect of that tax period and to make such other adjustments as are specified in Section 9 [:]

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[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

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made [***²³⁹²⁴⁰], he holds a tax invoice [in his name and bearing his registration number] in respect of such supply [, or in case of supply of electricity or gas, a bill bearing his registration number and the address where the connection is

242 installed][:]

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;

²² Substituted for the word “for by Finance Act, 2007

²³ The word “section” substituted by the words and figure “section 8 and” in Finance Act 2014.

²³ Comma and word etc, inserted by Finance Ordinance, 2001

⁰ Words inserted by Finance Act, 1996

²³ Words inserted by Finance Act, 2004.

¹ Words inserted by Finance Act, 1998.

²³ Inserted by Finance Act 2014

² Words etc “excluding the amount of tax” omitted by Finance Act, 2004

²³ Substituted for the full stop by Finance Act, 2003

³ Proviso substituted by Finance Act, 2008.

²³ Words “in Pakistan” omitted by Finance Act, 2003.

⁴ Words inserted by Finance Act, 2003.

²³ The expression substituted through Finance Act, 2019.

⁵ A Colon substituted the semi colon & Proviso added through Finance, Act, 2016.

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Sales Tax Act, 1990

²⁴³ (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 [, section 81] or section 104 of the Customs Act, 1969 (IV of 1969);]

²⁴⁴ (iii) [in case of goods purchased in auction, he holds a treasury ²⁴⁵ challan, [in his name and bearing his registration number,] showing payment of sales tax;]

²⁴⁶ [(iv) ***]
²⁴⁷ [(3) Notwithstanding anything in sub-sections (1) and (2),
²⁴⁸ [Board, with the approval of the Federal 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.]

²⁴⁹ [(4) Notwithstanding anything contained in this Act or rules made
²⁵⁰ there under, the [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.]

²⁵¹ [(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.]

²⁴ Clause (ii) substituted by Finance Act, 2003.

³ Expression ', section 81" inserted by Finance Act, 2015.

²⁴ Clause (iii) inserted by Finance Ordinance, 2002

⁴ Comma and words inserted by Finance Act, 2004.

²⁴ Clause (iv) omitted by Finance Act, 1997.

⁵ Sub Section (3) inserted by Finance Ordinance, 2002.

²⁴ The expression substituted by Finance Act, 2019.

⁶ Sub Section (4) inserted by Finance Act, 2007.

²⁴ Words "Federal Government" substituted by Finance Act, 2018.

²⁵² New sub-section inserted by Finance Act, 2020.

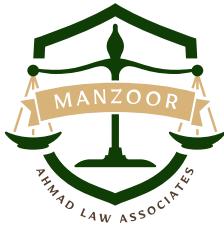
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7A. Levy and collection of tax on specified goods on value

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addition. – [(1) Notwithstanding anything contained in this Act or the

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rules made there under, the [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.]

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[(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.]

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[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 –

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[(a) the goods [or services] used or to be used for any purpose

259

other [***] for taxable supplies made or to be made by him;]

260

(b) any other goods or services which the [Federal Government] may, by a notification in the official Gazette,

261 262 specify[;[***]]

263 264 265 266

²⁵ Section (7A) inserted by Finance Act, 2003.

²⁶ [Replaced by] Finance Act, 2004.

²⁷ Sub-section (2) substituted vide Finance Act, 2019.

⁴ Section (8) substituted by Finance Act, 1996.

²⁸ Clause (a) substituted by Sales Tax (amendment) Ordinance, 2001 dated February 07, 2001.

⁵ Words inserted by Finance Act, 2008.

²⁹ Words "for the manufacture of production of manufacture goods or," omitted by Finance Act, 2007.

⁶ Words "Federal Government" substituted by Finance Act, 2018.

²⁵ Substituted for full stop by Finance Act, 1999

⁷ Word "and" omitted by Finance Act, 2004.

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Sales Tax Act, 1990

- ²⁶⁷[(²⁶⁸ca) the goods [or services] in respect of which sales tax has not been deposited in the Government treasury by the respective supplier;]
- ²⁶⁹[(caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain;]
- ²⁷⁰²⁷¹[(d) fake invoices; ***]
(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 [;]
- ²⁷²[(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 ²⁷³consumption;]
- [(h) goods used in, or permanently attached to, immoveable ²⁷⁴property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but ²⁷⁵excluding [pre-fabricated buildings and] such goods acquired for sale or re-sale or for direct use in the production ²⁷⁶of manufacture of taxable goods; ***]]
- [(i) vehicles falling in Chapter 87 of the First Schedule to the ²⁷⁷Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture furnishings, office

²⁶ Clause (c) inserted by Finance Act, 1999.

³ Word "on" omitted by Finance Act, 2004.

²⁶ Substituted for subsection (1A) and Finance Act, 2004.

⁴ Substituted for the full stop by Finance Act, 2004.

²⁶ Clause (ca) inserted by Finance Act, 2006.

⁵ Words inserted by Finance Act, 2008.

²⁶ Clause (caa) inserted by Finance Act, 2013

⁶ Clause (d) inserted by Finance Act, 2004.

²⁶ The word "and" omitted by Finance Act 2014.

⁷ Inserted by Finance Act, 2014.

²⁶ Inserted by Finance Act, 2014.

⁸ Inserted by Finance Act, 2014.

²⁶ Words inserted by Finance Act, 2015.

⁹ Word "and" omitted by Finance Act, 2015.

²⁷ Inserted by Finance Act, 2014.

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Sales Tax Act, 1990

equipment (excluding electronic cash registers), but excluding
²⁷⁸ such goods acquired for sale or re-sale] [;]

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[(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;

(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,
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have not been declared by the supplier in his return [or he has not paid amount of tax due as indicated in his return; and

²⁸¹ ²⁸²

[(m) the input goods [or services] attributable to supplies made
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to un-registered [distributor], 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.

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[(4) ***]

²⁸⁵

[(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

²⁷ Semi-colon substituted for full stop by Finance Act, 2015.

²⁸ Clauses (j), (k) and (l) added by the Finance Act, 2015.

²⁷ Expression added through Finance Act, 2016.

²⁹ Clause (m) substituted through Finance Act, 2019.

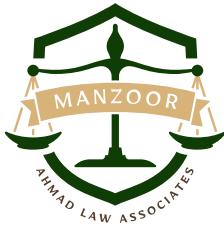
²⁸ The words inserted by Finance Act, 2020.

²⁹ Word "person" substituted by Finance Act, 2022.

²⁸ Sub-Section (4) omitted by Finance Act, 1999.

³⁰ Sub-section (5) inserted by Finance Act, 1999.

⁵



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.]

286

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

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[(7) ***]

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[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
291 would go unpaid [, of which the burden to prove shall be 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
292 tax [:]]

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[Provided that the Board may by notification in the official gazette, exempt any transaction or transactions from the provisions of this section.]

294

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

²⁸ Sub-section (6) inserted by Sales Tax (Amendment) Ordinance, 2001 dated February 7, 2001.

²⁹ The expression substituted by Finance Act, 2019.

²⁸ Words "or enrolled" omitted by Finance Act, 2004.

²⁸ Sub-section (7) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated February 7, 2001.

²⁸ Section 8A inserted by Finance Act, 2006.

²⁸ Expression added by Finance Act, 2015.

²⁸ Substituted for full stop by Finance Act, 2007.

²⁹ Proviso inserted by Finance Act, 2007.

²⁹ Section 8B inserted by Finance Act, 2007.

²⁹⁵ Words omitted by Finance Act, 2022.

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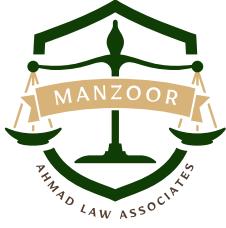
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Sales Tax Act, 1990

²⁹⁶ [Provided that the restriction on the adjustment of input tax in excess of ninety percent 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 [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 along with 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.

²⁹⁸

[(4A) Notwithstanding anything contained in sub-sections (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.]

²⁹⁶ Proviso substituted by Finance Act, 2011.

²⁹⁷ Words inserted by Finance Act, 2009.

²⁹⁸ New sub-section (4A) inserted by Finance Act, 2020.



(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).]

299

[(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 300 shall be reduced by [60%.]

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.

301

[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:

302

[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.]

²⁹⁹ New sub-section (6) inserted through Finance Act, 2019.

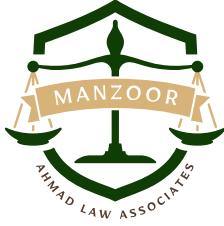
³⁰⁰ Expression substituted by Finance Act, 2021.

³⁰ Section 10 substituted by Finance Act, 2007. Earlier it was also substituted by Finance Act, 1998 and Finance Act, 1996

¹ Proviso substituted by Finance Act, 2008.

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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
³⁰³ [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
³⁰⁴

[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.]

³⁰⁵

[11. Assessment of Tax & 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.

³⁰³ The expression substituted through Finance Act, 2019.

³⁰⁴ Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

³⁰⁵ Section 11 substituted by the Finance Act, 2012. Earlier it was substituted by Finance Act, 1996.



(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 fund 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 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.

306

[(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
307 the [end of the financial year in which the relevant date falls], to the person in default specifying the grounds on which it is intended to proceed

³⁰⁶ New sub-section 4A added through Finance Act, 2016.
³⁰⁷ Words substituted by Finance Act, 2021.



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:

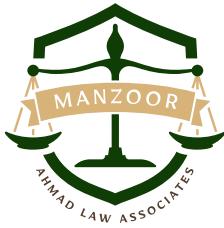
Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding sixty days shall be excluded from the computation of the period specified in the first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



[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.]

³⁰⁸

[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.]

³⁰⁸ Section 11A Substituted by Finance Act, 2006. Earlier it was inserted by Finance Ordinance, 2002.
³⁰⁹ New section 11B added by Finance Act, 2018.



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[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.]

³¹¹

[12. *]**

³¹²

[13. Exemption.– (1)] Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule ³¹³ shall, subject to such conditions as may be specified by the [Federal ³¹⁴ Government], be exempt from tax under this Act [.]

³¹⁵

[***]

(2) Notwithstanding the provisions of sub-section (1) –

³¹⁰ New section 11C inserted by Finance Act, 2020.

³¹¹ Section 12 omitted by Finance Act, 1996.

³¹² Section 13 substituted by Finance Act, 1996.

³¹³ Substituted for “Board” by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999.

³¹⁴ Substituted for colon by Tax Laws Amendment Ordinance, 2000, full Stop was substituted for colon by sales tax (Amendment) Ordinance, 1999, dated 13th August, 1999.

³¹⁵ Provisos omitted by Tax Laws Amendment Ordinance, 2000, dated 24th May, 2000. Earlier it was omitted by sales Tax (Amendment) Act, 1999 dated 30-03-1999.



Sales Tax Act, 1990

³¹⁶ [(a) 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;]

³¹⁷
[(b) ***]

(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued

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under clause (a) [***].]

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[(4) ***]

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[(5) ***]

³²¹ 322

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

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(7) Any notification issued under sub-section (2), after 1 July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the ³²³ financial year in which it was issued [:]

Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from the 1 July, 2016 st th and shall continue to be in force till the 30 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 day of June, 2018,

³¹ Clause (a) substituted through Finance Act, 2019.

⁶ Clause (b) omitted by Finance Act, 2015.

³¹ Expression "or, as the case may be, order made under clause (b) of that sub-section" omitted by Finance Act, 2015.

⁷ Sub-section (4) omitted by Finance Act, 2006.

³¹ Sub-section (5) omitted by Sales Tax (Amendment) Ordinance, 2000.

⁸ Sub-section (6) and sub-section (7) added by Finance Act, 2015.

³¹ Substituted for the words "Federal Government" through Finance Act, 2017

⁹ For the full stop a colon inserted and thereafter new provisos added through Finance Act, 2017

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Sales Tax Act, 1990

if not earlier rescinded by the Federal Government or the National Assembly.]



Chapter-III

REGISTRATION

324

[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.]

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Section 14 substituted by Finance Act, 2015.



³²⁵ [14A. *** repealed]

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[14AB. Discontinuance of gas and electricity connections.]

Notwithstanding anything contained in this Act or any other law for the time being in force, the Board shall have power through Sales Tax General Order to direct the gas and electricity distribution companies for discontinuing the gas and electricity connections of any person who fall in the following categories, namely:-

(a) Any person, including tier-1 retailers, who fail to register for sales tax purpose or

(b) Notified tier-1 retailers registered but not integrated with the Board's Computerized System:

Provided that upon registration or integration, as the case may be, of the above said persons, the Board shall notify the restoration of their gas or electricity connection through Sales Tax General Order.]

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[15. *]**

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[16. *]**

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[17. *]**

18. ***

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20. *]**

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[21. De-registration, blacklisting and suspension of

registration.] (1) The Board or any officer, authorized in this behalf, may

³² Section 14A repealed, which was earlier inserted by Tax Laws (Third Amendment) Ordinance, 2021.

⁵ New section 14AB added by Finance Act, 2022.

³² Section 15 omitted by the Finance Act, 2014.

⁶ Section 16 omitted by Finance Act, 2003.

³² Sections 17 to 20 omitted by Finance Act, 2004.

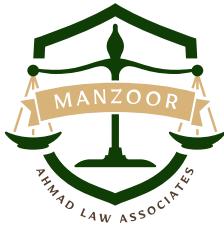
⁸ Section 21 substituted by Finance Act, 2004.

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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

³³¹ where the [Commissioner] is satisfied that a registered person is found
^{332 333} to have issued fake invoices [...] or has [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.]

³³⁴

[(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 black listed, the refund or input tax credit claimed against the invoices issued by him,

³³⁵ Whether prior or after such black listing, shall [...] be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.]

³³⁶

[(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.]

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[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

¹ Substituted for "collector" by Finance Act, 2018.

² Comma and words, " evaded tax" omitted by Finance Act, 2005.

³ Word "imposed" by Finance Act, 2005.

² Sub Section (3) inserted by Finance Act, 2011.

³³ Words and figure omitted by Finance Act, 2013.

³ Sub section (4) inserted by Finance Act, 2013.

³³ Section 21A inserted by Finance Act, 2015.

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Chapter-IV

BOOK KEEPING AND INVOICING REQUIREMENTS

338

[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 [,
³³⁹ 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;

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[(c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports;]

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[(d)] records of zero-rated and exempt supplies;

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[(da) double entry sales tax accounts;]

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[(e)] invoices, credit notes, debit notes, bank statements,

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[banking instruments in terms of section 73,] inventory records, [utility bills, salary and labour bills, [cash book,]

³³ Section 22 substituted by Finance Act, 1996.

³³ The comma and words inserted by Finance Act, 2005.

³³ Clause (c) inserted by Finance Act, 2005.

³⁴ Existing clause (c) re-lettered as clause (d) by Finance Act, 2005.

³⁴ Clause (da) inserted by Finance Act, 2006.

³⁴ Existing clause (d) re-lettered as clause (e) by Finance Act, 2005.

³⁴ The words, comma and figure inserted by Finance Act, 2004.

¹ The commas and words inserted by Finance Act, 1999.

³⁴ Expression inserted by Finance Act, 2021.

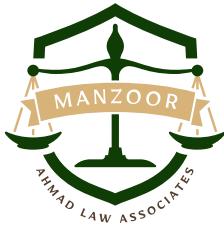
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rental agreements, sale purchase agreements and lease

³⁴⁷ agreements]; [...]

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[(ea) Record relating to Gate passes, inward or outward and transport receipts.]

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[(eb) Electronic version of records mentioned in clauses (a) to (ea) of this sub-section.]

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[(f)] such other records as may be specified by the Board:

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[Provided that the persons paying [...] retail tax shall keep such record as may be specified by the Board.]

³⁵³

[(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.

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[(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.]

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[(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

³⁴⁷ The word "and" omitted by Finance Act, 2013.

³⁴⁸ Clause (ea) inserted by Finance Act, 2013.

³⁴⁹ New clause (eb) inserted by Finance Act, 2021.

³⁵ Existing clause (e) re-lettered as clause (f) by Finance Act, 2005

³⁶ Proviso substituted by the Finance Act, 1997.

³⁷ The words "turnover tax or" omitted by Finance Act, 2005.

³⁸ Sub-section (1A) inserted by Finance Act, 2007.

³⁹ Sub-section (2A) inserted by Finance Act, 1999.

⁴⁰ Sub Section (3) substituted by Finance Act, 2003.

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software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons.]]

356

[(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.]

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
357 containing the following particulars[, in Urdu or English language,]
namely: —

(a) name, address and registration number of the supplier;

358

[(b) name, address and registration number of the recipient and in case of supplies by manufacturer or importer to unregistered distributor, the NIC or NTN of such unregistered distributors, as the case may.]

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

Provided that the condition of NIC or NTN shall be effective

^{#t 359} from 1 August, 2019 [:]

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[Provided further that the condition of NIC shall not apply in the case of payment through debit or credit card or digital mode;]

(c) date of issue of invoice;

³⁵⁶ Sub Section (4) inserted by Finance Act, 2007.

³⁵⁷ The expression added through Finance Act, 2019.

³⁵ Clause (b) substituted by Finance Act, 2022.

⁸ Colon substituted by Finance (Supplementary) Act, 2022.

³⁵ Proviso inserted by Finance (Supplementary) Act, 2022.

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Sales Tax Act, 1990

³⁶¹(d) description [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

362

[(ff) ***]

(g) value inclusive of tax:

Provided that the Board may, by notification in the official Gazette, specify such modified invoices [...] for different persons or classes of persons;

Provided further that not more than one tax invoice shall be issued

³⁶⁴for a taxable supply[.]

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[***]

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[(2) No person other than a registered person or a person paying

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[*** [***]] [retail tax] shall issue an invoice under this section.

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[(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 ³⁷¹Commissioner], as may be specified.]

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

³⁶ The expression added through Finance Act, 2019.

³⁶ Clause (ff) omitted by Finance Act, 2004.

³⁶ Comma and words "including replacement invoice," omitted by Finance Act, 1997.

² Full stop substituted by Finance (Supplementary) Act, 2022.

³⁶ Proviso omitted by Finance (Supplementary) Act, 2022.

³⁶ Sub Section (2) inserted by Finance Act, 1996.

³⁶ Words "turnover tax or" omitted by Finance Act, 2004.

⁴ Words "or retailer tax" added by Finance Act, 1997.

³⁶ Words inserted by Finance Act, 1997.

⁵ Sub section (3) inserted by Finance Act, 2005.

³⁶ Substituted for "Collector" by Finance Act, 2010.

³⁶ Sub Section (4) inserted by Finance Act, 2007.

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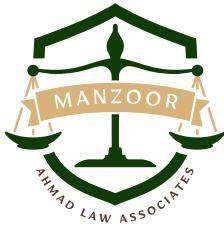
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^{372 374} **[24. Retention of record and documents for [Six] years.]**—A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of [Six] years after the end of the tax period to which such record or documents relate

³⁵² ³⁷⁵ [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].]

376 377

[25. Access to record, documents, etc.]—[(1) A person who is required to maintain any record or documents under this Act [or any other law] shall, as and when required by [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 [the officer of Inland Revenue authorized by the Commissioner] and use of any machine on which such data is kept.]

379

[(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:

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[(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.]

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:

³⁷ Section (24) substituted by Finance Act, 1996.

³ Substituted for "Five" by Finance Act, 2010.

³⁷ Words and Commas inserted by Finance Act, 2010.

⁴ Section (25) substituted by Finance Act, 1995.

³⁷ Numbered by Finance Act, 2003

⁵ Words inserted by Finance Act, 1999.

³⁷ Substituted for "Such Officer of Sales tax" by Finance Act, 2010

³⁸⁰ New sub-section (2A) inserted by Finance Act, 2020.

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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[.]³⁸¹

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[omitted]

³⁸³

[(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 [***].³⁸⁴

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[(4) ***]

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[(4A) ***]

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[(5) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or

amount

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of tax evaded along with [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 [default surcharge] during the audit, or at any time before issuance of show cause notice [...] he³⁸⁹
² may deposit the evaded amount of tax, [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

³⁹⁰amount of tax short paid or amount of tax evaded along with [default surcharge] after issuance of show cause notice, he shall deposit the

evaded

³ Substituted for the colon through Finance Act, 2019.

² Third proviso omitted by Finance Act, 2019.

³ Sub Section 3 inserted by Finance Act, 2015.

³⁸ Words, figures and comma "or section 36, as the case may be" omitted by Finance Act, 2015.

³⁸ Sub Section 4 omitted by Finance Act, 2010.

³ Sub Section (4A) expired.

³⁸ Sub Section (5) inserted by Finance Act, 2003.

⁴ Substituted for "Additional Tax" by Finance Act, 2005.

³⁸ Words in lieu of Audit report omitted by Finance Act, 2010.

⁵ Substituted for the words "additional tax" by Finance Act, 2005.

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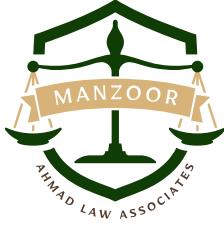
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Sales Tax Act, 1990

the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.]

391

[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.]

392

[25A. Drawing of samples.]— Where an authorized officer of

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[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

394

be kept in the record by the registered person and the [Large Taxpayers Unit or Regional Tax Office, as the case may be].]

3956

[25AA. Transactions between Associates.]— [(1)] The Commissioner or an office 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.]

396

[(2) The Board may, by notification in official gazette, prescribe rules for carrying out the purpose of sub-section (1).]

392
Section 25A inserted by Finance Act, 1999.

393

Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

394 Substituted for "Collectorate" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

395 Section (25AA) by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

396 Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act, 2021.



Chapter-V RETURNS

397 398 399

[26. [*] Return.-** (1) Every registered person [...] shall
400 furnish not later than the due date a true [, complete] and correct return
401 in the prescribed form to a designated bank [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
402 may be prescribed [;]
403

[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.]

404

[...]

405

(2) [....] omitted

³⁹ Section 26 substituted by Finance Act, 1996

⁷ Word "monthly" omitted by Finance Act, 2006.

³⁹ Words "making taxable supplies" omitted by Finance Act, 1999.

⁸⁰Comma and word inserted by Finance Act, 2020.

³⁸ Words inserted by Finance Act, 2006.

⁹ In the proposed amendment "a full stop is substituted for a colon" while colon is already appearing.

⁴⁰ Proviso inserted by Finance Act, 2006.

² Proviso omitted by Finance Act, 2006

⁴⁰ Sub-section (2) omitted through Finance Act, 2016.

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Sales Tax Act, 1990

406 [(3) A registered person may, subject to approval of the
407 [Commissioner Inland Revenue] having jurisdiction, file a revised
408 return within [one hundred and twenty] days of the filing of return
409 under sub-section (1) or, as the case may be, sub-section (2), [or under
clause (a) or clause (b) of section 27], to correct any omission or wrong
410 declaration made therein[:]
411
[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 as claimed, under the return sought
to be revised.]
412
[(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
413 [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
414 amount of tax as pointed out by the officer of [Inland Revenue] during
415 the audit, or at any time before issuance of the show cause notice [...],
he may deposit the evaded amount of tax, [default surcharge] under
section (34), and twenty five percent of the penalty payable under section
33 along with the levied return:

Provided further that in case the registered person wishes to
deposit the amount after issuance of show cause notice, he shall deposit
416 417 the evaded amount of sales tax [...],[default surcharge] under section
34, and full amount of leviable penalty under section 33 along with the
40 Subsection (3) substituted by Finance Act, 2004.
40 Substituted for "Collector of Sales Tax" by Finance Act, 2010.
40 Substituted for "ninety" by Finance Act, 2008.
7 Words inserted by Finance Act, 2011.
40 Substituted for the full stop through Finance Act, 2019.
8 New proviso added through Finance Act, 2019.
40 Subsection (4) inserted by Finance Act, 2003.
9 Substituted for "Additional Tax" by Finance Act, 2005.
41 Substituted for "Sales tax" by Finance Act, 2010.
0 Words "in lieu of the audit report" omitted by Finance Act, 2010.
41 Words "etc alongwith the amount of further tax as per provision of sub section (1A) of section 3, if applicable omitted by Finance Act, 2004.
1 Substituted for words "additional tax" by Finance Act, 2005.

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⁴¹⁸ [(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.]

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[26A. *]**

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[26AA. *]**

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[26AB. Extension of time for furnishing returns. (1) A registered person required to furnish a return under section 26 may apply, in writing, to the Commissioner for an extension of time to furnish the return.

(2) An application under sub-section (1) shall be made by the due date for furnishing the return in terms of section 2(9) for the period to which the application relates.

(3) Where an application has been made under sub-section (1) and the Commissioner is satisfied that the applicant is unable to furnish the return to which the application relates by the due date because of-

- (a) absence from Pakistan;
- (b) sickness or other misadventure; or
- (c) any other reasonable cause,

the Commissioner may, by order in writing, grant the applicant an extension of time for furnishing the return.

(4) An extension of time under sub-section (3) shall not exceed fifteen days from the due date for furnishing the return, unless there are exceptional circumstances justifying a longer extension of time:

⁴¹ Sub section (5) inserted by Finance Act, 2004.

⁸ Section 26 A omitted by Finance Act, 2004.

⁴¹ Section 26AA omitted by Finance Act, 2008.

⁴²¹ New section 26AB inserted by Finance Act, 2021.

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Provided that where the Commissioner has not granted extension for furnishing the return under sub-sections (3) or (4), the Chief Commissioner may on an application made by the registered person for extension or further extension, as the case may be, grant extension or further extension for a period not exceeding fifteen days, unless there are exceptional circumstances justifying a longer extension of time.

(5) An extension or further extension of time granted under sub-sections (3) or (4), as the case may be, shall not, for the purpose of charge of default surcharge under section 34, change the due date for payment of sales tax under section 6.]

422

[27. Special Returns.– In addition to the return specified under section 26 –

423 424

(a) a person registered [[] 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

425

(b) the [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.]

426

[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 [commissioner] in the specified form in such manner and at such 427 time as directed by the [commissioner]].

29. Return deemed to have been made.– A return purporting to

be made on behalf of a person [by his duly appointed representative]

⁴² Section 27 substituted by the Finance Ordinance, 2000.

² Substituted for words and figure "under section 14" by sales tax (Amendments) Ordinance, 2000, dated September 05, 2000.

⁴² Words "or enrolled" omitted by Finance Act, 2004.

³ Substituted for "Collector" by Finance Act, 2010

⁴² Section 28 substituted by Finance Act, 1996.

⁴ Substituted for "Collector" by Finance Act, 2010

⁴² Substituted for "Collector" by Finance Act, 2010

⁵ Words inserted by Finance Act, 1996.

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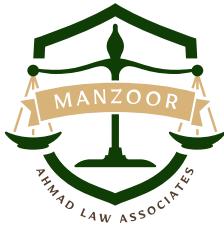
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shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary.

Chapter-VI

430

APPOINTMENT OF [OFFICERS OF SALES TAX] & THEIR POWERS

431

[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 of Inland Revenue;
- (b) a commissioner of Inland Revenue ;
- (c) a commissioner of Inland Revenue (Appeals);
- (d) an Additional commissioner of Inland Revenue ;
- (e) a Deputy commissioner of Inland Revenue;

432

[(ea) District Taxation Officer Inland Revenue;]

- (f) an Assistant commissioner of Inland Revenue;

433

[(fa) Assistant Director Audit Inland Revenue;]

- (g) an Inland Revenue Officer;

- (h) a Superintendent Inland Revenue;

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(i) an Inland Revenue Auditor Officer [...];

⁴³⁰ Any reference to the "Sales Tax Officer" shall be construed as reference to an "Officer of "Inland Revenue" by virtue of section 72 of the Sales Tax Act, 1990.

⁴³¹ Section 30 substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010. Published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at Pages 229 to 259. Earlier it was substituted by Finance Act, 1996.

⁴³² Clause (ea) inserted through Finance Act, 2017

⁴³³ Clause (fa) inserted through Finance Act, 2017

⁴³⁴ Word "and" omitted by Finance Act, 2011.



⁴³⁵ [(a) 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 sub-ordinate to the Board and Commissioner Inland Revenue shall be sub-ordinate to the Chief Commissioner Inland Revenue.

⁴³⁶ [(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.

⁵ (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

⁴³⁷ Commissioners Inland Revenue [, District Taxation Officer Inland

⁶ Revenue], Assistant Commissioner Inland Revenue [, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue ⁴³⁸ Audit Officer, Inland Revenue Officer [, Inspector Inland Revenue], and officer of Inland Revenue with any other designation shall be sub-ordinate 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 sub ordinate, may direct.

⁴³⁹ (4) Deputy Commissioner Inland Revenue [, District Taxation ¹ Officer Inland Revenue], Assistant Commissioner Inland Revenue [, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, ⁴⁴⁰ Inland Revenue Audit Officer, Inland revenue Officer, [Inspector Inland Revenue Officer] an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue.]

⁴³ Clause "(ia)" inserted by Finance Act, 2011

⁵ Sub-sections (2A) & (2B) inserted through Finance Act, 2017

⁴³ Expressions inserted through Finance Act, 2017

⁶ Comma and words inserted by Finance Act, 2011.

⁴³ Expression inserted through Finance Act, 2017

⁷ Comma and words inserted by Finance Act, 2011.

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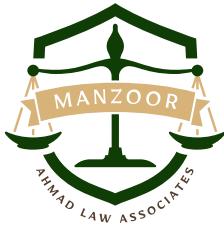
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⁴⁴¹ [30A. **Directorate General (Intelligence and Investigation), Inland Revenue.**—(1) The Directorate General (Intelligence and Investigation) Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the ⁴⁴² official Gazette, [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.]

^{443 444}

² [30B. **Directorate General [...] Internal Audit.**— The Directorate General [...] 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.

^{445 446 447}

[30C. **Inland Revenue Services Academy.**—The [Inland Revenue Services Academy] 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.

⁴⁴⁸

[30CA. Directorate General of Digital Initiatives.— The Directorate General of Digital Initiatives 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.]

⁴⁴ Section 30A substituted by Finance Act, 2018.

¹ Substituted for the word "post" through Finance Act, 2019.

⁴⁴ Section 30B inserted by Finance Act, 2005.

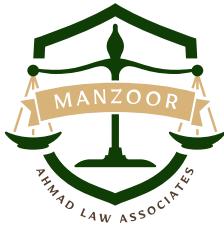
² Words "of inspection and" omitted by Finance Act, 2007.

⁴⁴ Section 30C inserted by Finance Act, 2005.

³⁴⁶ Marginal heading substituted by Finance Act, 2022.

⁴⁴⁷ Words substituted by Finance Act, 2022.

⁴⁴⁸ Section 30CA substituted by Finance Act, 2023



[494] 30D. Directorate General of Valuation [...].--The Directorate

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General of Valuation [...] 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.

451

[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.]

452

[30DDD. Directorate General of Input Output Co-efficient Organization.]- The Directorate General of Input Output Coefficient 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.]

453

[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.]

454

31. Powers.-- An officer of [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.

⁴⁹⁴Section 30D inserted by Finance Act, 2005.

⁴⁵⁰Words "and Post Clearance Audit" omitted by Finance Act, 2007.

⁴⁵¹Section 30DD inserted by Finance Act, 2007.

⁴⁵²New section 30DDD added through Finance Act, 2016.

⁴⁵³Section 30E inserted by Finance Act, 2005.

⁴⁵⁴Substituted for "sales tax" by Finance Act, 2010 w.e.f June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No.III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259



⁴⁵⁵⁴⁵⁶ [32. **Delegation of powers.**— [(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; and
- (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.]

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[(2) ***]

(3) The officer to whom any powers are delegated under this section shall not further delegate such powers.]

⁴⁵⁸ ⁴⁵⁹ ⁴⁶⁰

[32A. **Audit by Special Audit Panels.**] [(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;

⁴⁵⁵Section 32 substituted by Finance Act, 1996.

⁴⁵⁶ Sub Section (1) substituted by Finance Act, 2010 w.e.f. June 5, 2010. Earlier clause (a) to (d) substituted by Finance (2) omitted by the Finance Act, 2010

⁴⁵⁷Sub Section (2) omitted by the Finance Act, 2010.

⁴⁵⁸Section 32A inserted by Finance Act, 1998.

⁴⁵⁹Substituted for the words "Special Audit by Chartered Accountants or Cost Accountants" by Finance Act, 2015

⁴⁶⁰Substituted for sub-section (1) by Finance Act, 2015



Sales Tax Act, 1990

- (b) a firm of chartered accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961);
- (c) 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 a⁴⁶¹ [Commissioner] may direct [special audit panel] appointed under

sub-section (1) to audit the records of any registered person.

⁴⁶³

(3) [Every member of special audit panel] appointed under

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sub-section (1), shall have the powers of an officer of [Inland Revenue] under sections 25, 37 and 38.

⁴⁶⁵

[(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.

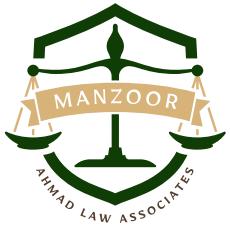
⁴⁶¹ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

⁴⁶² Substituted for the words "an auditor" by Finance Act, 2015

⁴⁶³ Substituted for the words "An Auditor" by Finance Act, 2015

⁴⁶⁴ Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010. The same was made by Finance (Amendment) Ordinance, 2010, promulgated as ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part-I at Pages 229 to 259.

⁴⁶⁵ Sub-sections (4), (5) and (6) inserted by Finance Act, 2015.



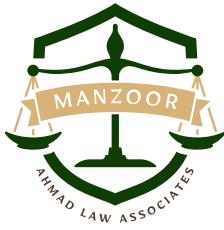
Sales Tax Act, 1990

(6) The Board may prescribe rules in respect of constitution, procedure and working of special audit panel.]

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[32AA. *]**

⁴⁶⁶ Section 32 AA omitted by Finance Act, 2008, earlier it was inserted by Tax Laws Amendment Ordinance, 2000, dated may 24, 2000.



Chapter-VII

OFFENCES AND PENALTIES

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[33. Offences and penalties.] 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 such person shall pay a penalty of fails to furnish a return [ten] thousand rupees: within the due date. 469 470	Provided that in case a person files a return within [ten] days of the due date, he shall pay a penalty of [two] hundred rupees for each day of default. 471	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 <i>per cent</i> of the amount of the tax involved, whichever is higher.	23
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 <i>per cent</i> of the amount of 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

⁴⁶ Section 33 substituted by Finance Act, 2005.

⁴⁷ Bracket and figure "one" omitted by Finance Act, 2008.

⁴⁸ Substituted for the word "five" by Finance Act, 2019..

⁴⁹ Substituted for the word "fifteen" by Finance Act, 2015.

⁴⁶ Substituted for the word "one" by Finance Act, 2019.

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Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
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 there under.	<p>Such person shall pay a penalty of ten thousand rupees or five <i>per cent</i> of the amount of the tax involved, whichever is higher:</p> <p>Provided that, if the amount of tax or any part thereof is paid within ⁴⁷² [ten] days from the due date, the defaulter shall pay a penalty of five hundred rupees for each day of default:</p> <p>Provided further that no penalty shall be imposed when any miscalculation is made for the first time during a year:</p> <p>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 ⁴⁷³ payments by an officer of [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.</p>	3, 6, 7 and 48
6. Any person who repeats erroneous calculation in the return during a year whereby amount of tax less than the actual tax due is paid.	<p>Such person shall pay a penalty of five thousand rupees or three <i>per cent</i> of the amount of the tax involved, whichever is higher.</p> <p>Such person shall pay a penalty of</p>	7 and 26
7. Any person who is required to apply for	ten thousand rupees or five <i>per cent</i>	14

⁴⁷² Substituted for the word "fifteen" by Finance Act, 2015.

⁴⁷³ Substituted for "Sales tax", not below the rank of Assistant Collector of sales tax" by Finance Act, 2010



Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
registration under this Act fails to make an application for registration before making taxable supplies.	of the amount of tax involved, whichever is higher: 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. Such person shall pay a penalty of	
8. Any person who fails to maintain records required under this Act or the rules made there under.	ten thousand rupees or five <i>per cent</i> of the amount of tax involved, whichever is higher. such person shall pay a penalty of five thousand rupees ;	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; (b) fails to produce the record on receipt of second notice; and (c) fails to produce the record on receipt of third notice.	such person shall pay a penalty of ten thousand rupees; and such person shall pay a penalty of fifty thousand rupees.	25
10. Any person who fails to furnish the information	Such person shall pay a penalty of ten thousand rupees.	26

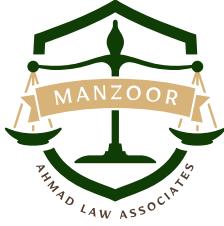


Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
required by the Board through a notification issued under sub-section (5) of section 26.		
11. Any person who, – (a) submits a false or forged document to any ^{474 475} [officer of [Inland revenue]]; or (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.	Such person shall pay a penalty of twenty five thousand rupees or one hundred <i>per cent</i> 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.	2(37) and General
12. Any person who denies or obstructs 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	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.	25, 38 ⁴⁷⁷ [38A and 40B]

⁴⁷⁴ Any reference to "officer of Sales Tax" shall be construed as reference to an 'officer of Inland Revenue' by virtue of Section 72A of the Sales Tax Act, 1990.

⁴⁷⁵ Substituted for the words "Sales Tax" by the Finance Act, 2010



Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
476 required under section 25, 38 [38A or 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 <i>per cent</i> 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 <i>per cent</i> 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 <i>per cent</i> 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 <i>per cent</i> of the amount of tax involved, whichever is higher.	73
17. Any person who fails to fulfil any of the conditions, limitations or restrictions prescribed in a Notification issued	Such person shall pay a penalty of five thousand rupees or three <i>per cent</i> of the amount of tax involved, whichever is higher.	71 and General

⁴⁷⁷ Substituted for "or 38A" by Finance Act, 2009

⁴⁷⁶ Substituted for "or 38A" by Finance Act, 2009



Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
under any of the provisions of this Act.		
18. Where any officer of ⁴⁷⁸ [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 [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 provision of this Act ⁴⁸⁰ [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 <i>per cent</i> of the amount of tax involved, whichever is higher.]	General.]
⁴⁸¹ [20. ***]		
⁴⁸² [21. Where any person repeats an offence for which a penalty is provided under this Act	Such person shall pay twice the amount of penalty provided under the Act for the said offence	General.
22. Any person who,- (a) knowingly and without lawful authority gains access to or attempts to gain access to the computerized	Such person shall pay a penalty of twenty-five thousand rupees or one hundred <i>per cent</i> of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by the Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to an amount	50A.]

⁴⁷⁸ Words "Sales Tax" substituted for Inland Revenue by Finance (Amended) Ordinance, 2010.

⁴⁷⁹ Substituted for "Sales Tax" by Finance Act, 2010

⁴⁸ Words added through Finance Act, 2016.

⁴⁹ Serial No. 20 omitted by Finance Act, 2008.

⁴⁸² Serial No. 21 and 22 inserted by Finance Act, 2006.



Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1) (2)		(3)
<p>system; or equal to the loss of tax involved, or with both.</p> <p>(b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; or</p> <p>(c) falsifies any record or information stored in the computerized system; or</p> <p>(d) knowingly or dishonestly damages or impairs the computerized system; or</p> <p>(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</p> <p>(f) unauthorizedly uses unique user</p>		



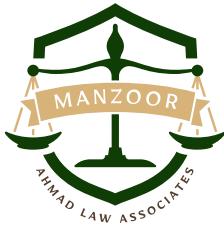
Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
<p>identifier of any other registered user to authenticate a transmission of information to the computerized system; or</p> <p>(g) fails to comply with or contravenes any of the conditions prescribed for security of unique user identifier.</p> <p>[23. Any person who</p>		
<p>⁴⁸³ manufactures, possesses, transports, distributes, stores or ⁴⁸⁴ sells [goods or class of goods as specified by the Board under sub-section (1) of section 40C] with counterfeited tax stamps, banderoles, stickers, labels or barcodes or without tax stamps, banderoles, stickers, labels or barcodes</p>	<p>(i) Such [specified goods] shall be liable to outright confiscation ⁴⁸⁵ [***]. Any person committing the offence 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 simple 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.</p> <p>(ii) In case of transport of [specified goods] 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</p>	40C(2)]

⁴⁸³ S.No. 23 and entries relating thereto in columns (1), (2) and (3) inserted through Finance Act, 2017

⁴⁸⁴ Expression substituted by Finance Act, 2023

⁴⁸⁵ Expression omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1) (2)		(3)
<p>[specified goods]; and</p> <p>exceeding fifteen days.</p>	<p>of non-conforming or counterfeit</p> <p>(iii) In case of repeat sale of [specified goods] without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale be sealed for a period not</p>	
<p>⁴⁸⁶“24. Any person, who is Such person shall pay a penalty of integrated for five hundred thousand rupees or monitoring, tracking, two hundred per cent of the amount reporting or of tax involved, whichever is recording of sales, higher. He shall, further be liable, production and upon conviction by a Special Judge, similar business to simple imprisonment for a term transactions with the which may extend to two years, or Board or its with additional fine which may computerized extend to two million rupees, or system, conducts with both. such transactions in a</p>	<p>⁴⁸⁶ manner so as to [Notwithstanding above, avoid monitoring, the business premises of tracking, reporting or such person shall be liable to recording of such be sealed by an officer of transactions, or Inland Revenue in the issues an invoice manner prescribed.] which does not carry the prescribed</p>	<p>sub-section (9A) of section 3 and section 40C.</p>
<p>⁴⁸⁷ invoice number or Any person who abets barcode [or QR commissioning of such offence, code] or bears shall be liable, upon conviction by a duplicate invoice Special Judge, to simple number or imprisonment for a term which may counterfeit barcode, extend to one year, or with</p>	<p>⁴⁸⁷ [or QR code or additional fine which may extend to defaces the two hundred thousand rupees, or prescribed invoice with both.]</p>	

⁴⁸⁶ New serial numbers “24”, “25”, “26” and “27” inserted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

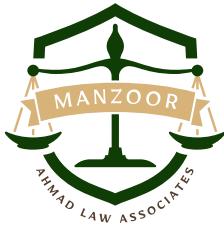
⁴⁸⁷ Words added by Finance Act, 2022.

⁴⁸ Words added by Finance Act, 2022.

⁸ Paragraph under serial number 24 inserted by Finance (Supplementary) Act, 2022.

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Sales Tax Act, 1990

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
<p>number of barcode or QR code] or any person who abets commissioning of such offence.</p> <p>25 Any person, who is required to integrate his business for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under law.⁴⁹⁴</p>	<p>Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after a period of [two] months after imposition of penalty as aforesaid, his business premises⁴⁹⁰ shall be sealed [till such time he integrates his business in the manner as stipulated under⁴⁹¹ [section 40C.]</p>	⁴⁹³ [***] section 40C
<p>[25A A person required to integrate his business as stipulated under sub-section (9A) of section 3, who fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under the law and rules made</p>	<p>Such person shall be liable to pay:</p> <ul style="list-style-type: none"> (i) penalty of five hundred thousand rupees for first default; (ii) penalty of one million rupees for second default after fifteen days of order for first default; (iii) penalty of two million rupees for third default after fifteen days of order for second default; (iv) penalty of three million rupees for fourth default after 	Sub-section (9A) of section 3]

⁴⁹⁰ The word substituted by Finance Act, 2020.

⁴⁹¹ The word substituted by Finance Act, 2020.

⁴⁹² Expression substituted by Finance Act, 2022.

⁴⁹ Expression omitted by Finance Act, 2022.

³ Serial number substituted by Finance Act, 2022.

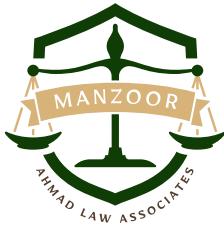
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Sales Tax Act, 1990

has reference (1) (2) (3)	Offences Penalties Section of the Act to which offence
<p>thereunder.] fifteen days of order for third default: Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed: Provided that if the retailer integrates his business with the Board's Computerized System before imposition of penalty for second default, penalty for first default shall be waived by the Commissioner.]</p> <p>26. Any person, being Such person shall pay a penalty of sub-section (27) of</p> <p>manufacturer or ten thousand rupees or five <i>per cent</i> section 2 and clause importer of an item of the amount of tax involved, (a) of sub-section (2) which is subject to whichever is higher: of section 3.</p> <p>tax on the basis of retail price, who fails Further, such goods shall also be to print the retail liable to confiscation. However, the price in the manner adjudication authority, after such as stipulated under confiscation, may allow redemption the Act. of such goods on payment of fine which shall not be less than twenty percent of the total retail price of such goods.</p> <p>27. Any person, being Such person shall pay a penalty of section 40D:]</p>	
<p>owner of the goods, ten thousand rupees or five <i>per cent</i> which are brought to of the amount of tax involved, Pakistan in violation whichever is higher: of section 40D.</p> <p>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 Third Schedule, of such goods.</p>	



Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
⁴⁹⁵ [28. Any person Such person shall pay a 56AB] who is required penalty of twenty five to share thousand rupees for first information under default and fifty thousand section 56AB, rupees for each subsequent fails to do so in default the manner as required under the law		

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[33A***].

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[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:—

⁴⁹⁸ (a) [...] 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 ⁴⁹⁹ [twelve per cent per annum], of the amount of tax due or the amount of refund erroneously made;

⁵⁰⁰ [and]

⁵⁰¹
[(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

⁴⁹ New serial number 28 added by Finance Act, 2020.

⁵ Section 33A omitted by Finance Act, 2022.

⁴⁸ Section 34 substituted by Finance Act, 2005. Earlier it was also substituted by Finance Act, 1996.

⁶ Words and comma "for the first six months of default," omitted by Finance Act, 2008.

⁴⁹ Words twelve substituted by Finance Act, 2018.

⁸ Word inserted by Finance Act, 2008.

⁴⁹ Clause (b) omitted by Finance Act, 2008.

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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 th default shall be reckoned from the 16 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.



^{502 503} [34A. **Exemption from penalty and [default surcharge].--**]

The Federal Government may, by a notification in the official Gazette, or
⁵⁰⁴ the [Board] by a special order published in Gazette for reasons to be
recorded in writing, exempt any person or class of persons from payment
⁵⁰⁵ of the whole or part of the penalty and [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.]

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[35. ***]

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[35A. ***]

⁵⁰⁸

[36. ***]

37. Power to summon persons to give evidence and produce

⁵⁰⁹ **documents in inquiries under the Act.**-- (1) Any officer of [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
⁴ [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.

⁵⁰² Section 34A substituted by Finance Ordinance 2001. Earlier it was inserted by Sales Tax (Amendment) Act, 1999 which comes into force from the first day of December, 1998. Earlier the same was amendment was made by Sales Tax (Second Amendment) Ordinance, 1988, dated 01-12-1998.

⁵⁰⁴ Substituted for "additional tax" by Finance Act, 2005

⁵⁰⁵ Substituted for "Central Board of revenue" by Finance Act, 2007

⁵⁰⁶ Substituted for "additional tax" by Finance Act, 2005

⁵⁰⁷ Section 35 omitted by Finance Act, 1996.

⁵⁰⁷ Section 35A omitted by Finance Act, 1996. Earlier it was inserted by Finance Act, 1992.

⁵⁰⁸ Section 36 omitted by Finance Act, 2012. Earlier it was substituted by Finance Act, 1996. Before this it was substituted by the Finance Act, 1994.

⁵⁰⁹ Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.



Sales Tax Act, 1990

⁵¹⁰ (3) Any inquiry before an officer of [Inland Revenue] shall be deemed to be a judicial proceeding within the meaning of section 193 and [228] of the Pakistan Penal Code (Act XLV of 1860).

⁵¹² 513

[37A. Power to arrest and prosecute.] -- (1) An officer of [Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue] or any other officer of equal rank authorised by the [Board] in this behalf, who on the basis of material evidence has reason to believe that any person has committed a tax fraud [or any offence warranting prosecution under this Act] [...], [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).

⁵¹⁸

[(3) ***]

(4) Notwithstanding anything contained in sub-section (1) to subsection (3) or any other provision of this Act, where any person has committed a tax fraud [or any offence warranting prosecution under this Act], the [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 [default surcharge] and penalty as is determined under the provisions of this Act.

⁵²²

(5) Where the person suspected of tax fraud [or any offence warranting prosecution under this Act] is a company, every director or

⁵¹⁹ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵²⁰ Substituted for the figure "223" by Finance Act, 1994

⁵¹² Section 37A substituted by Finance Act, 1996.

⁵¹³ Substituted for "sales tax", not below the rank of an Assistant Collector of Sales tax by Finance Act, 2010 w.e.f June 5, 2010, the same amendment was made by Finance (amendment) Ordinance, 2010, promulgated as Ordinance No.III of 2010, dated February 6, 2010, published in the Official Gazette of Pakistan Extraordinary part I at pages 23 to 53.

⁵¹⁴ Substituted for "Central Board of Revenue" by Finance Act, 2007

⁵¹⁵ Words inserted by Finance Act, 2007.

⁵¹⁶ Words "in respect of a supply or supplies made by him" omitted by Finance Act, 2007.

⁵¹⁷ Substituted for the words "may arrest such person" by Finance Act, 2003

⁵¹⁸ Sub-section (3) omitted by Finance Act, 2005.

⁵¹⁹ Words inserted by Finance Act, 2007.

⁵²⁰ Substituted for "Collector" by Finance Act, 2010 w.e.f. june5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵¹⁷ Substituted for "additional tax" by Finance Act, 2005

⁵²² Words inserted by Finance Act, 2007.



officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing the tax ⁵²³ fraud [or any offence warranting prosecution under this Act] shall be liable to arrest; provided that any arrest under this sub-section shall not

⁵²⁴ absolve the company from the liabilities of payment of tax, [default surcharge] and penalty imposed under this Act.]

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[37B. Procedure to be followed on arrest of a person.-- (1) When

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[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 considers 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 considered that the affording

of

such opportunity shall defeat the purposes of this Act.

⁵² Words inserted by Finance Act, 2007.

⁵³ Substituted for "additional tax" by Finance Act, 2005

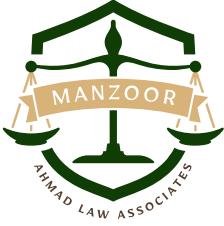
⁵² Section 37B inserted by Finance Act, 1995.

⁴ Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

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Sales Tax Act, 1990

(4) When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorising 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 ⁵²⁷ person to the custody of [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.

⁵²⁸

(6) When any person is arrested under this Act, [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.

⁵²⁹

(7) While holding an inquiry under sub-section (6), [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.

⁵² Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

⁷ Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

⁵² Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

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Sales Tax Act, 1990

⁵³⁰ (8) If [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.

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(10) [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.

532

(11) After completing the inquiry, [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) 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).

⁵³ Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

⁵⁴ Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

⁵⁵ Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

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(13) Without prejudice to the foregoing provisions of this section,
533 [Board, with the approval of the Federal Minister-in-charge,] may, by
notification in the official Gazette, authorize any other officer working
534 under the [Board] to exercise the powers and perform the functions of
535 [an officer of Inland Revenue] under this section, subject to such
conditions, if any, that it may deem fit to impose.]

536

[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.]

537

[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.

⁵³⁴The expression substituted for the words “Federal Government” through Finance Act, 2019.

⁵³⁵Substituted for “Central Board of Revenue” by Finance Act, 2007

⁵³⁶Substituted for the words “the Sales Tax Officer” through Finance Act, 2019.

⁵³⁷Section 37C inserted by Finance Ac, 2010 earlier a different section 37C was omitted by Finance Act, 2005 which was inserted by Finance Act, 1997.

⁵³⁸Section 37D to 371 inserted by Finance Act, 2010.



(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.

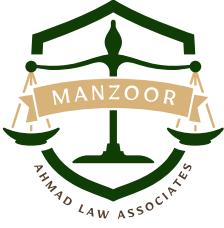
(5) A special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).

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;



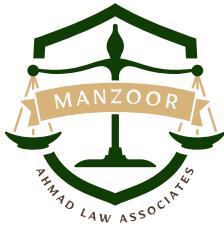
- (c) no court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Act; and
- (d) no court, other than the 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.]

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.

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.]

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.

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).]

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[38. Authorised officers to have access to premises, stocks, accounts and records – (1) Any officer authorised in this behalf by the Board [or the Commissioner [***]] shall have free access

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541 [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

⁵³ Section 38 Substituted by Finance Act, 1996.

⁵⁴ Words inserted by Finance Act, 2010 w.e.f. June 5, 2010.

⁵³ The words “or the Collector” were omitted by Finance Act, 2009.

⁵⁴¹ Words inserted by Finance Act, 2020.

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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 of⁵⁴² 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.]

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[(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.]

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[38A. Power to call for information.— The

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[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

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fraud, as may be specified in such notice [:]]

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[Provided that the [Commissioner] may require any regulatory authority to provide information concerning the licenses and authorizations issued by it.]

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[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

⁵⁴² New sub-section (4) inserted by Finance Act, 2020.

⁵⁴³ Section 38A inserted by Finance Act, 2004.

⁵⁴⁴ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵⁴⁵ Substituted for full stop by Finance Act, 2007

⁵⁴⁶ Proviso inserted by Finance Act, 2007.

⁵⁴⁷ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁴⁸ Section 38B inserted by Finance Act, 2006.



Sales Tax Act, 1990

⁵⁴⁹ ⁵⁵⁰ [an Assistant] [Commissioner Inland Revenue], by notice in writing, as and when specified in the notice, shall,—

(a) produce for examination, such documents or records which
⁵⁵¹ the officer of [Inland Revenue] considers necessary or relevant to the audit, inquiry or investigation under the Act;

⁵⁵² (b) allow the officer of [Inland Revenue] to take extracts from or copies of such documents or records; and

⁵⁵³ (c) appear before the officer of [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.

⁵⁵⁴ (2) An officer of [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 [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 Sales Tax under sub-section (2) or (3), within the time specified in the notice

⁵⁴⁹ Substituted for "a Deputy" by Finance Act, 2011

⁵⁵⁰ Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

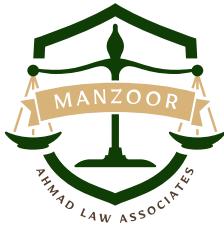
⁵⁵¹ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵⁵² Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁵³ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁵⁴ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁵⁵ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010



⁵⁵⁶ Issued by the Board or, as the case may be, the officer of [Inland Revenue].]

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[39. *]**

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[40. Searches under warrant.] (1) Where any officer of

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[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.

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(2) The search made [in his presence] under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).]

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[40A. *]**

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[40B. Posting of [Inland Revenue] Officer.] Subject to such

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conditions and restrictions, as deemed fit to impose, the [Board],

5646

[omitted..] may post Officer of [Inland Revenue] to the premises of registered person or class of such persons to monitor production, sale of taxable goods and the stock position [.] [omitted..]

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[40C. Monitoring or Tracking by Electronic or other means.]

(1) Subject to such conditions, restrictions, and procedures, as it may being fit to impose or specified, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any good 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

⁵⁵ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁶ Section 39 omitted by Finance act, 1996.

⁵⁵ Section 40 substituted by Finance Act, 2004.

⁷ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁵ The word and comma, inserted by the Finance Act, 2005

⁸ Section 40A omitted by Finance Act, 2006.

⁵⁵ Section 40B inserted by Finance Act, 2003.

⁹ Substituted for "Central Board of revenue" by Finance Act, 2007

⁵⁶ Words "or Chief Commissioner" omitted by Finance Act, 2018.

⁰ Colon omitted and full stop inserted by Finance Act, 2018.

⁵⁶ Proviso and explanation omitted by Finance Act, 2018.

¹ Section 40C inserted by Finance Act, 2013.

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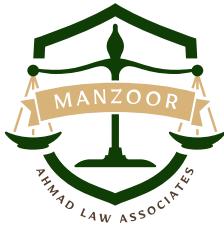
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(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person

⁵⁶⁸ without affixing tax stamp, bandrole stickers, labels, [barcodes,] etc. in any such form, style and manner as may be prescribed by the Board in this behalf.]

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[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.]

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[40D. Provisions relating to goods supplied from tax-exempt

areas.-(1) The conveyance 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 purpose 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 vehicle 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 acknowledgment.

(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.

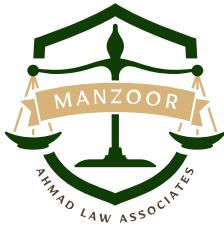
⁵⁶ Word and comma inserted by Finance Act, 2015

⁵⁷ Sub-section (3) added by Finance Act, 2015.

⁵⁸ New Section "40D" inserted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

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(5) For the purposes of this section, the expression “tax-exempt areas” means Azad Jammu and Kashmir, Gilgit-Baltistan, [Border Sustenance Markets and] Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.”;]

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[40E. Licensing of brand name.- (1) Manufacturers of the specified goods shall be required to obtain brand licence for each brand or stock keeping unit (SKU) in such manner as may be prescribed by the Board.

(2) Any specified brand and SKU found to be sold without obtaining a licence from the Board shall be deemed counterfeit goods and liable to outright confiscation and destruction in the prescribed manner and such destruction and confiscation shall be without prejudice to any other penal action which may be taken under this Act.]

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[41. ***

42. *]**

Chapter-VIII

574 [APPEALS]

575

[43. ***

44. *]**

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[45. *]**

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[45A. Power of the Board [and [Commissioner]] to call for

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records.-- (1) The Board may, of its own motion [, or otherwise] call

⁵⁷ Expression inserted by Finance Act, 2021.

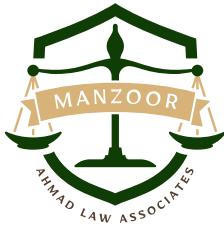
¹ New section 40E inserted by Finance Act, 2021.

⁵⁷ Sections 41 and 42 omitted by Finance Act, 1996

³ Heading of chapter Adjudication substituted for cases by finance act 1996

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Sales Tax Act, 1990

for and examine the record of any departmental proceedings under this Act or the rules made there under for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an Officer ⁵⁸¹[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.

⁵⁸²(2) No proceeding under [this section] shall be initiated in a case where an appeal under Section [45B] or Section 46 is pending.

⁵⁸³(3) No order shall be made under this Section after the expiry of ⁵⁸⁴[five] years from the date of original decision or order of the subordinate officer referred to in sub-section (1).

⁵⁸⁵ ⁵⁸⁶[(4) The [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 ⁵⁸⁷decision or order passed by an officer of [Inland Revenue] subordinate to him, and pass such order as he may deem fit.]]

⁵²⁶Sections 43 and 44 omitted by Finance Act, 1996

⁵⁷⁶Section 45 omitted by Finance Act, 2010

⁵⁷⁷Section 45A added by Finance Act, 1993.

⁵⁷⁸Substituted for "Collector and Collector (Adjudication)" by Finance Act, 2005. Earlier these were substituted for "and Collector" by Finance Act, 2003.

⁵⁷⁹Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extra Ordinary Part I at pages 229 to 259.

⁵⁸¹Words inserted by Finance Act, 2015.

⁵⁸²Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

⁵⁸³Substituted for "sub-section (1)" by Finance Act, 2008

⁵⁸⁴Substituted for the figure "45" by Finance Ordinance, 2002

⁵⁸⁵Substituted for "three" by Finance Ordinance, 2000

⁵⁸⁶Sub-section (4) substituted by Finance Act, 2005

⁵⁸⁷Substituted for the word "Collector" by Finance Act, 2010

⁵⁸⁷Substituted for the words "Sales Tax" by Finance, Act, 2010



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[145B. Appeals.] [(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 ⁵⁹⁰ appeal within the specified period [.]

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[****]

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[(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–

⁵⁸⁸ Section 45B inserted by Finance Ordinance, 2002

⁵⁸⁹ Subsection (1) Substituted by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵⁹⁰ For the colon a full stop substituted and second proviso omitted by Finance Act, 2020.

⁵⁹¹ New sub-sections (1A and 1B) inserted by Finance Act, 2020.



Sales Tax Act, 1990

- (i) where appellant is a company, five thousand rupees; or
(ii) where the appellant is not a company, one thousand rupees.]

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[(1C) Where in a particular case, the Commissioner (Appeals) is of the opinion 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.]

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(2) The [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 595 annulling the decision or order appealed against [:]

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[Provided that such order shall be passed not later than [one hundred and twenty] days from the date of filing of appeal or within such 598 extended period as the [Commissioner] (Appeals) may, for reasons to be recorded in writing fix:

Provided further that such extended period shall, in no case, exceed

599 600 [sixty] days [:]

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[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.]

⁵⁹² Existing sub-section (1A) re-numbered as (1C) by Finance Act, 2020.

⁵⁹³ Inserted through Finance Act, 2013

⁵⁹⁴ Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁵⁹⁵ Colon inserted through Finance, Act, 2005

⁵⁹⁶ Two provisos inserted by Finance Act, 2005

⁵⁹⁷ Substituted for "ninety" by Finance Act, 2008.

⁵⁹⁸ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan

⁵⁹⁹ Substituted for "one hundred and twenty" by Finance Act, 2009, earlier it was substituted for "ninety" by Finance Act, 2008.

⁶⁰⁰ Substituted for full stop by Finance Act, 2009

⁶⁰¹ Proviso inserted by Finance Act, 2009



¹(3) In deciding an appeal, the [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.

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[(4) ***]

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[(5) The Commissioner (Appeals) shall not admit any documentary material or evidence which was not produced before the Officer 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 Inland Revenue.]

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46. Appeals to Appellate Tribunal.– [(1) Any person

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including an officer of [Inland Revenue] (not below the rank of an

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[Additional Commissioner], aggrieved by any order passed by –

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(a) the [Commissioner Inland Revenue] (Appeals) under section 45B,

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(b) the [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.]

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[(2) The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in sections [131 and 132 of the Income tax Ordinance, 2001(XLIX of 2001, and rules made thereunder.]

⁶⁰⁹ Sub-section (4) omitted by Finance Act, 2006.

⁶⁰³ New sub-section (5) inserted by Finance Act, 2020.

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Sub Section (1) substituted by Finance Act, 2008. Earlier it was substituted by the Finance ordinance 2002.

⁶⁰⁵ Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan.

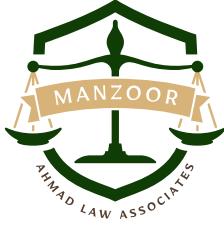
⁶⁰⁶ Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan.

⁶⁰⁸ Substituted for “Collector of Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010

⁶⁰⁹ Substituted for “Collector of Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010

⁶¹⁰ Sub-Section (2) substituted by Finance Act, 2009.

⁶¹⁰ Substituted for “194A, 194B and 194C of the customs Act, 1969 (IV of 1969)” by Finance Act, 2010.



Sales Tax Act, 1990

⁶¹¹ [(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 28 Day of October, 2009.]

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[(3) ***]

(4) ***

(5) ***

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(9) ***]

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[47. Reference to the High Court.]—(1) Within ninety days of the communication of the order of the Appellate Tribunal under sub-section ⁶¹⁴₆₁₅ of section 46, the aggrieved person or any officer of [Inland Revenue] not below the rank of an [an Additional [Commissioner], ⁶¹⁶₆₁₇ authorized by the [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.

⁶¹ Sub Section (2A) inserted by Finance Act w.e.f. June 5, 2010.

¹ Sub-sections (3), (4), (5), (6), (7), (8) and (9) omitted by Finance Act, 2009.

⁶¹ Section 47 substituted by Finance Act, 2005. Earlier it was substituted by Finance Act, 1997

² Substituted for "5" by Finance Act, 2010 w.e.f. June 05, 2010

⁶¹ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

³ Substituted for "Deputy Collector" by Finance Act, 2006

⁶¹ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

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Sales Tax Act, 1990

(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 [by an Additional [Commissioner] authorized] by the [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.

⁶¹⁸Words inserted by Finance Act, 2006.
⁶¹⁹Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010



(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 the² [Additional [Commissioner] authorized by the] [Commissioner] shall be accompanied by a fee of one hundred rupees.]

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[(11) Notwithstanding anything contained in any provision of this Act, where any reference or appeal was filed with the approval of

621² [Commissioner] by the officer of lower rank than the [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 [Commissioner].

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[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 of one hundred million rupees or above against the aggrieved person or admissibility of refund, 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.

(2) The application for dispute resolution shall be accompanied by an initial proposition for resolution of the dispute, including an offer of tax payment.

(3) The Board may, after examination of the application of an aggrieved person, appoint a committee, within fifteen days of receipt of such application in the Board, comprising,—

⁶²⁰ Sub section (11) inserted by Finance Act, 2006.

⁶²¹ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

⁶²² Section 47A substituted by Finance Act, 2023.



(i) a retired judge not below the rank of a judge of a High Court, who shall also be the Chairperson of the Committee, to be nominated by the Board from a panel notified by the Law and Justice Division for such purpose;

(ii) Chief Commissioner Inland Revenue having jurisdiction over the case; and

(iii) person to be nominated by the registered person from a panel notified by the Board comprising –

(a) chartered accountants, cost and management accountants and advocates having a minimum of ten years' experience in the field of taxation;

(b) officers of the Inland Revenue Service who stood retired in BPS 21 or above; or

(c) reputable businessmen as nominated by Chambers of Commerce and Industry: Provided that the registered person shall not nominate a chartered accountant or an advocate if the said chartered accountant or the advocate is or has been an auditor.

(4) The Board shall communicate the order of appointment of committee to the aggrieved person, court of law or the appellate authority where the dispute is pending and the concerned Commissioner.

(5) The committee appointed under sub-section (3) 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 forty-five days of its appointment extendable by another fifteen days for the reasons to be recorded in writing.

(6) The decision by the committee under sub-section (5) shall not be cited or taken as a precedent in any other case or in the same case for a different tax year.

(7) The recovery of tax payable by a registered person in connection with any dispute for which a committee has been appointed under sub-section (3) shall be deemed to have been stayed on the constitution of committee till the final decision or dissolution of the committee, whichever is earlier.



(8) The decision of the committee under sub-section (5) shall be binding on the Commissioner when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before the court of law or any appellate authority in respect of dispute as mentioned in sub-section (1) 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.

(9) Subject to sub-section (10), the Commissioner shall also withdraw the appeal, if any, pending before any court of law or an appellate authority in respect of dispute as mentioned in sub-section

(1)

within thirty days of the communication of the order of withdrawal by the aggrieved person to the Commissioner.

(10) The aggrieved person shall make the payment of sales tax and other duty or taxes and within such time as decided by the committee under sub section (5) and all decisions and orders made or passed shall stand modified to that extent.

(11) If the committee fails to decide within the period of sixty 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 where the dispute is pending under litigation.

(12) The Board shall communicate the order of dissolution of the committee to the aggrieved person, court of law or the appellate authority and the Commissioner.

(13) On receipt of the order of dissolution of the committee, the court of law or the appellate authority shall decide the appeal within six months of the communication of said order.

(14) 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 (ii) of sub-section (3).



Sales Tax Act, 1990

(15) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]



Chapter-IX

RECOVERY OF ARREARS

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48. Recovery of arrears of tax.--(1) [Subject to sub-section

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(1A), where] any amount of tax [...] is due from any person, the officer
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of [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;

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[(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
627
is due [; and]

⁶²³ Words etc. "levied, penalty imposed or demand raised under any bond or other instrument executed under this Act" omitted by Finance Ordinance, 2002.

⁶²⁴ Substituted for "where" by Finance Act, 2007

⁶²⁵ Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁶²⁶ Clause (ca) inserted by Finance Act, 1999.

⁶²⁷ Semi-colon and the word " " and" at the end of clause (e) and thereafter clause (f) inserted by Finance Act, 1997. Earlier it was omitted by Finance Act, 1996. Originally it was inserted by Finance Act, 1994.



Sales Tax Act, 1990

⁶²⁸ (f) [...] 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

⁶²⁹
[:]

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

⁶³⁰ [ten] per cent of the amount of tax due has been paid by the taxpayer.]

⁶³¹

[(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

⁶³² demand raised under this Act, the officer of [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.

⁶³³

[(3) The provision of sub-sections (1) and (2) shall *mutatis mutandis* apply regarding assistance in collection and recovery of taxes in pursuance of a request from a foreign jurisdiction under a tax treaty, bilateral or a multilateral convention, and inter-governmental agreement or similar agreement or mechanism.]

⁶²⁸ Word "may" omitted by Finance Act, 2007.

⁶²⁹ For the full stop a colon substituted and thereafter proviso added through Finance Act, 2017

⁶³⁰ Word ten substituted by Finance Act, 2018.

⁶³¹ Sub-section (1A) inserted by Finance Act, 2007.

⁶³² Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁶³³ New sub-section inserted by Finance Act, 2021.



Chapter-X

MISCELLANEOUS

634

[49. Sales 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.

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[(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.]

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[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

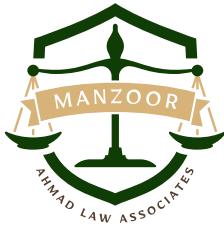
⁶³ Section 49 Substituted by Finance Act, 1996

⁴ Sub-section (2) substituted through Finance Act, 2016.

⁶³ Section 49A inserted by Finance Act, 2004.

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Sales Tax Act, 1990

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[Commissioner]. (2) The [commissioner] shall, within three months of being notified under sub-section (1), notify the liquidator, in writing, of the amount which appears to the [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.

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(3) A liquidator shall not, without leave of the [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

¹ liquidator, the amount notified by the [Commissioner] under sub-section (2), or such amount as is subsequently agreed to ¹ by the [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.

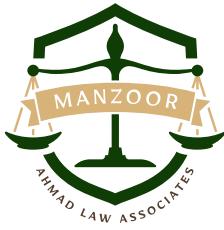
(5) A liquidator shall be personally liable to the extent of any amount required to be set-aside under sub-section (4) for the tax referred to in sub-section (2) if, and to the extent that, the liquidator fails to comply with the requirements of this section.

(6) Where the proceeds of sale of any asset are less than the ⁶³⁸ amount notified by the [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.]

⁶³⁷ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁶³⁸ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.



⁶³⁹ **50. Power to make rules.**— [(1) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act [, including rules for charging fee for processing of return, claims and other documents and for preparation of copies thereof.]

⁶⁴⁰ [(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 [or may be placed regularly on the official website maintained by the Board.]

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[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 [matters such as grant of] authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.]

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[(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

⁶³ Brackets and figure inserted by Finance Act, 2008.

⁶⁴ Comma and words inserted by Finance Act, 1994.

⁶⁴ Sub-section (2) inserted by Finance Act, 2008.

⁶⁴² Words inserted by Finance Act, 2021.

⁶⁴ Section 50A inserted by Finance Act, 2006.

³ Substituted for “their” by Finance Act, 2007

⁶⁴ Sub-section (3) and (4) inserted by Finance Act, 2007.

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and no unauthorized person shall claim for any access to such information.]

⁶⁴⁶ **[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 sub-section (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 computerised system.]

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.

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[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.]

52. Appearance by authorised representative.- A registered person required to appear before the Appellate Tribunal or an officer of

⁶⁴⁶ Section 50B inserted by Finance Act 2014
⁶⁴⁷ Section 50B inserted by Finance Act 2014



⁶⁴⁸ [Inland Revenue] in connection with any proceedings under this Act

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may, in writing, authorise any person[having such qualification as may be prescribed] to represent him or appear on his behalf.

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[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

⁶⁴⁸ Substituted for "Sales Tax Act" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁶⁴⁹ Words inserted by Sales Tax (Amendment) Ordinance, 2000, dated September 5, 2000

⁶⁵⁰ Section 52A inserted by Finance Act, 2006.



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.]

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.

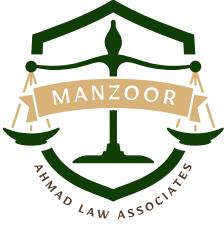
(2) If tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims preferred by other creditors are settled.

⁶⁵¹ [55. Removal of difficulties.— If any difficulty arises in giving effect to the provisions of this Act or the rules made or notifications issued there under, 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 Inland Revenue or any other person as it considers necessary or expedient for the purpose of removing the difficulty.]

⁶⁵² [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-residents individual the representative of the individual;

⁶⁵¹ Substituted vide Finance Ordinance, 2001
⁶⁵² Section 56 substituted vide Finance Act, 2010



Sales Tax Act, 1990

- (b) sent by register post or courier service specified in clause (b) of sub-section (2) or to the individual's usual or last known address in Pakistan; [..]
- (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) [; or
- (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 [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; [..]
- (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) [; or
- (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 [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

⁶⁵³ The words "or" omitted through Finance Act, 2017

⁶⁵⁴ Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017

⁶⁵⁵ The words substituted by Finance Act, 2020.

⁶⁵⁶ The words "or" omitted through Finance Act, 2017

⁶⁵⁷ Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017

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or a member of 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.]

658 659

[56A. Agreement for the exchange of information [or assistance in recovery of taxes].– (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.

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[(1A) Notwithstanding anything contained in this Act, the Board shall have power to share data or information including real time data videos, images received under the provisions of this Act with any other Ministry or Division of the Federal Government or Provincial Government, subject to such limitations and conditions as may be specified by the Board.]

(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.

⁶⁵⁸
65 Sections 56A, 56B and 56C added by Finance Act, 2015
Words inserted by Finance Act, 2021.

⁹
9 New sub-section (1A) inserted by Finance Act, 2021.
⁶⁶
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⁶⁶¹[(3) The Federal Government may enter into bilateral or multilateral convention, and inter-governmental agreement or similar agreement or mechanism for assistance in the recovery of taxes.]

662

[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

⁶⁶¹ New sub-section (3) inserted by Finance Act, 2021.

⁶⁶² New section 56AB inserted by Finance Act, 2020.



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 1st 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.]

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[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.]

⁶⁶³
Section 56B substituted through Finance Act, 2016.



156C. Prize schemes to promote tax culture.- [(1) The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices.]

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[(2) The Board may prescribe procedure for “mystery shopping” in respect of invoices issued by tier-1 retailers integrated with FBR online system randomly and in case of any discrepancy, all the relevant provisions of this Act shall apply accordingly.]

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[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.]

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[58. Liability for payment of tax in 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

⁶⁶⁴ Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act, 2021.

⁶⁶ Section 57 is substituted by Finance Act, 2013.

⁵ Section 58 substituted by Finance Act, 2019.

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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.”; and

(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.]

667

[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;

⁶⁶⁷
Section 58A and 58B inserted by Finance Act, 2008



- (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 subdivision 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.

668

(3) [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;

⁶⁶⁸The expression substituted by and Explanation added by Finance Act, 2020.



- (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
- ⁶⁶⁹
(f) who is declared by the [Commissioner] by an order in writing to be the representative of the non-resident person.

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[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 ¹ [Commissioner] of being heard.]

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.

⁶⁶⁹ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.



(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

⁶⁷⁰ [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 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.]

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[59. Tax paid on stocks acquired before registration.– The tax

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[...] paid on goods purchased by a person who is subsequently required

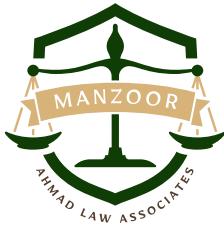
⁶⁷ Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

⁶⁸ Section 59 inserted by Finance Act, 1999. Earlier it was omitted by Finance Act, 1997. Earlier it was substituted through Finance Act, 1996.

⁶⁹ Commas and words "other than the turnover tax" omitted by Finance Act, 2004.

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to be registered under section 14 due to new liabilities or levies or gets voluntary registration under [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 un-consumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration.]

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[60. Powers to deliver certain goods without payment of tax.–

Subject to such conditions, limitations or restrictions as it thinks fit to

675 676 impose, [Federal Government] may authorise the [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;

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[(ii) registered manufacturer-cum-exporters who import raw materials and intermediary products for further manufacture of goods meant for export;]

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[(iii) ***]

61. Repayment of tax in certain cases.– Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board

⁶⁷ Substituted for “section 18” by Finance Act, 2004

³ Section 60 Substituted by Finance Act, 1998.

⁶⁷ Words substituted by Finance Act, 2018.

⁴ Substituted for “delivery” by Finance Act, 1999

⁶⁷ Clause (ii) substituted by the Finance Act, 1999.

⁵ Clause (iii) omitted by Finance Act, 1999.

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⁶⁷⁹ may authorise the repayment in whole or in part of the tax paid on [...] 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.

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[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.]

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

⁶⁷⁹ Words "the importation of" omitted by Finance Ordinance, 2002
⁶⁸⁰ Section 61A inserted by Finance Act, 2008.



- (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.

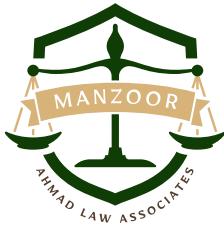
65. Exemption of tax not levied or short levied as a result of general practice.— Notwithstanding anything contained in this Act, if in ⁶⁸¹ respect of any supply the [Federal Government] is satisfied that inadvertently and as a general practice: –

- (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.

66. Refund to be claimed within one year.— No refund of tax claimed to have been paid or over paid through inadvertence, error or

⁶⁸¹
Words substituted by Finance Act, 2018.



⁶⁸² mitsconstruction [or refund on account of input adjustment not claimed within the relevant tax period,] shall be allowed, unless the claim is made

⁶⁸³ Within one year of the date of payment [:]

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[Provided that in a case where a registered person did not deduct

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input tax within the relevant tax period, the [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

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by the [Commissioner]:]

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[Provided [further] that in a case where the refund has become due on account of any decision or judgement of any officer of

⁶⁸⁸ [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

⁶⁸⁹ or Tribunal[:]]

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.]

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[Provided also that no refund shall be admissible under this section if incidence of tax has been passed directly or indirectly to the consumer.]

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[67. Delayed Refund.– Where a refund due under section 10 is

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not made within [the time specified in section 10 from the date] of filling

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~~of [refund claim], there shall be paid to the claimant in addition to the~~

⁶⁹⁴ Words inserted by Finance Act, 1998.

⁶⁹⁵ Substituted for the full-stop by Finance Ordinance, 2001.

⁶⁹⁶ Proviso inserted by Finance Ordinance, 2002.

⁶⁹⁷

Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁶⁹⁸ Proviso inserted by Finance Ordinance, 2001.

⁶⁹⁹ Word inserted by Finance Ordinance, 2002.

⁷⁰⁰

Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

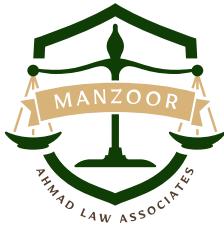
⁷⁰¹ Substituted for full stop by Finance Act, 2005

⁷⁰² Proviso inserted by Finance Act, 2011.

⁷⁰³ Section 67 substituted by Finance Act, 1996.

⁷⁰⁴ Substituted for "thirty days" by Finance Act, 1997

⁷⁰⁵ Substituted for "return" by Finance Act, 2007



⁶⁹⁴ amount of refund due to him, a further sum equal to [KIBOR] per annum of the amount of refund due, from the date following the expiry of ⁶⁹⁵ [the time specified [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 provision regarding the payment of such additional amount shall not apply till the investigation ⁷ of the claim is completed and the claim is either accepted or rejected [:]

⁶⁹⁶

[Provided further that where a refund due in the consequence of any order passed under section 66 is not made within forty five days of date of such order, there shall be paid to the claimant in addition to the amount of the refund due to him, a further sum equal to KIBOR per annum of the amount of refund, due from the date of the refund order.]

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[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 ⁶⁹⁸ be issued by FBR Refund Settlement Company [] 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, (111 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

⁶⁹⁹ Settlement Company [] 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.

⁶⁹⁴ Substituted for "Six percent" by Finance Act, 2009, earlier the word "six" was substituted for "fourteen" by the Finance Act, 2004, before that it was substituted for "ten" by Finance Supplementary (Amendment) Act, 1997. Which came into force on March 28, 1997, prior to this it was substituted by Sales Tax (Second Amendment) Ordinance 1996, dated 2nd November, 1996.

⁶⁹⁵ Substituted for the words and figures "in section 10 from the date" by Finance Act, 2007.

⁶⁹⁶ Colon substituted for full stop and new proviso inserted by Finance Act, 2021.

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New section 67A inserted by Finance Supplementary (Second Amendment) Act, 2019.

⁶⁹⁸ The word "private" omitted by Finance Act, 2019.

⁶⁹⁹ The word "private" omitted by Finance Act, 2019.



(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.

(7) 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.

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(12) The [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.]

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.

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[69. Issuance of duplicate of sales tax documents.– An officer of

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[Inland Revenue not below the rank of Assistant Commissioner] may,

⁷⁰⁰The expression substituted for the words "Federal Government" by Finance Act, 2019.
⁷⁰¹Section 69 substituted by the Finance Act, 2008.



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.]

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.

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[71. Special procedure.]— [(1)] [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.]

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[(2) ***]

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[(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.]

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[72. Officers of [Sales Tax] to follow Board's orders, etc.]—

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All officers of [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 [Inland Revenue]] in the exercise of their quasi-judicial functions.]

⁷⁰² Substituted for the words "Sales Tax not below the rank of Assistant Collector" by the Finance Act, 2010

⁷⁰³ Section 71 inserted by Finance supplementary (Amendment) Act, 1997, which came into force on March 28, 1997. Earlier the same amendment was made by Sales Tax (Second Amendment) Ordinance, 1996 and by Sales Tax (Amendment) Ordinance, 1997.

⁷⁰⁴ Section 71 re-numbered as sub-section (1) by Finance Act, 1999

⁷⁰⁵ The expression "Notwithstanding anything contained in this Act, the Federal Government" substituted through Finance Act, 2019.

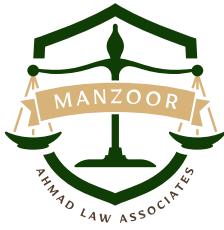
⁷⁰⁶ Sub-section (2) omitted by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999. Earlier inserted by Finance Act, 1999.

⁷⁰⁷ Sub-section (3) inserted by Finance Act, 1999.

⁷⁰⁸ Sub-section (3) inserted by Finance Act, 1999.

⁷⁰⁹ Section 72 inserted by Finance Act, 1998.

⁹ Substituted for the Words "Sales Tax" by Finance Act, 2010.



⁷¹⁰ [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 occur in this Act and rules, notifications, clarifications general orders or order made or issued there under, 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.]

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[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.

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[(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.]

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[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

⁷¹⁰ Substituted for “sales” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁷¹¹ Section 72A inserted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

⁷¹² New sub-section (1A) added through Finance Act, 2019.

⁷¹³ Section 72C substituted by Finance Act, 2013.



the Board, only after realization of part or whole of a taxes involve 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.]

714

[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 evasion 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.]

⁷¹⁴
Section 72D added by Finance Act, 2015.



[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

⁷¹⁶ account of the buyer [:]

⁷¹⁷

[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.]

⁷¹⁸

[Provided further that adjustments made by a registered person in respect of amounts payable and receivable to and from the same party shall be treated as payments satisfying the provisions of this sub-section subject to following conditions, namely:—

- (a) sales tax has been charged and paid by both parties under the relevant provisions of this Act and rules prescribed thereunder, wherever applicable; and
- (b) the registered person has sought prior approval of the Commissioner before making such adjustments.]

(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.

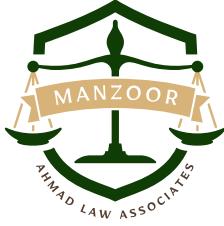
(3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier, otherwise the supplier shall not be entitled to claim input tax credit, adjustment or

⁷¹⁵ Section 73 substituted by Finance Act, 2004. Earlier it was substituted by Finance Act, 2003, which was inserted by Tax Laws (Amendments) Ordinance, 1999.

⁷¹⁶ Substituted for full stop by Finance Act, 2005

⁷¹⁷ Proviso inserted by Finance Act, 2005.

⁷¹⁸ New proviso inserted by Finance Act, 2021.



deduction, or refund, repayment or draw-back 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 [Commissioner] in whose jurisdiction he is registered[through Form STR-1 or change of particulars in registration database.]

721 722

[“(4) A registered [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 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;

723**]

(c) all other persons not engaged in supply of taxable

4 goods; [and]

724

(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.]

725

[74. Condonation of time-limit.— Where any time or period has been specified under any of the provisions of the Act or rules made there under within which any application is to be made or any act or thing is to

726 be done, the time or period so specified may be extended by the Board by order made by resolution passed by the Board under section 74 of the Finance (Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

727 Words inserted by Finance Act, 2013.

728 New sub-section “(4)” inserted through Tax Laws (Amendment) Act, 2020.

729 Word substituted by Finance Act, 2020.

730 New sub-section (4) inserted by Finance Act, 2020.

731 Section 74 added by the Finance Ordinance, 2002.



⁷²⁶⁷²⁷ be done, the [Board] may, [at any time before or after the expiry of such time or period,] 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 [:]

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 [Commissioner] to exercise the powers under this section in any case or class of cases.

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.]

⁷²⁸⁷²⁹

[74A. Validation.]— [(1) All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, ⁷³⁰ before the commencement of Finance Act, [2018] shall be deemed to have been validly issued and notified in exercise of those powers.]

⁷³¹

[(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.]

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-

⁷²⁶ Substituted for the words “Central Board of Revenue” by Finance Act, 2007.

⁷²⁷ Words added by Finance Act, 2022.

⁷²⁸ Section 74A inserted through Finance Act, 2017

⁸ Existing provision numbered as sub-section (1) by Finance Act, 2018.

⁷²⁹ Figure substituted by Finance Act, 2018.

⁹ New sub-section (2) added by Finance Act, 2018.

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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.]

^{732, 733} **[76. Fee and service charges.–** [(1) The [“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.]

⁷³⁴

[(2) The Board may authorize and prescribe the manner in which fee and service charges collected under sub-section (1) shall be expended.]

⁷³⁵

[77. Uniform.– The Board may, by notification in the official Gazette, prescribe rules for wearing of uniform by officers and staff of Inland Revenue Services.]

⁷³² New section 76 added through Finance Act, 2019.

⁷³³ Words “Federal Government” substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

⁷³⁴ Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act, 2021.

⁷³⁵ New section 77 added by Finance Act, 2022.

**SCHEDULES*****The*****FIRST SCHEDULE**736
[***]***The*****SECOND SCHEDULE**737
[***]

738

[The**THIRD SCHEDULE**

739 See [clause (a)] of sub-section (2) of section 3]

Description Heading Nos. of the First

Serial No.	1969 (IV of 1969) (2)(3)	Schedule to the Customs Act,
(1)	Fruit juices and vegetable juices	20.09
1	juices	740
2	Ice Cream. [2105.0000]	
3	Aerated waters or	22.01 and 20.02
4	beverages.	
5	Syrups and squashes. Respective headings	
741	Cigarettes.	2402.2000
[6	Toilet soap	3401.1100 and 3401.2000]
742	[7] Detergents [Respective heading]	
8	Shampoo	3305.1000
9	Toothpaste	3306.1010

⁷³⁶The first schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from March 28, 1997.

⁷³⁷The Second Schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from March 28, 1997.

⁷³⁸The Third Schedule Substituted by Finance Act, 1998, earlier it was inserted by Finance Act, 1996.

⁷³⁹Substituted for the words, brackets and letter "clause (c)" by Finance Ordinance, 2002

⁷⁴⁰Substituted for the figure "21.05" through Finance Act, 2017

⁷⁴¹

⁷⁴²Serial No.6 and entries relating thereto substituted by Finance Act, 2005, earlier these were inserted by Sales Tax (Amendment) Ordinance, 2002, dated March 21, 2002.

⁷⁴³Serial No.7 to 11 and entries relating thereto added by Finance Act, 2005



Sales Tax Act, 1990

		Serial Description Heading Nos. of the First No. Schedule to the Customs Act,
1969 (IV of 1969)		
(1)	(2)	(3)
10	Shaving cream	3307.1000
744	and 33.04.]	11 Perfumery and cosmetics Respective sub-headings of 33.03
[12 ***]		
13 ***]		
745		[14 Tea Respective sub-headings of 09.02
15	Powder drinks	21.06
16	Milky drinks	2106.9090]
746	[17 Toilet paper and tissue	4818.1000 and 4818.2000]
paper		
747	packing	[18. Spices sold in retail 09.04, 09.06, 09.08 and 09.10 bearing brand
names	and trade marks	
748		
[19 ***]		
20. ***]		
21.	Shoe polish and shoe	3405.1010]
cream		
***]		
5		
[22.		
749		
[23. ***]		
24. ***]		
25. ***]		
26. ***]		
27. ***]		
28. ***]		
29. ***]		
30. ***]		
31. ***]		

⁷⁴ Serial No.12 to 13 and entries relating thereto omitted by Finance Act, 2008

⁴ Serial No.14 to 16 and entries relating thereto added by Finance Act, 2005

⁷⁴ Serial No.17 and entries relating thereto added by Finance Act, 2005

⁵ Serial No.18 to 21 and entries relating thereto added by Finance Act, 2006

⁷⁴ Serial No.19 to 20 and entries relating thereto omitted by Finance Act, 2008

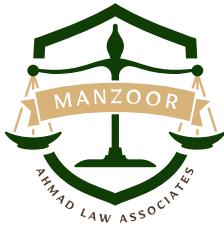
⁶ Serial Nos. 23 to 31, 34 and 35 entries relating thereto omitted by Notification No. S.R.O. 895(I)/2013, dated 4th October, 2013.

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Sales Tax Act, 1990

Serial Description Heading Nos. of the First No. Schedule to the Customs Act, 1969 (IV of 1969)		
(1)	(2)	(3)
750 [32. ***]		
33. Cement sold in retail Respective heading packing		
34. ***		
35. ***		
751 [36. ***] 752		
[37. Mineral/bottled water Respective headings] 753 38. Household electrical Respective headings goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets.		
39. Household gas appliances, Respective headings including cooking range, ovens, geysers and gas heaters.		
40. Foam or spring mattresses Respective headings and other foam products for household use.		
41. Paints, distempers, Respective headings enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing		

750 Serial No. 32 and entries relating thereto omitted by Finance Act, 2022.

⁷⁵ Serial Nos. 22 and 36 and entries relating thereto omitted Notification No. S.R.O. 681(I)/2013, dated 26th July, 2013.

¹ New Serial number added through Finance Act, 2016

⁷⁵ Serial numbers 38 up to 49 and entries relating thereto added through Finance Act, 2019.

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Serial No.	Description Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	
(1)	(2) (3)	
42.	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing.	Respective headings
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 [***] omitted with effect from the 1 day of December, 2021	Respective Headings]
754[50.]	from the 1 day of December, 2021	

The

FOURTH SCHEDULE

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[***]

⁷⁵⁴Serial number 50 omitted by Finance (Supplementary) Act, 2022 w.e.f 1st day of December, 2021.
⁷⁵⁵Fourth Schedule omitted by Finance Act, 1998.



[The

FIFTH SCHEDULE

[See section 4]

Serial Description

No. (1) (2)	
⁷⁵⁷ [1. ***]	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.]
⁷⁵⁸ [3. ***]	omitted
⁷⁵⁹ [4. ***]]	
⁷⁶⁰ [5.	Supplies of raw materials [, components and goods for further] manufacture of goods in the Export Processing Zones.]
⁷⁵⁴ [6. *****]	
⁷⁶² [6A. ***]	omitted
⁷⁶³ [7.	Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein.]
⁷⁶⁴ [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 [Board] may impose.]

⁷⁵ Fifth Schedule added by Finance Act, 1996.

⁶ S. Nos. 1 and 6 and entries relating thereto omitted by Finance Act, 2021.

⁷⁵ Serial number 3 and entries relating thereto in column (2) omitted by Finance (Supplementary) Act, 2022.

⁷ Serial No. 4 and entry relating thereto omitted by Finance Act, 2012

⁷⁵ Serial No. 5 added by the Finance Act, 1997.

⁸ Substituted for the words "and components for" by the Sales Tax (Amendment) Ordinance, 1999

⁷⁵ Serial number(s) 6A and 9 and entries relating thereto in column (2) omitted by Finance (Supplementary) Act, 2022.

⁹ Serial No. 7 added by Finance Ordinance, 2001

⁷⁶ Serial No. 8 and entries relating thereto inserted by Finance Act, 2004

⁶⁵Substituted f Revenue" by Finance Act, 2007

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Sales Tax Act, 1990

Serial No.	Description
(1)	(2)
⁷⁶⁶ [8A.]	Imports or supplies made by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.]
[9.]	***]omitted
⁷⁶⁷ [10.]	*****]
⁶ [11.]	****]
12.	<p>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 ⁷⁶⁸ [prescribed by the Board]:--</p> <p>⁷⁶⁹ [(i) to (ix) [.....]]</p> <p>⁷⁷⁰ [(x) ...</p> <p>(xi) ...</p> <p>(xii) ...</p> <p>(xiii) ...</p> <p>(xiv) ...</p> <p>(xv) ...</p> <p>(xi) ...]</p> <p>⁷⁷¹ (xvii) [Preparations suitable for infants, put up for</p>

⁷⁶⁶ New serial No. 8A added by the Finance Act, 2023

⁷⁶⁷ Nos. 10 and 11 and entries relating thereto omitted by Finance Act, 2021.

⁷⁶ Substituted for the word "specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007" through Finance Act, 2019.

⁸ Serial numbers (i) to (ix) omitted through Finance Act, 2016.

⁷⁶ Clauses (x) to (xvi) omitted by Finance Act, 2015

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Sales Tax Act, 1990

Serial No.	Description
(1)	(2)
772 ⁷⁷³ 1901.1000 (xviii) 774[.....] (xix) 775 [***] omitted. (xx) 776 [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) 777 [other drawing, marking out or mathematical calculating instruments (geometry box) (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)]. 778[13.] Supplies 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	retail sale [not exceeding rupees [six] hundred per two hundred grams] (PCT Heading hundred per two hundred grams] (PCT Heading (xviii) 774[.....] (xix) 775 [***] omitted. (xx) 776 [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) 777 [other drawing, marking out or mathematical calculating instruments (geometry box) (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)]. 778[13.] Supplies 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

⁷⁷¹ Expression substituted through Finance Act, 2017

⁷⁷² Words added by Finance (Supplementary) Act, 2022.

⁷⁷³ For the word "five" the word "six" substituted by Finance Act, 2023

⁷⁷⁴ Serial number (xviii) omitted through Finance Act, 2016.

⁷⁷⁵ Clause (xix) omitted by Finance (Supplementary) Act, 2022.

⁷⁷⁶ New clauses (xx) to (xxvii) inserted by Finance Act, 2018.

⁷⁷⁷ Clause (xxv) substituted by Finance Act, 2023

⁷⁷⁸ New serial numbers 13 and 14 inserted by Finance Act, 2020 shall have effect from the 1st June, 2020.



Serial No.	Description
(1)	(2)
14	<p>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:-</p> <p>(i) plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer.</p> <p>(ii) apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i).</p> <p>(iii) mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i).</p> <p>(iv) parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.</p> <p>Conditions, restrictions and procedures:-</p> <p>(a) the supplier of the machinery is registered under the Act;</p> <p>(b) proper bill of export is filed showing registration number;</p> <p>(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;</p> <p>(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;</p> <p>(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</p>



Sales Tax Act, 1990

Description No.	
(21)	(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.]
⁷⁷⁹ [15. ***]omitted	
16. Milk (PCT heading 04.01).	
⁷⁸⁰ [17. Fat filled milk (PCT heading 1901.9090)]	
⁷⁸¹ [18. ***]omitted	
⁷⁸² [19. ***]	
⁷⁸³ 20. Petroleum Crude Oil (PCT heading 2709.0000)].	
[21. Local supplies of [commodities,] raw materials, components, parts and plant and machinery to registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions as specified therein.]	

⁷⁷⁹ Serial numbers 15 and 18 omitted by Finance (Supplementary) Act, 2022.

⁷⁸⁰ Serial numbers 17 substituted by Finance Act, 2022.

⁰ Serial number 19 omitted by Finance Act, 2022.

⁷⁸² New serial number 21 added by Finance Act, 2022.

⁷⁸³ Expression added by Finance Act, 2023



[⁸⁴
The
SIXTH SCHEDULE
[See section 13(1)]

Table-1
(Imports or Supplies)

Description Heading Nos. of the

Serial No	of 1969) (3)	First Schedule to the Customs Act, 1969 (IV)
(1)	(2)	
⁷⁸⁵ [1.	***] omitted	
[2.	***] omitted	
[3.	***] omitted	
⁷⁸⁶ [4.	***	
5.	***	
6.	***	
7.	***	
8.	***	
9.	***	
10.	***] ⁷⁹¹	
[11.	***] omitted ⁷⁹¹ 0701.1000, [***],	
[12.	***] omitted ⁷⁹² 0702.0000, [***],	
13.	Edible vegeta ⁷⁸⁷ 0701.2000 omitted. from Afgh 0701.1000, 0704.2000, 788 Roots and tubers, [except ware potato and onions], whether	

⁷⁸⁴Sixth Schedule substituted by Finance Act, 2005. Earlier it was substituted by Finance Act, 1998. Originally it was inserted by Finance Act, 1996.

⁷⁸⁵ Serial number(s) 1,2,3,11 and 12 omitted by Finance (Supplementary) Act, 2022.

⁷⁸⁶ S. Nos. 4 to 10 and entries relating thereto omitted by Finance Act, 2006

⁷⁸⁷ Words inserted by Finance (Supplementary) Act, 2022.

⁷⁸⁸The words inserted by the Finance Act, 2009.



Sales Tax Act, 1990

Serial No	Description Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2) (3)
	fresh, frozen or otherwise 0704.9000, 0705.1100, preserved (e.g. in cold storage) 0705.1900, 0705.2100, but excluding those bottled 0705.2900, 0706.1000, ⁷⁸⁹ ₇₉₀ [or] canned [***]. 0706.9000, 0707.0000, 0708.1000, 0708.2000, 0708.9000, 0709.1000, 0709.2000, 0709.3000, 0709.4000, 0709.5100, ⁷⁹³ [***], 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.	⁷⁹⁴ Pulses. 0713.1000, [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
⁷⁹⁵ [15.]	Fruit imported from 0804.1010, 0804.1020, Afghanistan excluding apples 0804.2000, 0804.3000, PCT 0808.1000 0804.4000, 0804.5010,

⁷⁹ The figure and comma "0701.9000," omitted by the Finance Act, 2009

¹ The figure and comma "0703.1000," omitted by the Finance Act, 2009

⁷⁹ Substituted for the comma by the Finance Act, 2008

² The words "or package" omitted by the Finance Act, 2008.

⁷⁹³ Expression omitted by Finance Act, 2022.

⁷⁹⁴Substituted for the figure and comma "0713.2000" by the Finance Act, 2009

⁷⁹⁵ Serial number 15 substituted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
		0804.5020, 0804.5030, 0805.1000, 0805.2910, 0805.2100, 0805.2200, 0805.2990, 0805.4000, 0805.5000, 0805.9000, 0806.1000, 0806.2000, 0807.1100, 0807.1900, 0807.2000, 0808.3000, 0808.4000, 0809.1000, 0809.2000, 0809.3000, 0809.4000, 0810.1000, 0810.2000, 0810.4000, 0810.5000, 0810.6000, 0810.9010, 0810.9090, 0811.1000, 0811.2000, 0811.9000, 0813.1000, 0813.2000, 0813.3000, 0813.4010, 0813.4020 and 0813.4090] ⁷⁹⁷
16.	Red chillies excluding those sold ⁷⁹⁶ [under] brand names and trademarks.	[0904.2110] and ⁷⁹⁸ [0904.2210] ⁸⁰⁰
17.	Ginger excluding those sold ⁷⁹⁹ [under] brand names and trademarks.	[09.10]
18.	Turmeric excluding those sold ⁸⁰¹ [under] brand names and trademarks.	0910.3000

⁷⁹⁶ Word substituted by Finance Act, 2023

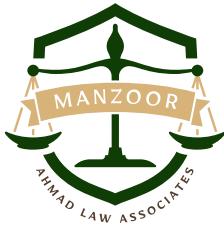
⁷⁹⁷ Substituted for PCT heading "0904.2010" by the Finance Act, 2012

⁷⁹⁸ Substituted for PCT heading "0904.2020" by the Finance Act, 2012

⁷⁹⁹ Word substituted by Finance Act, 2023

⁸⁰⁰ Substituted for the figure "0910.1000" through Finance Act, 2017

⁸⁰¹ Word substituted by Finance Act, 2023



Sales Tax Act, 1990

Serial No	Description Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2) (3)
80 ² [19.	Rice, wheat, wheat and meslin flour Respective heading]
80 [20.	***]
3 [21.	***] omitted
80 [22.	***]
4 [23.	***] omitted
80 [24.	***]
3 [25.	***]
80 [26.	***]
6 [27.	***]
79 [28.	***]
5 [29.	***]
79 ⁵ [29.	***
80 ⁸ [29A.	***]
80 [29B.	***]
79 ⁵ [29C.	***]
80 ⁹ [30.	Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books.
31.	[4901.9910, 8523.2100, 8523.2910, 8523.2990, 8523.4910], [8523.4920], [8523.4190]
	[...], [...], 8523.4190,

⁸⁰ Serial number 19 substituted by Finance (Supplementary) Act, 2022.

² Serial number 20 omitted by Finance (Supplementary) Act, 2022.

⁸⁰ Serial number(s) 21and 23 omitted by Finance (Supplementary) Act, 2022.

⁸⁰ Serial numbers 22,24,26, 27, 29 and 29C omitted by Finance Act, 2021.

⁸⁰ S. No. 25 and the entries relating thereto omitted by the Finance Act, 2013

⁶ Serial No. 28 and entries relating thereto omitted by Finance Act, 2015

⁴ S. Nos. 29A and 29B omitted by the Finance Act, 2011

⁷ S. No. 30 omitted by the Finance Act, 2011

⁸⁰ Substituted for the words and figures "4901.9910 and respective headings of 85.24" by the Finance Act,

⁸ 2007 Substituted for PCT heading "8523.4010" by Finance Act, 2012

⁸⁰ Substituted for PCT heading "8523.4030" by Finance Act, 2012

⁹ Substituted for PCT heading "8523.4090" by Finance Act, 2012

⁸¹ 0

⁸¹ 1

¹ 2

⁸¹ 3



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
		8523.5910, 8523.5990, 8523.8010, 8523.8020 and 8523.8090]
⁸¹⁴ [32.	Newsprint and books but Respective headings] excluding brochures, leaflets and directories	
33.	⁸¹⁵ Currency notes, bank notes, [49.07] shares, stocks and bonds.	
⁸¹⁶ [34.	***	
35.	***]	
⁸¹⁷ [36.	***]	
'[37.	***]	
⁸¹⁸ 38. ₈	⁸¹⁹ 820 Monetary gold. [7108.1390] [and 7108.2090]	
⁸²¹ [39.	***]	
¹ [40.	***]	
⁸²² [41.	***	
² [42.	***	
⁸²³ 3 43.	***]	
44.	Dextrose and saline infusion 9018.3910, 9018.3920,	
⁸²⁴ 45.	giving sets [***] along with 9021.3100,	

⁸¹⁴ Serial number 32 substituted by Finance Act, 2022.

⁸¹⁵ Substituted for the figure "4907.0000" by Finance Act, 2017

⁸¹⁶ S. Nos. 34 & 35 omitted by the Finance Act, 2011

⁸¹⁷ Serial number 36 omitted through Finance Act, 2019.

⁸¹⁸ Serial number 37 omitted through Finance Act, 2019.

⁸¹⁹ Substituted for the figure "7108.2000" by Finance Act, 2017

⁸²⁰ The word and figures added by the Finance Act, 2007

⁸²¹ S. No. 39 and entries relating thereto omitted by Finance Act, 2015

⁸²² S. No. 40 omitted by the Finance Act, 2006

⁸²³ S. Nos. 41 to 44 omitted by the Finance Act, 2011

⁸²⁴ The word "imported" omitted by the Finance Act, 2007



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	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.	⁸²⁵ [9021.3900] and ⁸²⁶ [Respective headings]
⁸²⁷ [46.]	***]	
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 Sheikdoms 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	99.05
48.	said Act.	99.03

Goods imported or supplied

⁸²⁵Substituted for the figures "9201.3900" by the Finance Act, 2007

⁸²⁶Words substituted by Finance Act, 2022.

⁸²⁷Serial number 46 omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	under grants-in-aid for which a specific consent has been obtained from the [Board]; 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.	
⁸²⁸ [49.]	***] omitted	
[50.]	***] omitted	
[51.]	***] omitted	
[52.]	***] omitted	
[52A.]	***] omitted	
[53.]	***] omitted	
[54.]	***] omitted	
[55.]	***] omitted	
⁸³⁰ [56.]	<i>Omitted.]</i>	
[57.]	***] omitted	

⁸²⁸ Substituted for the words "Central Board of Revenue" by Finance Act, 2007

⁸²⁹ Serial number(s) 49 to 57 and 58 omitted by Finance (Supplementary) Act, 2022.

⁸³⁰Serial No. 56 and entries relating thereto omitted by Finance Act, 2015



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
[58.]	***] omitted	
59.	Artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids ⁸³¹ [,] and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal ⁸³² dialysis solution, [cochlear implants systems] 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	⁸³³ 99.24 [, 99.25 ⁸³⁴ [,99.37] and 99.38]

⁸³ Substituted for the word "and" by the Finance Act, 2008

¹ The comma and words inserted by the Finance Act 2014

⁸³ Substituted for the word and figures "and 99.25" by the Finance Act, 2008

² The comma and figure inserted by the Finance Act 2014

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Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	1969).	
⁸³⁵ [60.	***] omitted	
[61.	***] omitted	
⁸³⁶ [62.	***]	
[63.	***] omitted	
⁸³⁷ [64.	***	
65.	***	
66.	***	
67.	***	

68.	***.]	
69.	***] omitted	
	***] omitted	
70.	***]	
⁸³⁸ [71.	***]	
[72.	***]	
⁸³⁹ [73.	***]	
73A.	***]	
74.	***]	
75.	***]	
76.	***]	
77.	***]	
78.	***] omitted	
79.	***]	
80.		

⁸³⁵[⁸¹ Serial number(s) 60, 61 and 63 omitted by Finance (Supplementary) Act, 2022.

⁸³ S. No. 82 omitted by the Finance Act, 2011

⁶ S. Nos. 64 to 70 omitted by the Finance Act, 2011

⁸³⁸[⁷ Serial number(s) 71, 72, 81, 84 and 92 omitted by Finance (Supplementary) Act, 2022.

⁸³⁹ Serial numbers 73 to 80, 82, 83 and 85 omitted by Finance Act, 2021.



Description Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	
(1) (2) (3)	
83. ***]	
[84. ***] omitted ⁸⁴⁰	
[85. ***]	
86. Colors in sets(Poster colors) 3213.1000	
inks	87. Writing, drawing and making 3215.9010 and 3215.9090
	88. Erasers 4016.9210 and 4016.9290
89. Exercise books 4820.2000	
90. Pencil sharpeners 8214.1000	
91. ***]	
[92. ***] omitted	
93 ***]	94. Wheelchairs 8713.1000 and 8713.9000 ⁸⁴¹
[95. ***]	
96. Other drawing, marking out or mathematical calculating instruments (geometry box)	9017.2000
97. [Pens, ball pens, markers and porous tipped pens] ⁸⁴²	96.08
98. Pencils including color pencils 96.09 ⁸⁴³	
[99. ***] omitted ⁸⁴⁴	100. Construction materials to Respective headings
Gwadar Export processing Zone's investors and to Export Processing Zone [Gwadar] for development of Zone's infrastructure ⁸⁴⁵	

[100A Materials and equipment Respective Headings

⁸⁴⁰ Serial numbers 85, 91 and 93 omitted by Finance Act, 2021.

⁸⁴¹ Serial number 95 and entries relating thereto is omitted through Finance Act, 2019.

¹ The expression substituted by Finance Act, 2017

⁸⁴² Serial number 99 omitted by Finance (Supplementary) Act, 2022.

⁸⁴³ Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017

⁸⁴⁴ New serial numbers 100A & 100B added through Finance Act, 2016.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>846 [(plant, machinery, equipment, appliances and accessories)] for construction ³ and operation of [Gwadar] Port and development of Free Zone for [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 Marin 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 ³ on/visiting [Gwadar] Port, 847 [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,— (A). Conditions and procedure for imports.—</p>	

(i) This exemption shall

⁸⁴⁶The expression inserted through Finance Act, 2017

⁸⁴⁷The expression inserted by Finance Act, 2020 shall have effect from the 1st June, 2020.



Sales Tax Act, 1990

Serial No (1)	Description (2)	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) (3)
	<p>be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and subcontractors which 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 bonafide requirement for construction and operation</p> <p>⁸⁴⁸of [Gwadar] Port and development of Free Zone for [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</p>	

⁸⁴⁸ Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>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 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 [and also those already imported under Notification No. S.R.O. 115(I)/2008, dated the 6th February, 2008] shall not be sold or disposed of without prior approval of the FBR and payment of sales tax⁸⁴⁹ leviable at the [applicable rate on residual value], provided that this condition shall not apply to ship bunker oils.</p>	

⁸⁴⁹The expression inserted and words substituted by Finance Act, 2020 shall have effect from the 1st June, 2020.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
850 1	(B). Conditions and procedure for local supply.– (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; (ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the materials and equipment for the construction of [Gwadar] Port and development of Free Zone for [Gwadar] Port from the sales tax registered persons only;	

⁸⁵⁰ Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<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.</p> <p>All three copies of the said signed monthly statement shall be got verified</p>	



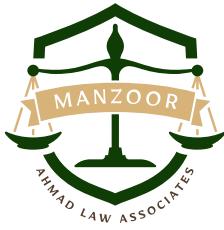
Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>by the registered 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</p>	



Description Heading Nos. of the No of 1969) (1) (2) (3)	First Schedule to the Customs Act, 1969 (IV
making the exempt supplies shall keep the aforesaid record for presentation to the sales tax department as and when required to do so.	
[100B] Supplies made by the Respective headings businesses to be established in the Gwadar Free Zone for a period of twenty-three years within the 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.	
[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	

⁸⁵¹ New S.No. 100C and entries relating thereto inserted through Finance Act, 2017



Description Heading Nos. of the No of 1969) (1) (2) (3)	First Schedule to the Customs Act, 1969 (IV)
operations of Gwadar Port and Free Zone Area subject to limitations, conditions prescribed under PCT heading 9917 (3)]	
852 [100D Machinery, equipment, Respective headings 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 Gwadar Free 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. ***]	
85 [102. ***] omitted	
3 [103. ***]	
85	
4	

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⁸⁵²shall have effect from the 1st New serial number 100D inserted by Finance Act, 2020 June, 2020.

⁸⁵Serial number 101 omitted by Finance Act, 2021.

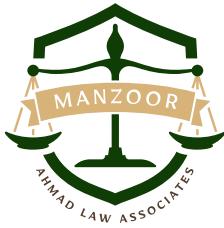
³ Serial number(s) 102, 104 and 105 omitted by Finance (Supplementary) Act, 2022.

⁸⁵Serial number 103 omitted by Finance Act, 2021.

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Sales Tax Act, 1990

Serial No (1)	Description Heading Nos. of the of 1969) (2) (3)	First Schedule to the Customs Act, 1969 (IV
[104.	***] omitted	
[105.	***] omitted	
856 [106.	***]	
107.	Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing. ***]	2501.0010
[108.	***] omitted	
857 [109.	***] omitted	
[110.	858] omitted [.....]	
111.		
112.	Following cardiology/cardiac Respective headings surgery, neurovascular, electrophysiology, endosurgery, endoscopy, oncology, urology, gynaecology, disposables and other equipment:-- A. ANGIOPLASTY PRODUCTS 1. Coronary Artery Stents 2. Drugs Eluting Coronary Artery Stents 3. Coronary Artery Dilatations Catheters (Balloons) 4. PTCA Guide Wire 5. PTCA Guiding Catheters 6. Inflation Devices/Priority	

⁸⁵⁶ Serial numbers 106 and 108 omitted by Finance Act, 2021.

⁸⁵⁷ Serial number(s) 109 and 110 omitted by Finance (Supplementary) Act, 2022.

⁸⁵⁸ Serial No. 111, expression "White crystalline sugar" omitted through Finance Act, 2016.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	Packs 7. 859[Optical Coherence Technology (OCT) System 8. OCT Catheters 9. Intravascular Ultrasound (IVUS) 10. Fractional Flow Reserve (FFR/IFR) System 11. IVUS/FFR/IFR Catheters and wires 12. Support Micro Catheters (Straight and Angled) 13. Drug Coated Angioplasty Balloon 14. Coronary and Peripheral Micro Coils 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 Snare 23. Atherectomy Devices 24. IABP Consoles & Catheters 25. Intracardiac	

⁸⁵⁹ New sub-serial No(s) 7 to.25 under entry A of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.



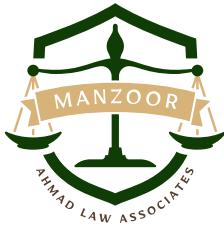
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>Echocardiography Machine & Catheters]</p> <p>B. ANGIOGRAPHY</p> <p>PRODUCTS</p> <ul style="list-style-type: none">1. Angiography Catheters2. Sheaths3. Guide Wires4. Contrast Lines5. Pressure Lines6. Mannifolds <p>7 860.[Wrist Bands for Radial Vessel Closure]</p> <p>C. CONTRAST MEDIA</p> <p>FOR</p> <p>ANGIOGRAPHY/ANGI OPLASTY</p> <ul style="list-style-type: none">1. Angiography Accessories2. ASD Closure Devices3. ASD Delivery Systems4. VSD Closure Devices5. VSD Delivery System6. Guide Wires7. Sizing Balloons8. Sizing Plates9. PDA Closure Devices10. PDA Delivery System <p>D. TEMPORARY</p>	

⁸⁶⁰ New sub-serial No. 7 under entry B of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.



Serial No (1)	Description (2)	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) (3)
	<p>PACEMAKERS (with leads, connectors and accessories)</p> <p>E. PERMANENT PACEMAKER. (with leads, connectors and accessories)</p> <p>F. HEART FAILURE DEVICES (with leads, connectors and accessories)</p> <p>G. IMPLANTABLE CARDIOVERTES (with leads, connectors and accessories)</p> <p>H. CARDIAC ELECTRO-PHYSIOLOGY PRODUCTS</p> <p>1. Electrophysiology catheters 2. Electrophysiology cables 3. Electrophysiology connectors 861 4.[Excimer Laser System with Accessories]</p>	

⁸⁶¹ New sub-serial No(s) 4 to 11 under entry H of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.



Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>5. Laser Sheath, Occlusion Balloons, Dilator Sheaths (Rotation & Manual)</p> <p>6. Intra Cardiac Echocardiography (ICE) System and Accessories</p> <p>7. Lead Locking Devices and Accessory Kit</p> <p>8. Remote EP Monitoring Device and Accessories</p> <p>9. Ablation catheters</p> <p>10. 3-D Cardiac Mapping System</p> <p>11. Cryoballoon System and Accessories]</p> <p>I. LEAR CARDIOLOGY PRODUCTS</p> <p>1. Radioactive isotopes</p> <p>I. Cold kits (cardiolotic MAA, DTPA etc.)</p> <p>J. CARDIAC SURGERY PRODUCTS</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>	



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>6. [High-Flow, Low-Profile Percutaneous Heart Pump PHP Console and Catheters 7. Tandem Heart / Tandem Lung and Accessories 8. Ventricular Assist Device System (a) Heart Mate-II (b) Heart Mate-III (c) Centri Meg LEOV 9. Beating Heart Surgery stabilizers & Coronary Shunts 10. Minimally invasive surgery equipment & Instruments 11. RF Ablation equipment for AF (Surgical) 12. Heart Lung Machines]</p> <p>K. EQUIPMENT</p> <p>1. Cardiac Angiography Machine 2. Echocardiography Machines 3. ETT Machines 4. Gamma Camera for Nuclear Cardiology</p>	

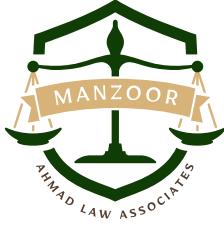
⁸⁶² New sub-serial No(s) 6 to 12 under entry J of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>Studies</p> <p>5. 863[Left Ventricular Assist Device / System (LVAD) and Catheters</p> <p>6. MitraClip Transcatheter Mitral Valve System</p> <p>7. MitraClip Guide Catheter, Clip and Delivery System</p> <p>8. Patent Foramen Ovale (PFO) Closure Device</p> <p>9. Left Atrial Appendage (LAA) Occluder</p> <p>10. Transcatheter Aortic / Heart Valve System (TAVI/TAVR)</p> <p>11. Cerebral Retrievable Stents</p> <p>12. Aortic Stent Grafts</p> <p>13. Embolization Coils, Delivery System, Filling Coil</p> <p>14. Abdominal Aortic Aneurysm (EVAR) System and Accessories/ thoracic EVAR/ 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,</p>	

⁸⁶³ New sub-serial No(s) 5 to 18 under entry K of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>Anesthesia Machine with Accessories]</p> <p>L. PERIPHERAL INTERVENTIONS EQUIPMENT</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 adapters⁸⁶⁴ [“Drug Eluting Peripheral Stents”].</p>	
865 [113.	***] omitted	
[114.	***] omitted	
866 [115.	***]	
[116.	***] omitted	[.....]
[117.	***] omitted	[.....]
867	[omitted]	[.....]
118.	⁸⁶⁸ [.....] omitted	⁸⁶⁹ [Respective headings]
119.		
120.	Diagnostic kits or equipment, namely:-	

⁸⁶⁴ Words “Drug Eluting Peripheral Stents” under entry L of S.No. 112 added by Finance Supplementary (Amendment) Act, 2018.

⁸⁶ Serial number(s) 113, 114, 116, and 117 omitted by Finance (Supplementary) Act, 2022.

⁵ Serial number 115 omitted by Finance Act, 2021.

⁸⁶ S.No. 118 omitted by Finance Supplementary (Second Amendment) Act, 2019

⁸⁶ Serial No. 119, expression “Tubular day..” omitted through Finance Act, 2016.

⁸⁶⁹ Words substituted by Finance Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	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 Detektiiion 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 kit) Urea uv kit	



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	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 for collection of platelets	



Sales Tax Act, 1990

Serial No (1)	Description Heading Nos. of the of 1969) (2) (3)	First Schedule to the Customs Act, 1969 (IV)
	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. ⁸⁷⁰ [Explanation.– For removal of doubt, it is clarified that the blood transfusion sets not packed in aluminum foil imported with blood bags CPDA-1, in corresponding quantity in same consignment are also exempt]	Respective headings
122.	Urine drainage bags	Respective headings
⁸⁷¹ [123.	***]	
[124.	***]	
[125.	***]	
⁸⁷² [126.	***] omitted	
127.	***] omitted	
⁸⁷³ [128.	***]	

⁸⁷⁰ Explanation added by Finance Act, 2023

⁸⁷¹ Serial numbers 123 to 125 omitted by Finance Act, 2021.

¹ Serial number(s) 126, 127 and 129 omitted by Finance (Supplementary) Act, 2022.

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Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
129.	***] omitted	
⁸⁷⁴ [130.	***] omitted	
[131.	***] omitted	
[132.	***] omitted	38.08
133.	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:- Xylol (xylenes)	
	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
⁸⁷⁵ [...]		³ [...]
⁸⁷⁶ [...]		⁴ [...]
	Methanol (methyl alcohol)	2905.1100
	Propylene glycol (propane-1, 2-diol)	2905.3200
	- Adhesives Polyvinyl Acetate	2905.4900
	- Polyvinyl Alcohol	
	Ingredients for pesticides	2906.2910
	Other ingredients for pesticides	2906.2990

⁸⁵ Serial number 128 omitted by Finance Act, 2021.

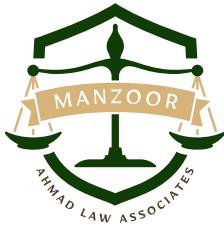
³ Serial number(s) 130 to 132 omitted by Finance (Supplementary) Act, 2022.

⁸⁷ The words "ingredients for pesticides" and the figure "2903.3040" omitted by Finance Act, 2017

⁵ The words "Cadusafos Technical Material" and figure "2903.6900" omitted by Finance Act, 2017

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Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	- Solvenon MP / 1-Methoxy 2-Propanol - Methylglycol Acetate	2909.4910
	Methanal (formaldehyde) Cyclohexanone and methyl- cyclohexanones	2912.110 0 2914.220
	- Cyclohexanon - Cyclohexanone Mixed petroleum Xylene (1,2 & 1,3 & 1,4 dimethyl benzene and ethyle benzene)	0 2914.299
	Acetic anhydride	0
	Ingredients for pesticides	2915.240
	Diocetyl orthophthalates	0
877		2916.392
[..]		0
878		2917.320
[..]		0
879		1 [..]
[..]	Endosulfan Technical Material	2 [..]
	Other ingredients for pesticides	3 [..]
	Diethylamine and its salts	[..]
	Ingredients for pesticides	2920.902
	Other Ingredients for pesticides	
	Ingredients for pesticides	0
880		2920.909
[..]		0
	Dimethyl Formamide (DMF)	2921.120
881		
[..]	Other Ingredients for pesticides	0
	Alpha cyano, 3-phenoxybenzyl (-) cis, trans 3-(2,2-dichloroethyl)benzoic acid	2921.431
		2921.439

⁸⁷ The words "ingredients for pesticides" and the figure "2918.9010" omitted by Finance Act, 2017

⁸⁷ The words "ingredients for pesticides" and the figure "2919.0010" omitted by Finance Act, 2017

⁸⁷ The words "other ingredients for pesticides" and the figure "2919.0090" omitted by Finance Act, 2017

⁸ The words "Tiethanolamine and its salts" and the figure "2922.1300" omitted by Finance Act, 2017

⁸⁷ The words "ingredients for pesticides" and the figure "2924.2930" omitted by Finance Act, 2017

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0
2921.511

1 [..]
2924.199

0
2 [..]
2924.299

0
2926.901



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	vinyl) 2,2 dimethyl cyclopropane carboxylate	
	(S) Alpha cyano, 3-phenoxybenzyl (S)-2-(4, chloro phenyl)-3 methyl 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 Cylathrin, Deltamethrin, Fenpropathrin, Esfenvalerate, Bifenthrin Technical Material- Acetamiprid, Imidacloprid Technical Material- Monomehypo, Chlorothalonil Technical Material- Bromoxynil Technical Material Other nitrite compounds-	2926.9050
	Cyfluthrin, Beta Cyfluthrin Technical Material	2926.9090
	2-N,N-Dimethylamino-I sodium thiosulphate, 3-thiosulfourropane Ingredients for pesticides	2930.2010
	2-N,N-dimethylamino 1,3 disodium thiosulphate propane	2930.2020
	Other organosulphur	2930.9010
		⁸⁸² [Respective headings]

⁸⁸² For expression, words "respective headings" substituted by Finance Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	compounds - Ethion, Methamidophos Technical Material - Dimethylsulfoxid	
	Ingredients for pesticides	⁸⁸ [Respective headings]
	Other Ingredients for pesticides	³ [Respective headings]
	Ingredients for pesticides	⁸⁸ [Respective headings]
	2,3 Dihydro 2-2 dimethyl-7 benzo furanyl methyl-carbamate	⁴ 2932.9910 ⁸⁸
	Other ingredients for pesticides - Carbosulfan Technical Material Fipronil	⁵ 2932.9990
	Ingredients for pesticides	2933.1900
	Other Ingredients for pesticides - Chlorpyrifos, Triazophos,	⁸⁸ [Respective headings]
	Diazinon Technical Material	2933.3990
	Other Ingredients for pesticides	2933.5950
	Pyrimethanine	2933.5990
	Ingredients for pesticides	2933.6910
	- Atrazine Technical Material	2933.6940
	Isatin (lactam of istic acid) 1-	2933.6990
	Vinyl-2-pyrrol-idone	2933.7910
	- Triazophos Technical Material	2933.7920
	Ingredients for pesticides	2933.7920
	Ingredients for pesticides	2933.9910
	-Methyl benzimidazol - 2 - ylcarbamate.	2934.1010 2934.9920 2938.9010

⁸⁸ For expression, words "respective headings" substituted by Finance Act, 2022.

³ For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁸ For expression, words "respective headings" substituted by Finance Act, 2022.

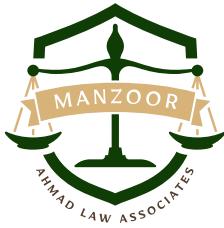
⁴ For expression, words "respective headings" substituted by Finance Act, 2022.

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Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	-Dicopper chloride trihydroxide	
	Ingredients for pesticides	⁸⁸⁷ [2939.8010]
	- Abamectin, Emamectin	⁸⁸⁸
	Technical Material	[Respective headings]
	Other Ingredients for pesticides	2941.9090
	Sulphonic acid (Soft)	
	Other surface active agents	⁸⁸⁹ [Respective headings]
	Cationic	⁸⁹⁰
	Non ionic surface active agents	[Respective headings]
	Other organic surface active agents	⁸⁹¹ [Respective headings]
	Chemical preparations	⁸⁹² [Respective headings]
	Solvent C-9	⁸⁹³ [Respective headings]
	⁸⁹⁵ White spirit	3402.9000
	Solvent oil	⁸⁹⁴ [3824.9999]
⁸⁹⁶ [134.	***] omitted	2707.5000
[135.	***] omitted	2710.1240
[136.	***] omitted	2710.1250]
⁸⁹⁷ [137.	Paper weighing 60 g/m ² , art paper, printing paper and art card for printing of Holy Quran imported by Federal or Provincial Governments and Nashiran-e-Quran as per quota determined by IOCO	4802.5510, 4810.1990, 4810.1910, 4802.6990 and 4810.2900.]

⁸⁸⁷ Substituted for the figure "2939.9910" by Finance Act, 2017

⁸⁸⁸ For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁸⁹ For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁹⁰ For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁹¹ For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁹² For expression, words "respective headings" substituted by Finance Act, 2022.

⁸⁹³ Substituted for the figure "3824.9099" by Finance Act, 2017

⁸⁹⁴ New entries inserted by Finance Act, 2021.

⁸⁹⁵ Serial number(s) 134 to 136 omitted by Finance (Supplementary) Act, 2022.

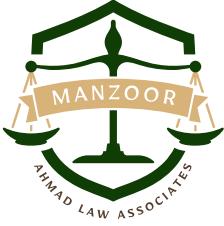
⁸⁹⁶ S.No. 137 and entries relating thereto substituted by Finance Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
[138.]	***] omitted	
[139.]	***] omitted	
[140.]	***] omitted	
[141.]	***] omitted	
[142.]	***] omitted	
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 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)	Respective heading

⁸⁹⁸ Serial number(s) 138 to 142 omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>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 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</p>	



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
(v)	<p>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>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 System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf</p>	



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>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 the FBR in terms of para (vi) above,</p>	



Sales Tax Act, 1990

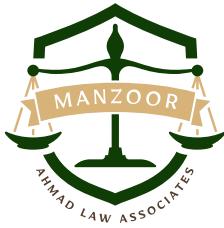
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>the same shall be subject to payment of statutory rates of sales tax as were applicable at the time of import;</p> <p>(viii) notwithstanding the condition at para (vi) and (vii) above, equipment 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</p> <p>(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</p>	



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	the date of clearance of goods in addition to any other penal action under relevant provisions of the law.	
⁸⁹⁹ [146.]	***] omitted	
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	Respective heading

⁸⁹⁹ Serial number 146 omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	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;	
⁹⁰⁰ [149.	***] omitted	
[150]	***] omitted	
⁹⁰¹ [151.	(a) Supplies; and (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,— ⁹⁰² as made till [30th June, 2024], to which the provisions of the Act or the notifications issued thereunder, would have not applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018): Provided that, in case of imports, the same shall be allowed clearance by the	Respective heading

⁹⁰⁰ Serial number 149 and 150 omitted by Finance (Supplementary) Act, 2022.

⁹⁰¹ New serial numbers 151, 152 and 153 and entries relating thereto in column (2) and (3) inserted through Finance Act, 2019.

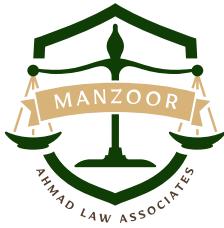
⁹⁰² Expression substituted by Finance Act, 2023



Sales Tax Act, 1990

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
	<p>Customs authorities on presentation of a post-dated 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.	<p>Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till ⁹⁰³ [30th June, 2024], to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or</p>	2716.0000

⁹⁰³ Expression substituted by Finance Act, 2023



Serial No	Description Heading Nos. of the of 1969)	First Schedule to the Customs Act, 1969 (IV)
(1)	(2) (3)	
	cooking oil industries	
904[153.	****]	
905[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 heading
90 [155.	****] omitted	
6 [156.	Import of CKD kits by local manufacturers of following Electric Vehicles:-	Respective heading]
90	(i) Road Tractors for semi-trailers (Electric Prime Movers)	
7	(ii) Electric Buses	
	(iii) Three Wheeler Electric Rickshaw	
	(iv) Three Wheeler Electric Loader	
	(v) Electric Trucks	
	(vi) Electric Motorcycle	
908[157.	Import of CKD (in kit form) of following electric vehicles (4	Respective headings

⁹⁰ Serial number 153 omitted by Finance Act, 2021.

⁴ New serial numbers 154 to 156 inserted by Finance Act, 2020.

⁹⁰ Serial number 155 omitted by Finance (Supplementary) Act, 2022.

⁵ Serial number 156 substituted by Finance (Supplementary) Act, 2022.

⁹⁰ New serial numbers 157 to 162 inserted by Finance Act, 2021.

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Sales Tax Act, 1990

	wheelers) by local th manufacturers till 30 June, 2026: (i) Small cars/SUVs with 50 Kwh battery or below; and (ii) Light commercial vehicles (LCVs) with 150 kwh battery or below	
⁹⁰ [158.	***] omitted	
⁹ [159.	***] omitted	
⁹¹ [160.	***] omitted	
⁰ 161. ⁹¹ ⁰	Import of plant, machinery, equipment and raw materials for consumption of these items within Special Technology Zone by the Special Technology Zone Authority, zone developers and zone enterprises	Respective headings
162.	Import of raw materials, components, parts and plant and machinery by registered persons authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions.	Respective headings]
⁹¹¹ [163.	Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under	99.01, 99.02, 99.03 and 99.06

⁹⁰ Serial number 158 omitted by Finance (Supplementary) Act, 2022.

⁹ **Serial numbers 159 & 160 omitted by Finance Act, 2023**

⁹¹¹ New serial number(s) 163 to 174 added by Finance Act, 2022.

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Sales Tax Act, 1990

	various Acts and, Orders, rules and 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 therein. Provided further that exemption under this serial shall be available with effect th from the 15 day of January, 2022.	
164.	Photovoltaic cells whether or not assembled in modules or made up into panels	8541.4200 and 8541.4300
165.	Goods imported by or donated to hospitals run by the non-profit making 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 and 99.14,
166.	Goods excluding electricity and natural gas supplied to hospitals run by the charitable hospitals of fifty beds or more.	Respective headings
167.	Goods temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to the	99.19, 99.20 and 99.21



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	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).	
168.	⁹¹² Fertilizers [excluding DAP] Respective headings	
169.	Oil cake and other solid 2306.1000 residues	
170.	Tractor 8701.9220 and 8701.9320	
171.	Seeds for sowing Respective heading	
172.	Machinery, equipment and Respective headings 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 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 mutatis mutandis, apply.	
173.	Goods produced or Respective headings manufactured in and exported from Pakistan which are subsequently imported in	

⁹¹² Words added by Finance Act, 2023



Sales Tax Act, 1990

	Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969), are complied with.	
174.	Machinery and equipment as listed at serial number 32 of the Table of Part-I of Fifth Schedule to the Customs Act, 1969 (IV of 1969), subject to the conditions, limitations and restrictions specified thereunder.	Respective headings.]



Sales Tax Act, 1990

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[Annex-I] [See serial No. 100A & 100B]

Header Information													
NTN/FTN of Importer Approval No.													
(1) (2)													
Details of materials and equipments (to be filled in by the Goods imported (Collectorate of authorized officer of the Ministry of Ports and Shipping) import)													
HS code	Description	Specs	Customs duty rate (applicable)	Rate of sales tax	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)		

Header Information													
NTN/FTN of Importer Approval No.													
(1) (2)													
Details of materials and equipments (to be filled in by the Goods imported (Collectorate of authorized officer of the import) Ministry of Ports and Shipping)													
HS code	Description	Specs	Customs duty rate (applicable)	Rate of sales tax	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)		

NOTE 1.– Before certifying, the authorized officer of the Ministry of Ports and Shipping shall ensure that the goods are genuine and bona fide 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).

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Annexure-I inserted through Finance Act, 2016.



[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

⁹¹⁴ New Annexures A, B, C & D inserted by Finance Act, 2018.



Sales Tax Act, 1990

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	Quantity/UOM	L/C No. IGM No. Remarks, if and or bank Date & any.
specifications.	contract Index No.				
No. and					
B/L.					

(1) (2) (3) (4) (5)



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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



Sales Tax Act, 1990

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)



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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 No. and B/L.	Quantity/UOM specifications.	L/C No. or contract Index No.	IGM No.	Remarks, if and bank Date & 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: _____ "]



**Table-2
(Local Supplies only)**

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
915[1.	***] omitted	
[2.	***] omitted	
916[3.	917 [Supplies made by Respective headings.]	
[4.	cottage industry.]	
918[5.	***]	
6.	Supply of fixed assets Respective headings. 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.	
9197.	920*, vermicillies, Respective heading] 921 [***], sheer mal, bun and rusk excluding those sold in 922 bakeries, [***] and sweet shops falling in the category	
08.	of Tier-1 retailers. Foodstuff cooked or Respective headings. prepared in-house and served in messes run on the basis of mutuality and industrial canteens for	

⁹¹⁵ Serial number(s) 1, 2 and 4 omitted by Finance (Supplementary) Act, 2022.

⁹¹ S. No. 3 substituted by the Finance Act, 2007

⁹² Substituted by the Finance Act, 2014

⁹³ S. No. 5 omitted by the Finance Act, 2011

⁹¹⁹ Serial number 7 substituted by Finance (Supplementary) Act, 2022.

⁹²⁰ Expressions omitted by Finance Act, 2022.

⁹² Expressions omitted by Finance Act, 2022.

¹ Expressions omitted by Finance Act, 2022.

⁹²

²



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Serial No	Description	Heading Nos. of the First Schedule to the Customs
Act, 1969 (IV of 1969)		
(1)	(2)(3)	
	workers.	
[9.	****] omitted	
10.	Agricultural produce of Respective headings. Pakistan, not subjected to any further process of manufacture. ****]	
923 [11.	****]	
924 [12.	****]	
925,926 [13.	****]	
2 [14.	****] omitted	
927 [15.	****] omitted	
[16.	****]	
928 [17.	****]	
18.	****]	
19.	****]	
20.	Poultry feed, cattle feed, 2306.3000, 2306.4900 and	
3 [21.	sunflower seed meal, rape respective headings] seed meal and canola seed meal ****] omitted	
929 [22.	****] omitted	
[23.	****]	
[24.	****]	
[25.	Supply of locally produced Respective heading	
930 [26.	silos till 30.06.2026	

⁹²³ S. No. 11 omitted by the Finance Act, 2022.

⁹² S. No. 12 omitted by the Finance Act, 2013

⁴ S. Nos. 13 to 16 added by the Finance Act, 2014

⁹² S. No. 13 & 14 omitted by the Finance Act, 2015

⁹²⁷ Serial number(s) 9, 15 and 16 omitted by Finance (Supplementary) Act, 2022.

⁹²⁸ S. Nos. 17 to 20 and 24, 25 omitted by Finance Act, 2021.

⁹² Serial number(s) 22, 23 and 33 omitted by Finance (Supplementary) Act, 2022.

⁹ New serial numbers 26 to 39 inserted by Finance Act, 2021.

⁹³



Sales Tax Act, 1990

27.	Wheat Bran [This ⁹³¹ exemption shall apply from the 1st day of July, 2018]	
28.	Sugar beet 1212.9100	
29.	Fruit juices, whether fresh, 2009.1100, 2009.1200, frozen or otherwise preserved 2009.1900, 2009.2100, but excluding those bottled, 2009.2900, 2009.3100, canned or packaged. 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, and 2009.9000	
30.	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	04.02
31.	Flavored milk, excluding that sold in retail packing under a brand name	0402.9900
32.	⁹³² Yogurt, excluding that sold [Respective heading] ⁹³² [***] under a brand name	
[33.]	[***] omitted	
34.	Butter, excluding that sold ⁹³² [***] under a brand name	0405.1000
35.	Desi ghee, excluding that sold ⁹³² [***] under a brand name	0405.9000
36.	Cheese, excluding that sold ⁹³² [***] under a brand name	0406.1010
37.	Processed cheese not grated or powdered, excluding that ⁹³² [***] under a brand name	0406.3000
[38.]	sold [***] under a brand name ⁹³⁴ [***] omitted	

⁹³¹Expression added by Finance Act, 2023

⁹³²Under serial number(s) 32 and 34 to 37 words omitted by Finance Act, 2023

⁹³³Words substituted by Finance Act, 2022.

⁹³⁴Serial number 38 omitted by Finance (Supplementary) Act, 2022.



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39.	Products of meat or meat 1602.3200, 1602.3900, ⁹³⁵ offal excluding sold [***] 1602.5000, 1604.1100, under a brand name or 1604.1200, 1604.1300, trademark 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020 and 1604.2090]	
⁹³⁶ 40	Live Animals and live poultry Respective headings	
41	Meat of bovine animals, Respective headings sheep, goat and uncooked poultry meat excluding those ⁹³⁵ sold [***] under a brand name	
42	Fish and crustaceans Respective headings ⁹³⁵ excluding those sold [***]	
43	under a brand name Live plants including bulbs, 0601.1010, 0601.1090, roots and the like 0601.2000, 0602.1000, 0602.2000, 0602.3000, 0602.4000, 0602.9010 and 0602.9090	
44	Cereals other than rice, Respective headings wheat, wheat and meslin flour	
⁹³⁷ 45	Edible vegetables including Respective heading] roots and tubers whether fresh, frozen or otherwise reserved (e.g. in cold storage) but excluding those bottled or canned.	
46	Edible fruits Respective headings	
47	Sugar cane 1212.9300	
48	Eggs including eggs for hatching 0407.1100, 0407.1900 hatching 0407.2100 and	

⁹³ Under serial number(s) 39, 41 and 42 words omitted by Finance Act, 2023

⁵ Serial number(s) 40 to 51 inserted by Finance (Supplementary) Act, 2022.

⁹³ Serial number 45 substituted by Finance Act, 2022.



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0407.2900		
49 Compost (non-commercial Respective headings fertilizer)		
50 Locally manufactured 8471.3010 and laptops, computers, 8471.3020 notebooks whether or not incorporating multimedia kit and personal computers		
51. Newspaper Respective headings		
⁹³⁸ [52. Raw hides and skins Respective headings 53. Prepared food or foodstuff Respective heading supplied by Restaurants and caterers		
54. All types of breads, nans and Respective headings.] chapattis		
⁹³⁹ [55. Single cylinder agriculture Respective headings.] diesel engines (compression ignition internal combustion piston engines) of 3 to 36 HP.		

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 the Schedule Pakistan Customs Tariff 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.

⁹³⁸ New serial number(s) 52 to 54 added by Finance Act, 2022.

⁹³⁹ New serial number 55 added by Tax Laws (Second Amendment) Ordinance, 2022.



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.

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[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:-

Board.

941

(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, 14, [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 *bona fide* 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

⁹⁴⁰ Inserted by Finance Act, 2014
⁹⁴¹ The figure and words inserted through Finance Act, 2017



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.

942

[ANNEXURE]

S. No	Description	PCT heading	Conditions
(1)	(2)	(3)	(4)
943 [1.]	***] omitted		
2 & 2A	***] omitted		
3.	***] omitted		

⁹⁴²
Inserted by Finance Act, 2014.
⁹⁴³

Serial number(s) 1 to 9 and 11 omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

S. No	Description	PCT heading	Conditions
(1)	(2)	(3)	(4)
4.	***] omitted		
5.	***] omitted		
6.	***] omitted		
7.			
8.	***] omitted		
9.	***] omitted		
944	***] omitted	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
10.	***] omitted		
11.			
12.	***] omitted]		
	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 area of 30 km around the zero point in Gwadar.		are bona fide 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.

⁹⁴⁴ Serial number 10 omitted by Finance Act, 2015.



Sales Tax Act, 1990

S. No	Description	PCT heading	Conditions
(1)	(2)	(3)	(4)
945 [13]	***] omitted		
.	***] omitted		
14.	***] omitted		
14A	***] omitted		
[15& 15A]	***] omitted		
15B.	***] omitted		
946 [16]	***]		
17.	***] omitted		
18.	The following parts for assembling and manufacturing of personal computers and laptops: (i) Bare PCBs (ii) Power Amplifier (iii) Microprocessor/ Controllers (iv) Equipment for SMT Manufacturing (v) Laptop batteries (vi) Adapters (vii) Cooling fans (viii) Heat sink (ix) Hard Disk SSD (x) RAM/ROMS (xi) System on Chip/FPGA- IC (xii) LCD / LED Screen (xiii) Motherboards (xiv) power supply (xv) Optical Drives (xvi) External Ports (xvii) Network cards (xviii) Graphic cards (xix) wireless cards (xx) micro phone (xxi) Trackpad	8534.0000 8542.3300 85.42 8486.2000 8506.5000 8504.4020 8414.5190 7616.9920 8471.7020 8471.7060 and 8471.7090 85.42 8528.7211 8534.0000 84.73 8471.7040 8536.2090 8517.6990 8471.5000 8517.6970 8518.3000 8471.6020	If imported by manufacturers and assemblers of computers and laptops, registered with and certified by Engineering Development Board in accordance with quota determined by IOCO

⁹⁴⁵ Serial number(s) 13 to 15B and 17 omitted by Finance (Supplementary) Act, 2022.

⁹⁴⁶ S.No. 16 and entries relating thereto omitted by Finance Act, 2015



Sales Tax Act, 1990

19.	Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) 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.	9917(2)	Nil]
⁹⁴⁷ [20]	Plant and machinery for the assembly/ manufacturing of electric vehicles	Respective heading	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 vehicles specific plant and machinery, duly approved/ certified and determined by the Engineering Development Board (EDB).]
⁹⁴⁸ [21]	***] omitted		
⁹⁴⁹ [22]	1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of	Respective Headings	(i) This concession shall also be available to primary contractors of the project upon fulfilment of the following

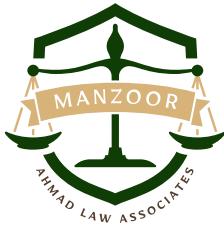
⁹⁴⁷ New serial number 20 inserted by Finance Act, 2020.

⁹⁴⁸ Serial number 21 omitted by Finance (Supplementary) Act, 2022.

⁹⁴⁹ New serial number 22 inserted by Finance Act, 2022.



<p>projects for power generation through hydel, oil, gas, coal, nuclear and renewable energy sources including under construction projects entered into an implementation agreement with the Government of Pakistan prior to th 15 day of January, 2022.</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>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 format as per Annex-A that the imported goods are the projects bona fide 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</p>
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Sales Tax Act, 1990

			payable along with an undertaking to pay the sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.]
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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 the chief Goods imported (Collectorate of import) executive of the importing company)										
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. _____

⁹⁵⁰ Annex-A substituted by Finance Act, 2022.



Sales Tax Act, 1990

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. Director, in case of private limited company; or
4. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
5. 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 the authorized officer of the 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 *bona fide* requirement of the project and that the same are not manufactured locally.

Signature _____

951
Inserted by the Finance Act, 2014



Designation _____

NOTE:- *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

⁹⁵²

[Table-4]

The goods specified in column (2) of the Annexure below falling under the PCT codes specified in column (3) of the said Annexure, when supplied within the limits of the Border Sustenance Markets, established in cooperation with Iran and Afghanistan, shall be exempted from the whole of the sales tax, subject to the following conditions, namely:—

- (i) Such goods shall be supplied only within the limits of Border Sustenance Markets established in cooperation with Iran and Afghanistan;
- (ii) If the goods, on which exemption under this Table has been availed, are brought outside the limits of such markets, sales tax shall be charged on the value assessed on the goods declaration import or the fair market value, whichever is higher;
- (iii) Such items in case of import, shall be allowed clearance by the Customs Authorities subject to furnishing of bank guarantee equal to the amount of sales tax involved and the same shall be released after presentation of consumption certificate issued by the Commissioner Inland Revenue having jurisdiction;
- (iv) The said exemption shall only be available to a person upon furnishing proof of having a functional business premises located within limits of the Border Sustenance Markets; and
- (v) Breach of any of the conditions specified herein shall attract relevant legal provisions of this Act, besides recovery of the amount of sales tax alongwith default surcharge and penalties involved.

⁹⁵² Table-4 added by Finance Act, 2021.

**Annexure**

S.No	Description	Heading Nos of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
12	Seed (Potatoes)	0701.1000
3	Tomatoes, fresh or chilled	0702.0000
4 5	Onions and shallots	0703.1000
6	Garlic	0703.2000
7	Cauliflowers cabbage	0704.9000
	Carrots and turnips	0706.1000
8	Cucumbers and gherkins fresh or chilled	0707.0000
9	Peas (<i>pisum sativum</i>)	0708.1000
10	Beans (<i>vigna spp.</i> , <i>phaseolus spp.</i>)	0708.2000
11	other leguminous vegetables	0708.9000
12	Peas (<i>Pisum sativum</i>)	0713.1000
13	Grams (Dry/Whole)	0713.2010
14	Dried leguminous vegetables	0713.2090, 0713.9090
	Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek	0713.3100
15	Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>)	0713.320
16	Kidney beans including white beans	0
17	Bambara - <i>vigna subteranea</i> or <i>vaahdzeia subterrea</i>	0713.330
18	Beans <i>vigna unguiculata</i>	
19	Other	0
20	Lentils (Dry/Whole)	0713.340

0713.350

0

0713.399



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21	Broad beans (Vicia faba var. major) and horse beans (Vicia faba var. equina, Vicia faba var. minor) Pigeon peas (cajanus cajan)	0713.5000 0713.600
23	Vanilla (Neither crushed nor ground)	0 0905.100
24	Cinnamon	0
25	Other (Cinnamon And Cinnamon Tree Flowers)	0906.110
26	Neither crushed nor ground (Cloves)	0
27	Crushed or ground (Cloves)	0906.190
28	Neither Crushed nor ground (Nutmeg)	0 0907.100
29	Crushed or ground (Nutmeg)	0
31	Neither crushed nor ground (Maze)	0
32	Crushed or ground (Maze)	0907.200
33	Large (Cardammoms)	0
34	Small (Cardammoms)	0
35	Crushed or ground (Cardammoms)	0908.110
36	Neither crushed nor ground (Coriander)	0908.120
37	Crushed or ground (Coriander)	0
38	Neither crushed nor ground (Seeds of Cumins)	0 0908.210
39	Crushed or ground (Seeds of Cumins)	0908.220
	Neither crushed nor ground (Seeds of Anise, Badian, Caraway, Fennel etc)	0 0908.311
40	Crushed or ground (Seeds of Anise, Badian, Caraway, Fennel etc)	0908.3100
	Thyme; bay leaves	0
41	Barley (Seeds)	0910.9910 0908.320
42	Sunflower seeds ,whether or not	1003.1000 0909.210
43		1003.9000 1206.0000 0

0909.220

0

0909.310

0909.320



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	broken	
44	Locust beans	1212.920
45	Cereal straws and husks	0
46	Knives and cutting blades for paper and paper board	1213.000 0
47	Of a fat content, by weight, not exceeding 1 % (milk and cream)	8208.901 0
48	Of a fat content, by weight, exceeding 1 % but not exceeding 6 % (milk and cream)	0401.100
49	Of a fat content, by weight, exceeding 6 % but not exceeding 10% (Milk and Cream)	0401.4000 0401.200
50	Of a fat content, by weight, exceeding 10 % (Milk and Cream)	0401.5000 0
51	Leeks and other alliaceous vegetables	0703.9000
52	Cauliflowers and headed broccoli	0704.1000
53	Brussels sprouts	0704.2000
54	Cabbage lettuce (head lettuce)	0705.1100
55	Lettuce	0705.1900
56	Chicory	0705.2100
57	Fruits of the genus Capsicum or of the genus Pimenta	, 0705.2900
58	Figs	0709.6000
59	Fresh (grapes)	
60	Dried (Grapes)	0804.2000
61	Melons	0806.1000
62	Apples	0806.2000
63	Green Tea	, 0807.1100
64	Other Green Tea	0807.1900
65	Crushed or ground (Ginger)	0808.1000
66	Turmeric (curcuma)	0902.1000 0902.2000 0910.1200 0910.3000



Sales Tax Act, 1990

67	Other (spice)	0910.999
68	Lactose (Sugar)	0
69	Sugar Syrup	1702.111
70	Sugar Other	0
71	Caramel	1702.112
72	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya bean oil.	0 1702.190 0 1702.902
73	Other (animal feed)	2309.9000
74	For Sewing (Thread)	5204.2010
75	For embroidery (Thread)	0 5204.2020
76	Spades and shovels	8201.1000
77	Tools for masons, watchmakers, miners and hand tools nes	8205.5900
78	For kitchen appliances or for machines used by the food industry	8208.3000
79	Other kitchen appliances	8208.9090
80	Yogurt	[0403.2000]
81	Other (Potatoes)	953 0701.9000
82	Sweet corn	0710.4000
83	Mixtures of vegetables	0710.9000
84	Fresh (Dates)	0804.1010
85	Dried (Dates)	0804.1020
86	Apricots	0809.1000
87	Sour cherries (Prunus cerasus)	0809.2100
88	Other (Apricots)	0809.2900
89	Peaches, including nectarines	0809.3000
90	Plums and sloes	0809.4000

⁹⁵³ Expression substituted by Finance Act, 2022.



Sales Tax Act, 1990

91	Strawberries	0810.100
92	Kiwi Fruit	0
93	Neither crushed nor ground (Ginger)	0810.500
94	Wheat and Mestin(Other)	0
95	Wheat and Mestin (Other)	0910.110
96	Of Wheat (Flour)	0
97	Of Mestin	1001.190
98	Vermacetti	0
99	Other (Packed Cake)	0
100	Homogenised perparations	1001.990
101	Citrus Fruit	0
102	Other (jams)	1101.001
103	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap Preparations put up for retail sale	0 1101.002 1902.192 0
104	Other (washing preparations)	3403.000 0
105	Tableware and kitchenware of	2007.100
106	porcelain or china	0
107	Household articles nes & toilet articles of porcelain or china	3402.200 2007.910 0
108	Glassware for table or kitchen purposes (excl. glass having a linear c Glassware nes (other than that of	0 2007.990 6911.109 0 6911.900 3401.300
109	70.10 or 70.18) Spoons	7013.990 0
110	Tableware articles not in sets and	0
111	not plated with precious metal	7013.490
112	Bicycles and other cycles (including delivery tricycles), not motorised	8215.991
		0

8215.999
0

8712.000

0



Sales Tax Act, 1990

113	Vacuum flasks	9617.0010
114	Vacuum flasks/vacuum vessels complete w/cases; parts o/t glass inners (others)	9617.0020.]



**The
SEVENTH SCHEDULE**

[⁹⁵⁴*]

955

[The

EIGHTH 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)
⁹⁵ [1.]	****]			
⁶ [2.]	***]			
⁹⁵ [3.]	***]			
⁷ [4.]	***] omitted			
⁹⁵ [5.]	****]			
⁸ [6.]	***] omitted			
⁹⁵ [7.]	***] omitted			
⁹ [8.]	***] omitted			
9.	***] omitted			
10.	***] omitted			
11.	***] omitted			
12.	***] omitted			

⁹⁵⁴ The seventh schedule omitted by the Finance Act, 1997

⁹⁵⁵ The eighth schedule inserted by the Finance Act, 2014

⁹⁵⁶ Serial numbers 1 and 5 omitted by Finance Act, 2021.

⁹⁵⁷ Serial number 2 omitted by Finance Act, 2020.

⁹⁵⁸ S. No. 3 and entries relating thereto omitted by Finance Act, 2015

⁹⁵⁹ Serial number(s) 4 and 6 to 12 omitted by Finance (Supplementary) Act, 2022.



Sales Tax Act, 1990

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)
⁹⁶⁰ [13.]	[***] omitted			
[14.]	[***] omitted			
15.	[***] omitted			
16.	[***] omitted			
17.	[***] omitted			
⁹⁶ [18.]	[***]	6309.0000		
¹ [19.]	[***]			
⁹²⁰ [20.]	[***] omitted		5%	
⁹⁶ [21.]	[***]			
³ [22.]	[***]			
⁹²³ [23.]	Second hand and worn clothing or footwear [***]			
⁴				
⁹⁶⁵ [25.]	[***] omitted			
26.	[***] omitted			
27.	[***] omitted			
	[***] omitted			
28.	[***] omitted			
29.	[.....] omitted			
30.	[***] omitted			
⁹⁶⁶ [31.]	[.....] omitted			
	[***] omitted			
⁹⁶⁷ [32.]	[.....] omitted			
²				
⁹⁶⁸ [33.]				
34.				

[35]

⁹⁶⁰ to Serial number(s) 13 to 17, 20, 26 to 30 and 34 omitted by Finance (Supplementary) Act, 2022.

⁴² Serial number 18 and entries relating thereto is omitted through Finance Act, 2019.

⁹⁶²

⁶⁶³ Serial number 19 omitted by Finance Act, 2021.

⁹⁶⁴ Serial number 21 and entries relating thereto is omitted through Finance Act, 2019.

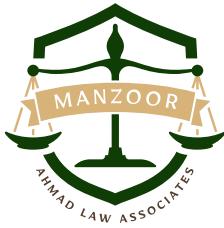
Serial number 22 omitted by Finance Act, 2021.

⁹⁶⁵ Serial number 25 omitted by Finance Act, 2022.

⁹⁶ Serial number 31 omitted through Finance Act, 2016.

⁶ Serial number 32 and entries relating thereto is omitted through Finance Act, 2019.

⁷



Sales Tax Act, 1990

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)
43.	Natural gas	Respective heading	⁹⁶⁹ [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
⁹⁷⁰ 45.	***] omitted			
46.	***] omitted			
47.	Locally produced coal	27.01	Rs. ⁹⁷¹ [700] per metric tonne or ⁹⁷² [18%] ad valorem, whichever	Nil
⁹⁷³ [48 & 49]	[.....]] omitted		is higher	
⁹⁷⁴ [50]	***]			
.	***]			
⁹⁷⁵ [51]	***]			Subject to same
⁹⁷⁵ [52]	***] The following		5%	limitations and conditions as are specified in Part-1 of Fifth Schedule to the Customs Act, 1969 for
53.	cinematographic equipment imported during the period commencing on the 1st day of July, 2018			

⁹⁶⁸ S.No(s) 33 & 35 to 42 omitted by Finance Act, 2018.

⁹⁶⁹ For the figure "10" the figure "5" substituted through Finance Act, 2018.

⁹⁷⁰ Serial number(s) 45 and 46 omitted by Finance (Supplementary) Act, 2022

⁹⁷¹ Expression substituted by Finance Act, 2022.

⁹⁷² Expression substituted by Finance (Supplementary) Act, 2023.

⁹⁷³ S.No(s) 48 & 49 omitted by Finance Act, 2018.

⁹⁷⁴ S.No(s) 50 to 51 omitted by Finance Act, 2021.

⁹⁷⁵ Serial number 52 omitted by Finance Act, 2022.



Sales Tax Act, 1990

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)
	and ending on the 30th day of June, 2023.			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	8518.2200		
	(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		
	(xii) Music Distribution System	8537.1090		
	(xiii) Seats	8519.8990		
	(xiv) Recliners	9401.7100		
	(xv) Wall Panels and metal profiles	9401.7900		
		7308.9090		



Sales Tax Act, 1990

S. No.	Description of 1969)	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV)	Rate of Sales Tax	Condition
(1)	(2) ⁹⁷⁶ (3)		(4)	(5)
	(xvi) Step Lights [Respective headings]			
	(xvii) Illuminated Signs	9405.6000		
	(xviii) Dry Walls	6809.1100	⁹⁷⁸	
⁹⁷⁷ 54.	(xix) Ready Gips	3214.9090	[18%] [***] omitted	Import and supply thereof. Provided that
55.			alongwith ⁹⁸⁰ rupees	
56.	Potassium Chlorate Respective (KCLO ₃) headings		⁹⁷⁹ [60] per kilogram	rate of rupees [60] per kilogram shall not apply on imports made by and supplies made to organizations under the control of Ministry of Defence Production. If imported by fertilizer manufacturers for use in the manufacturing of fertilizers.
57.	Rock phosphate	Respective headings	10%	Imports thereof and local supplies of such imported LPG.”.]
⁹⁸¹ [58]	LPG	2711.1910	10%	
59.	[***] omitted			
⁹⁸² [60]	[***] omitted			
61.	[***] omitted			
62.	[***] omitted			
63.	[***] omitted			
⁹⁸⁴ [64]	[***] omitted			
[65]	[***]			

⁹⁷⁶

Words substituted by Finance Act, 2022.

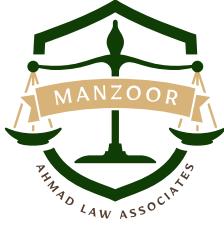
⁹⁷⁷ Serial number(s) 54, 55, 59 and 61 to 64 omitted by Finance (Supplementary) Act, 2022

⁷ Expression substituted by Finance (Supplementary) Act, 2023.

⁹⁷⁹ The figure substituted by Finance Act, 2022.

⁹⁸⁰ S.No. 58 added by Finance Supplementary (Amendment) Act, 2018.

⁹⁸¹ Serial number 60 “Fat filled Milk” omitted by Finance Act, 2022.



Sales Tax Act, 1990

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)
.				
66.	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	Respective Headings	⁹⁸⁴ [15%]	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"; and
⁹⁸⁵ [66 A]	[***] omitted			
66B	[***] omitted			
67.	[***]			
68.	[***] omitted			
69.	[***] omitted	Respective	1%	Local supplies only]
⁹⁸⁶ [70 .]	Fotlowing locally manufactured electric vehicles (i) Road Tractors for semi-trailers (Electric Prime Movers) (ii) Electric Buses (iii) Three Wheeler Electric Rickshaw (iv) Three Wheeler Electric	Heading		

⁹⁸³ Serial numbers 65 and 67 omitted by Finance Act, 2021.

⁹⁸⁴ The expression substituted by Finance Act, 2023

⁹⁸⁵ Serial number(s) 66A, 66B and 68, 69 omitted by Finance (Supplementary) Act, 2022

⁹⁸⁶ Serial number 70 substituted by Finance (Supplementary) Act, 2022



Sales Tax Act, 1990

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)
	Loader (v) Electric Trucks (vi) Electric Motorcycle			
⁹⁸⁷ [71]	Following locally manufactured or assembled electric vehicles (4 wheelers) till 30 th June, 2026: (i) Small cars/ SUVs with 50 Kwh battery or below; and (ii) Light commercial vehicles (LCVs) with 150 kwh battery or below	Respective heading	1%	If supplied locally
72.	Motorcars	87.03	12.5% upto [850cc] ⁹⁸⁸	Locally manufactured or assembled motorcars of cylinder capacity
⁹⁸⁹ [73]	Locally manufactured Hybrid electric vehicle: (a) Upto 1800 cc	87.03	8.5%.	

⁹⁸ New serial numbers 71 to 74 inserted by Finance Act, 2021.

⁷ Expression substituted by Finance (Supplementary) Act, 2022.

⁹⁸ Serial number 73 substituted by Finance (Supplementary) Act, 2022



Sales Tax Act, 1990

	(b) From 1801 cc 87.03 to 2500 cc	12.75%	
74.	Goods supplied Respective from tax-exempt headings areas of erstwhile FATA/PATA to the taxable areas	16%.]	
990 [75]	***]		
991 [76]	***] omitted		
992 [77]	personal computers 8471.3020 and Laptop and computers, 8471.3010 notebooks whether or not incorporating multimedia kit Supply of locally 71.13	5%	If imported in CBU condition
993 [78]	manufactured articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal.	3%	No input tax shall be adjusted
79.	Electric vehicle in 8703.8090 CBU condition of 50 kwh battery or below FV transport buses Respective of	12.5%	
80.	25 seats or more heading in CBU condition Substances Respective registered	1%	
994 [81.]	as drugs heading	1%	Subject to the conditions that:

⁹⁹ Serial number 75 omitted by Finance Act, 2022.

⁰ Serial number 76 omitted by Finance (Supplementary) Act, 2022

⁹⁹ New serial number 77 added by Finance (Supplementary) Act, 2022

¹ New serial number(s) 78 to 82 added by Finance Act, 2022

⁹⁹ Serial numbers 81 & 82 substituted by Finance Act, 2023

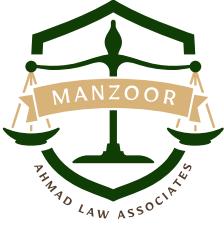
²

⁹⁹

³

⁹⁹

⁴



Sales Tax Act, 1990

	<p>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:- (a) filled infusion solution bags imported with or without infusion given sets; (b) scrubs, detergents and washing preparations; (c) soft soap or no soap; (d) adhesive plaster; (e) surgical tapes; (f) liquid paraffin; (g) disinfectants, and (h) cosmetics and toilet preparations. This substitution shall be deemed to have been made from the 1st day of July, 2022.</p> <p>Raw materials for Respective</p>			<p>(i) Tax charged and deposited by the manufacturer or importer, as the case may be, shall be final discharge of tax in the supply chain (ii) No input tax shall be adjusted in the supply chain.</p>
82.	the basic heading manufacture of pharmaceutical		1%	Subject to the conditions that: (i) DRAP shall certify item-wise



Sales Tax Act, 1990

active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to reduced rate as specified in column (4) which are liable to customs duty not exceeding eleven per cent ad valorem, either under the First Schedule or Fifth Schedule to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof. ⁹⁹⁵	requirement of manufacturers of drugs and APIs and in case of import shall furnish all relevant information to Pakistan Customs Computerized System; and (ii) No input tax shall be adjusted in the supply chain.]		
3 headings	[8DAP Respective	5%	Subject to the condition that no refund of excessive input tax, if any, shall be admissible.]

⁹⁹⁶ [Table-2 ***]

Annex-A

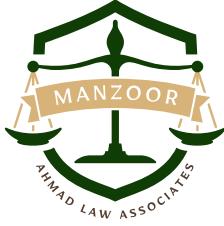
Header Information		
NTN/FTN of Importer	Regulatory authority no.	Name of Regulatory authority
(1) (2)		(3)

⁹⁹ New serial number added by Finance Act, 2023

⁵ Table -2 omitted by Finance (Supplementary) Act, 2022.

⁹⁹

6



Sales Tax Act, 1990

Details of Input goods (to be filled by the chief executive of the importing company)								Goods imported (Collectorate of import)				
HS Code (4)	Description (5)	Specs (6)	Custom Duty rate (applicable) (7)	Sales Tax rate (applicable) (8)	WHT (9)	Quantity (10)	UOM (11)	Quantity imported (12)	Collectorate (13)	CRN/Mach No. (14)	Date of CRN/Mach. No. (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 (1)	Approval No. (2)



Sales Tax Act, 1990

Details of Input goods (to be filled by the Goods imported authorized officer of the Regulatory (Collectorate of import) Authority)												
HS Code (3)	Description (4)	Specs (5)	Custom Duty rate (applicable) (6)	Sales Tax rate (applicable) (7)	WHT (8)	Quantity (9)	UOM (10)	Quantity imported (11)	Collectorate (12)	CRN/Mach. No. (13)	Date of CRN/Mach No. (14)	

CERTIFICATE. Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and *bona fide* 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.*



[The
NINTH SCHEDULE
[See sub-section (3B) of section 3]

998

[Table-I

Sales Tax on supply (payable at the time of supply by CMOs):

S. No. Description / Specification of Sales tax on supply Goods (payable at the time of supply by CMOs)	
(1) (2) (3)	
1. Subscriber Identification Rs. 250 Module (SIM) Cards	

999

[Provided that the provisions of Table-I shall not be applicable
st from 1 July, 2020 onwards.

Explanation.— For removal of doubt, it is clarified that the above amendment in law shall not prejudicially affect, the Board's stance or position in pending cases on the issue of chargeability of sales tax on SIM cards before any court of law.]

⁹⁹⁷ The Ninth Schedule added by the Finance Act, 2015.
⁹⁹ Table-I, Table-II and conditions substituted by Finance Act, 2020.

⁸ Proviso and Explanation to Table-1 inserted by Finance Act, 2021.

⁹⁹

⁹



Sales Tax Act, 1990

Table-II

Cellular mobile phones in CKD/CBU form:

S. No.	Description / Specification of Goods	Sales tax on Sales at the import in manufactured or registration condition	Sales tax on locally condition CBU	Sales tax on supply CBUs time of import CKD/SKD mobile phones in (IMEI number CBU condition in by CMOs) addition to tax under column (4)
(1)	(2)	(3)	(4)	(5)
1.	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 (excluding smart phones) B. Not exceeding US\$ 30 (smart phones) C. Exceeding US\$ 30 but not exceeding US\$ 100 D. Exceeding US\$ 100 but not exceeding US\$ 200 E. Exceeding US\$ 200 but not exceeding US\$ 350 F. Exceeding US\$ 350 but not exceeding US\$ 500 G. Exceeding US\$ 500			
		Rs. 130	Rs. 10	Rs. 10
		Rs. 200	Rs. 10	Rs. 10
		Rs. 200	Rs. 10	Rs. 10
		Rs. 1,680	Rs. 10	Rs. 10
		¹⁰⁰ [18%] <i>ad valorem</i>	Rs. 1,740	Rs. 10
		¹⁰⁰¹ [18%] <i>ad valorem</i>	Rs. 5,400	Rs. 10
		¹⁰⁰² [25%] <i>ad valorem</i>	Rs. 9,270	Rs. 10

¹⁰⁰ Expression substituted by Finance (Supplementary) Act, 2023

⁰ Expression substituted by Finance (Supplementary) Act, 2023

¹⁰⁰
1



LIABILITY, PROCEDURE AND CONDITIONS

- [(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 columns (3) and (4) of Table-II, of the importer; and
 - (c) in case of goods specified in column (5) of 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.]

1003

[The

TENTH SCHEDULE

[See sub-section (1B) of section 3]

1004 1005

[1006] The tax on bricks, falling in PCT heading [6901.0000],

shall be paid on fixed basis, [] at the rates specified in Table

below:—

¹⁰⁰² Expression substituted by Finance (Supplementary) Act, 2023

¹⁰⁰³ The new Tenth Schedule, the Eleventh Schedule and the Twelfth Schedule added through Finance Act, 2019.

¹⁰⁰⁴ Existing paragraph renumbered as paragraph (1) by Finance Act, 2020.

¹⁰⁰ PCT heading "6901.1000" substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

⁵ Expression "on monthly return," Omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

¹⁰⁰ 6

**TABLE**

S. No. (1)	Region or area (2)	Tax payable per month (3)
1.	Lahore, Rawalpindi and Islamabad districts	Rs. 12,500
2.	Attock, Chakwal, Jhelum, Mandi Bahauddin, Sargodha, Gujrat, Sialkot, Narowal, Gujranwala, Hafizabad, Sheikhupura, Kasur, Nankana Sahib, Chiniot, Faisalabad, Jhang, Toba Tek Singh, Okara and Sahiwal districts	Rs. 10,000
3.	Khushab, Mianwali, Bhakar, Layyah, Muzaffargarh, 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



1007

[(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 Rs. 3 per piece (volume less than 1 cubic feet)
		3. Solid block Rs. 3 per piece (volume less than 1 cubic feet)
		4. Kerb Stone Rs. 5 per piece (volume less than 1 cubic feet)
		5. Kerb stone Rs. 10 per piece] (volume greater than 1 cubic feet)

Note: No input tax adjustment shall be allowed against the tax paid under this Schedule.]

¹⁰⁰⁷ New paragraph (2) and its Table along with Note inserted by Finance Act, 2020.



Sales Tax Act, 1990

¹⁰⁰⁸
[The
ELEVENTH SCHEDULE
[See sub-section (7) of section 3]

TABLE

The rates for withholding or deduction by the withholding agents [are specified as below provided that withholding of tax under this Schedule shall not be applicable to the goods and supplies specified vide clauses [***] after the Table]

S. No.	Withholding agent category	Supplier	Rate or extent of deduction
(1)	(2) (3) (4)		
1.	^{1011th} (a) Federal and provincial [Active government departments; Taxpayers] invoice autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	1/5 of Sales Tax as shown on	
2.	^{2th} (a) Federal and provincial [Active government departments; Taxpayer] on invoice autonomous bodies; and registered as public sector organizations a wholesaler, dealer or (b) Companies as defined in distributor the Income Tax Ordinance, 2001 (XLIX of 2001)	1/10 of Sales Tax as shown	
3.	² Federal and provincial [persons government departments; other than as applicable to supplies on autonomous bodies; and Active basis of gross value of public sector organizations Taxpayers]	Whole of the tax involved or the basis of gross value of supplies	
4.	² Companies as defined in the [persons Income Tax Ordinance, 2001 other than ¹⁰¹² (XLIX of 2001) [excluding Active companies exporting surgical instruments]	5% of gross value of supplies	
5.	Registered persons as Person	Whole of sales tax applicable	

¹⁰⁰ Eleventh Schedule inserted by Finance Act, 2019.

⁸ The expression substituted by Finance Act, 2020.

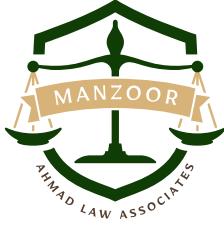
¹⁰¹ Expression omitted by Finance Act, 2022.

¹⁰¹ Words substituted by Finance Act, 2020.

¹ Words added by Finance Act, 2022.

¹⁰¹

²



Sales Tax Act, 1990

S. No.	Withholding agent	Supplier category	Rate or extent of deduction
(1)	(2)	(3) (4)	
	recipient of advertisement services	providing advertisement services	
6.	Registered persons purchasing cane molasses.	² [persons other than Active Taxpayers]	Whole of sales tax applicable.
¹⁰¹³ [7.]	Registered persons manufacturing lead batteries	Persons supplying any applicable". kind of lead under chapter 78 (PCT Headings: 7801.1000, 7801.9100, 7801.9900, 7802.0000, 78.03, 7804.1100, 7804.1900, 7804.2000, 78.05, 7806.0010, 7806.0020, 7806.0090) or scrap batteries under chapter 85 (PCT Headings: ¹⁰¹⁴ [Respectiv e headings]	
8.	Online market place	Persons other than active taxpayers	¹⁰¹⁵ [1]% of gross value of supplies: Provided that the provisions of this entry shall be effective from the date as notified by the Board.]

¹⁰¹³ New serial numbers 7 and 8 inserted by Finance Act, 2021.

¹⁰¹ Words added by Finance Act, 2022.

⁴ Expression substituted by Finance Act, 2022.

¹⁰¹

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- (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;
- (viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered persons with exception of advertisement services; and
- ¹⁰¹⁶(ix) Supply of sand, stone, gravel/crush and clay to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority.]

¹⁰¹⁶New clause (ix) inserted by Finance Act, 2020.



¹⁰¹⁷
[The
TWELFTH SCHEDULE
[See sub-section (2) of section 7A]
TABLE

Goods or class of PCT Rate			
S. No.	goods Heading (2) (3) (4)		
(1)	All imported goods	Respective 3% ad subject to exclusions as in conditions and procedure given after the Table	
1.			

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 importers 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,—

¹⁰¹⁸

[¹⁰¹⁹ (i) Raw materials and intermediary goods imported by a manufacturer for in-house consumption [excluding compressor scrap (PCT heading 7204.4940), motor scrap (PCT heading 7204.4990) and copper cable cutting scrap (PCT heading 7404.0090)]

¹⁰¹ Twelfth Schedule inserted by Finance Act, 2019.

⁷ Clause (i) substituted by Finance Act, 2020.

¹⁰¹ Expression added by Finance Act, 2022.

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¹⁰¹

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- (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);
¹⁰²⁰
(vii) Gold, in un-worked condition; [***]
(viii) Silver, in un-worked condition;
¹⁰²¹ (ix) [The goods as specified in the Third Schedule on
¹⁰²² which tax is paid on retail price basis.; and
¹⁰²³
[(x) plant, machinery and equipment falling in Chapters 84 and 85 of the First Schedule to the Customs Act, 1969 (IV of 1969), as are imported by a manufacturer for in-house installation or use.
¹⁰²⁴
[(xi) Electric vehicles (4 wheelers) CKD kits for small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of below till 30 June, 2026;
[(xii) Electric vehicles (4 wheelers) small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of
th below in CBU condition till 30 June, 2026";
[(xiii) Electric vehicles (2-3 wheelers and heavy commercial vehicles) in CBU condition till 30 June, 2025; and
[(xiv) motor cars of cylinder capacity up to 850 cc paid at import stage shall form part of input tax, and the importer shall deduct

¹⁰²⁰The word “and” omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

¹⁰²¹Clause (ix) inserted vide SRO 1321(I)/2019 dated 08th November, 2019.

¹⁰²²The word “and” inserted by Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

¹⁰²³Clause “(x)” inserted by Tax Laws (Amendment) Act, 2020, dated 30-3-2020

¹⁰²⁴New clauses inserted by Finance Act, 2021.



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.

1025

[“(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.]

1026

**[THIRTEENTH SCHEDULE”
(Minimum Production)]**

[See sub-section (9AA) of section 3]

Minimum production of steel products.—

The minimum production for steel products shall be determined as per criterion specified against each in the Table below:

Table

S. Product Production criteria		
No.		
(1)	(2)	(3)

¹⁰²⁵ Clause (4) substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020 the substituted clause read 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.”

¹⁰²⁶ New Thirteenth Schedule inserted by Finance Act, 2021.



	1. Steel billets and ingots One metric ton per 700 kwh of electricity consumed
rolled steel	2. Steel bars and other long profiles of electricity consumed re-One metric ton per 110 kwh of
rollable scrap imported for breaking"	3. Ship plates and other re-85% of the weight of the vessel "; and

Procedure and conditions:-

(i) both actual and minimum production and the local supplies shall be declared in the monthly return. In case, the minimum production exceeds actual supplies for the month, the liability to pay tax shall be discharged on the basis of minimum production:

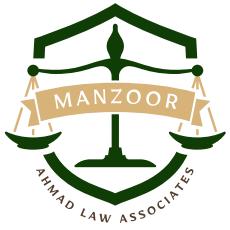
Provided that in case, in a subsequent month, the actual supplies exceed the minimum production, the registered person shall be entitled to get adjustment of excess tax on account of excess of minimum production over actual supplies:

Provided further that in a full year, as per financial year of the company or registered person, or period starting from July to June of next year, in other cases, the tax actually paid shall not be less than the liability determined on the basis of minimum production for that year and in case of excess payment no refund shall be admissible:

Provided also that in case of ship-breaking, the liability against minimum production, or actual supplies, whichever is higher, shall be deposited on monthly basis on proportionate basis depending upon the time required to break the vessel;

(ii) the payment of tax on ship plates in aforesaid manner does not absolve ship breakers of any tax liability in respect of items other than ship plates obtained by ship-breaking;

(iii) the melters and re-rollers employing self-generated power shall install a tamperproof meter for measuring their



Sales Tax Act, 1990

consumption. Such meter shall be duly locked in room with keys in the custody of a nominee of the Commissioner Inland Revenue having jurisdiction. The officers Inland Revenue having jurisdiction shall have full access to such meter;

- (iv) the minimum production of industrial units employing both distributed power and self-generated power shall be determined on the basis of total electricity consumption.]

PCPPI-4310(19) FBR-19-09-2019-2000.