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CHAPTER

TAX ADMINISTRATION/REFORMS IN PAKISTAN

For the proper and efficient working of any system, it is necessary that properly qualified persons are appointed at different levels so that they can guide the activities to achieve the desired results. This is necessary for all organizations whether in public or private sector. For the proper administration of taxation system also, the government needs qualified persons who should ensure that tax collecting machinery should work in an efficient manner and proper amount of revenue is received. On the other hand, there is* also a need that this work should be performed in a justifiable manner. Undue grievances should not be caused to the taxpayer and if any taxpayer feels aggrieved, justice should be provided to him. Keeping in view these goals, sections 207, 208 and 228 of Income Tax Ordinance, 2001 provide us the details of officials and bodies appointed to run the income tax machinery of the country.

INCOME TAX AUTHORITIES

There shall be the following Income Tax Authorities for the purposes of this Ordinance and rules made there under, namely:

- (a) Board;
- (b) Chief Commissioner Inland Revenue;
- (c) Commissioner Inland Revenue;
- (d) Commissioner Inland Revenue (Appeals);
- (e) Additional Commissioner Inland Revenue;
- (f) Deputy Commissioner Inland Revenue;
- (g) Assistant Commissioner Inland Revenue;
- (h) Officer Inland Revenue;
- (i) Inland Revenue Audit Officer
- (j) Superintendent Inland Revenue;
- (k) Inspector Inland Revenue; and
- (l) Auditor Inland Revenue.

Apart from the above authorities which are mentioned in section 207; certain other bodies have also been created under the income tax law. These statutory bodies are:

1. Director General (Information Management System)
2. Director General (Intelligence and Investigation)
3. Director General (Inspection and Audit) (Direct Taxes)
4. Director General (Human Resource Management)
5. Director General (Training and Research)
6. Appellate Tribunal Inland Revenue
7. Valuers

Some of these authorities look after the general administration of the income tax department and are known as "Executive Authorities". The other group of authorities is known as "Judicial Authorities" because they exercise the judicial functions. Some authorities have been given both executive and judicial powers.

FEDERAL BOARD OF REVENUE (FBR)

Introduction

The old name of Federal Board of Revenue (FBR) was Central Board of Revenue (CBR). Income Tax Ordinance, 2001, uses the word 'Board' for CBR and FBR. Board is the highest tax authority in Pakistan. It has the Jurisdiction to exercise the general administration of the Income Tax Ordinance, 2001. It is constituted under the provisions of the Federal Board of Revenue Act, 2007. All other tax authorities are appointed by Board and are subordinate to it.

History

The Central Board of Revenue (CBR) was created on April 01, 1924 through enactment of the Central Board of Revenue Act, 1924. In 1944, a full-fledged Revenue Division was established under the Ministry of Finance. After independence, this arrangement continued up to 31st August 1960 when on the recommendations of the Administrative Re-organization Committee, CBR was made an attached department of the Ministry of Finance. In 1974, further changes were made to streamline the organization and its functions. Consequently, the post of Chairman CBR was created.

CBR to FBR

By the enactment of FBR Act 2007 in July 2007 the Central Board of Revenue (CBR) has now become Federal Board of Revenue (FBR).

Organization of FBR

The Federal Board of Revenue presently comprises Chairman and eleven members, appointed by the Federal Government, as follows;

- (i) Three line members which include Member (Direct Taxes), Member (Sales Tax and Federal Excise), and Member (Customs).
- (ii) Four functional members are Member Fiscal (Research and Statistics), Member (Human Resource Management), Member (Audit), and Member (Administration).
- (iii) Support members include Member (Legal), Member (Tax Policy and Reforms), Member (Information Management Systems) and Member (Facilitation and Tax Education).

Head of Board — Chairman

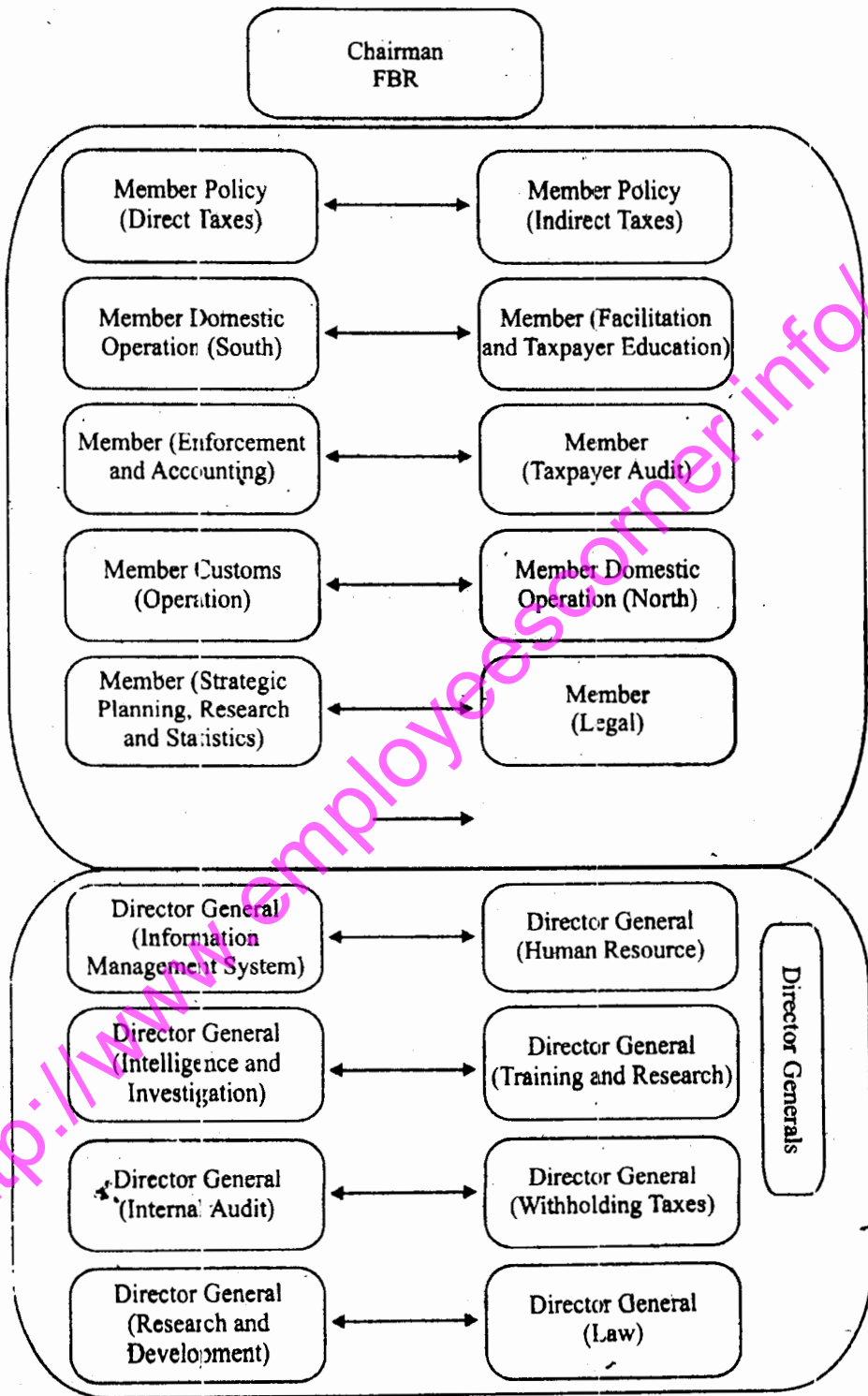
In the existing setup, the Chairman, FBR, being the executive head of the Board as well as Secretary of the Revenue Division has the responsibility for

- (i) Formulation and administration of fiscal policies,
- (ii) Levy and collection of federal taxes, and
- (iii) Judicial function of hearing of appeals.

His responsibilities also involve interaction with the offices of the President, the Prime Minister, all economic ministries as well as trade and industry.

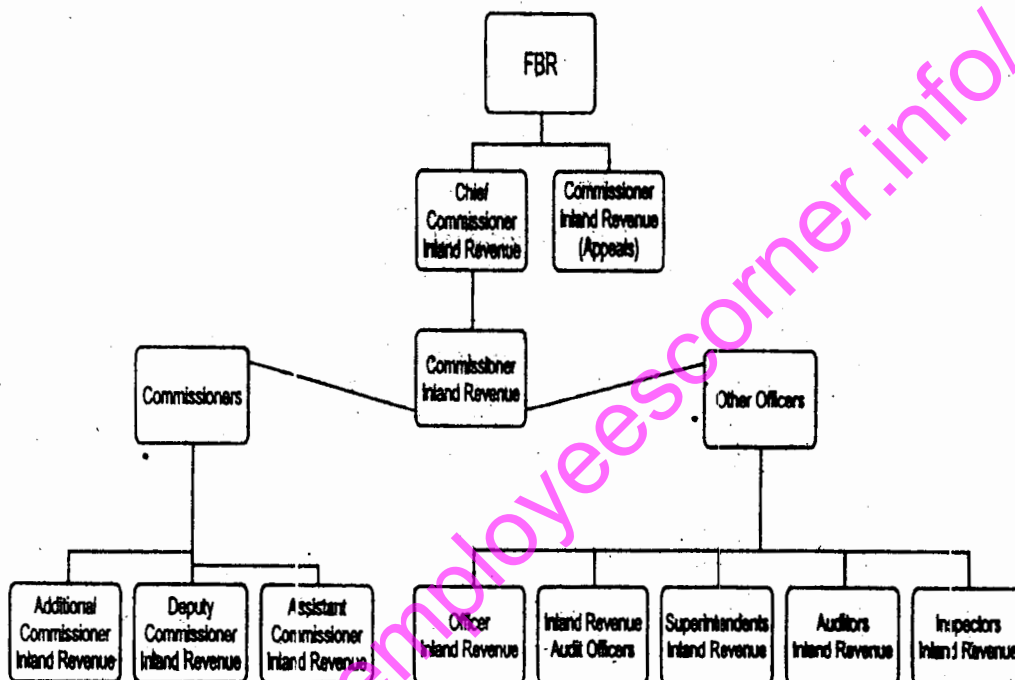
The Board shall examine, supervise and oversee the general administration and working of Ordinance.

The Chief Commissioners Inland Revenue and Commissioners Inland Revenue (Appeals) are subordinate to the Board and Commissioners Inland Revenue, are subordinate to the Chief Commissioner Inland Revenue.



Additional Commissioners Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Officers of Inland Revenue, Special Officers Inland Revenue and Inspectors Inland Revenue work as subordinate to the Commissioners Inland Revenue.

An officer vested with the powers and functions of Commissioner is subordinate to the Chief Commissioner Inland Revenue.



FUNCTIONS

Appointment

The Board may appoint as many Chief Commissioners Inland Revenue, Commissioners Inland Revenue (Appeals), Additional Commissioners Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officers, Superintendents Inland Revenue, Inspectors Inland Revenue, Auditors Inland Revenue and such other executive or ministerial officers and staff as may be necessary.

- The Board may allow any other income tax authority to appoint its subordinates and such other executive or ministerial officers and staff as may be necessary.
- All appointments of income tax authorities are subject to the rules and conditions which apply to the employees of the Federal Government.

Appointment of Firms of Accountants

The Board is empowered to appoint a firm of Chartered Accountants or Cost and Management Accountants to conduct the audit of any person. If such a firm is appointed for this purpose, the authorized persons of the firm may take all the necessary steps for the purpose of audit. These steps may include entering the premises belonging to the

taxpayer, inspect and seize books of accounts or documents if required for performance of the job entrusted to them. The person if authorized through a written permission by Commissioner of Inland Revenue may also take evidence on oath. The scope of such audit is determined by the Board on case to case basis.

Jurisdiction

- (a) The Board, by an order, may assign the functions and areas to Chief Commissioners Inland Revenue, the Commissioners Inland Revenue and the Commissioners Inland Revenue (Appeals) and to Officer of Inland Revenue.
- (b) The Chief Commissioners may also assign some powers to Officer of Inland Revenue with the prior approval of Board. Officer of Inland Revenue shall act like Commissioner. Such powers shall be treated as having been exercised and performed by the Chief Commissioners Inland Revenue.

Powers

In quite a few cases same powers have been vested in the hands of more than one income tax authority. This has been done for the immediate action which is sometimes necessary in specific situations.

In certain other cases powers originally provided to one income tax authority may be shifted to another authority. This is also done keeping in view the circumstances, load of work and importance of situation.

The Board or the Chief Commissioner, as the case may be, may transfer jurisdiction in respect of cases or persons from one Commissioner to another.

Other Functions of Board

- (i) Formulation and administration of fiscal policies
- (ii) Levy and collection of federal taxes
- (iii) Appeals hearings
- (iv) Grant approval to leasing companies and modarabas
- (v) Specify the method of accounting for certain business, or class of business, or any other source of income or any class of persons
- (vi) Approve a security for the purposes of taxation as "profit on debt"
- (vii) Make the rules for carrying out efficient administration of the Ordinance by notification in the Official Gazette
- (viii) Determine the procedure for furnishing returns and other documents including on electronic medium or issuing notices or levy of default surcharge through electronic medium
- (ix) Approve the charitable institutions for the purposes of Income Tax Ordinance, specially, for donation purposes
- (x) Make the rules for apportionment of deductions
- (xi) Decide an application submitted by a person against the decision of Commissioner Inland Revenue for granting or withdrawing the permission regarding use of a specific tax year
- (xii) Make the rules for valuation and taxation of unexplained income or asset

- (xiii) Authorize any department or agency of the Government to collect and compile any data in respect of Incomes from industrial and commercial undertakings exempt from tax
- (xiv) Issue circulars for the guidance to taxpayers and officers of Board
- (xv) Issue advance ruling on application of a non-resident
- (xvi) Exercise general administration of Income Tax Ordinance, 2001
- (xvii) Appoint income tax authorities
- (xviii) Transfer any of the income tax authorities including valuers
- (xix) Determine the jurisdiction of income tax authorities
- (xx) Authorize Chief Commissioner Inland Revenue or Commissioner Inland Revenue to grant approval on behalf of Board
- (xxi) The preparation of prescribed forms, etc., for the purposes of the Income Tax Ordinance, 2001
- (xxii) Appoint a firm of Chartered Accountants or Cost and Management Accountants to conduct the audit of any person
- (xxiii) Appoint any private agency, firm or company to carry out survey in respect of specified persons or areas
- (xxiv) To regulate the taxpayers' registration scheme
- (xxv) Institute active taxpayers' list
- (xxvi) Introduce a scheme for taxpayers honour card for individual taxpayers, who fulfill a minimum criteria to be eligible for benefits as contained in the scheme.

The Federal Board of Revenue has the powers to select persons or class of persons for audit of income tax affairs through computer ballot which may be random or parametric on the discretion of the Board. It is not necessary for the Board to give reason while calling the record or documents for the purpose of audit.

CHIEF COMMISSIONER INLAND REVENUE (CCIR)

The Chief Commissioner Inland Revenue shall possess the following powers and perform the following functions:

- (i) Transfer the jurisdiction in respect of cases or persons from one Commissioner subordinate to him, to another
- (ii) Revise certain orders passed by his subordinate authorities
- (iii) Call for the record of any proceedings relating to issuance of an exemption or lower rate certificate with regards to collection or deduction of tax at source
- (iv) Appoint any of his subordinate authority with the approval of Board.

COMMISSIONER INLAND REVENUE

Commissioner Inland Revenue enjoys the following powers and has to perform the following functions under the law:

1. Allow an employee to pay tax on his retirement payments and golden handshake payments as per normal procedure or pay tax on the basis of average rate of tax based on the three preceding tax years

2. Allow an employee to pay tax on salary received in arrears in the tax year in which services were rendered
3. Extend the date of selection out of the options available to an employee
4. Allow a person to change his method of accounting
5. Permit the change of stock valuation method
6. Allow a person to use special tax year
7. Allow a person to use normal tax year instead of special tax year
8. Impose conditions while permitting a person to use a special tax year or normal tax year
9. Withdraw the permission granted to a person to use a specific tax year
10. Distribute, apportion or allocate incomes, deductions or tax credits in respect of any transaction between associates
11. Charge to tax the value of any unexplained income or asset and determine the value if it is declared less than the fair market value.
12. Require a person or his representative to furnish the return of income.
13. Require a person to furnish his wealth statement
14. Require a person to furnish the return if the business is discontinued and the person has not furnished his return of income
15. Extend the time for filing a return
16. Make an assessment order if the taxpayer has not furnished his return of income
17. Make an amended assessment order
18. Make a provisional assessment order
19. Make an assessment order to give effect to an order of an appellate authority or a court
20. Make an assessment in the light of a point of law decided by the High Court or the Appellate Tribunal Inland Revenue
21. Modify the original order if the orders of the Tribunal or the High Court are changed at the higher appellate forum
22. Take all necessary and appropriate actions for recovery of tax from a taxpayer
23. Recover the tax from a person who holds money on behalf of the taxpayer
24. Notify and recover the tax from the liquidator of a company, which has gone into liquidation
25. Allow a person to make payment without deducting tax at source
26. Issue an exemption certificate
27. Extend the period for filing of different statements
28. Adjust the amount of excess tax paid by a taxpayer and if there is any balance after the adjustment of any other tax liability refund the same to the taxpayer
29. Authorize a person to maintain the prescribed records, books, accounts, etc.
30. Enter and search premises

31. Issue notice in order to obtain information or evidence
32. Select any person for audit
33. Approve a person as translator in case the accounts, etc., are kept by a taxpayer in a language other than Urdu or English
34. Impose penalties for different defaults
35. Initiate prosecution for offences committed by a taxpayer
36. Impose default surcharges if the taxpayer fails to pay the tax by due date
37. Appoint any of his subordinate authority with the approval of Board
38. Delegate any of his powers to any Officer of Inland Revenue
39. Rectify any mistake in his order, apparent from the record
40. Appoint an expert for the purposes, of valuation, audit, etc.

OFFICER OF INLAND REVENUE

Any of the following officers appointed by Board for the purposes of the Income Tax Ordinance shall be an officer of Inland Revenue:

1. Additional Commissioner Inland Revenue;
2. Deputy Commissioner Inland Revenue;
3. Assistant Commissioner Inland Revenue;
4. Inland Revenue Officer;
5. Inland Revenue Audit Officer; or
6. Any other officer designated or appointed by the Board.

The Ordinance does not specify any function or authority of an Officer of Inland Revenue. Thus an Officer of Inland Revenue has no authority of his own. However, the Ordinance permits that the Board, Chief Commissioner Inland Revenue or Commissioner Inland Revenue may delegate their functions to an Officer of Inland Revenue. Normally the functions of Commissioner Inland Revenue may be delegated to him.

DIRECTOR GENERAL (Information Management System)

Director General (Information Management System) is responsible for development of system specifications for future FBR needs, technology architecture design of FBR and its field formations in consultation with appointed consultants. This includes development of a strategy for coordination and application of software based on re-engineering of the system. He guides and advises the persons and teams dealing with re-engineering of business processes. He is assisted by a Chief Coordinator, Income Tax. In Board, he is also assisted by a Second Secretary.

DIRECTOR GENERAL (Intelligence and Investigation)

Director General (Intelligence and Investigation) FBR based at Islamabad collects, processes, disseminates information and enforces prevention of tax evasion. He also enforces measures to prevent smuggling of contrabands (Goods prohibited by law or treaty from being imported or exported), including drugs. The Director General is assisted by three Directors, one each stationed at Karachi, Lahore and Islamabad.

DIRECTOR GENERAL (Internal Audit) Direct Taxes

Director General (Inspection and Audit) (Direct Taxes) based at Islamabad operates directly under the Secretary, Revenue Division. He carries out inspections, audits and investigations of taxes and offices involving evasion of taxes and malpractices

by the functionaries of the Income Tax Department. He submits recommendations to the Board regarding tax policy, tax administration and tax operations. The Director General is assisted by three Regional Directors, each posted at Karachi, Lahore and Islamabad.

DIRECTOR GENERAL (Withholding Taxes)

The Board may appoint the Director General, Directors, Additional Directors and other officers for scrutiny of withholding taxes. The objective is to ensure that withholding agents collect and pay to the government all amounts due under the tax law properly. The Board may specify the functions, jurisdiction and powers of the Directorate General of withholding taxes.

DIRECTOR GENERAL (Human Resource Management)

Director General (Human Resource Management) has seven basic wings which are as follows:

1. Work Force Planning;
2. Foreign Training;
3. Local Training;
4. Institutional Training;
5. Organizational Development;
6. Coordination; and
7. Internal Job Posting.

The responsibilities assigned to each of these wings are as under:

Work Force Planning

Work force planning deals with the liaison with business processing reengineering, managers of reformed units, administrative wing on re-designation of posts, to perform work activity analysis and job designing and revision.

Foreign Training

Foreign training is concerned with listing of short courses offered by foreign providers, application processing and liaison with foreign training providers. It also processes the application for master degrees funded by Training and Administration Reforms Programs and creates liaison with foreign training providers on different issues.

Local Training

Local training wing responsibility is to look after the job, management and other related training programs run by the local institutes and to create a liaison with the Directorate of Trainings.

Institutional Training

The responsibility of the "Institutional Training Wing" to conduct the refresher courses as well as Master of Business Administration training programs.

Organizational Development

Primary responsibility of the Organizational Development is to formulate policies and procedures for the development of human resource, reorganization of Registered Training Organizations, designing of the organizational structure, preparation of job descriptions and evaluation of bonus schemes. Along with other responsibilities it also re-organizes Regional Tax Offices.

Coordination

Coordination plays a pivotal role by coordinating Board policies & procedures with the World Bank mission. It also conducts human resources related seminar to equip the manpower with the new and improved techniques introduced in the world. It also verifies the compliance of Training & Administration Reforms Programs with Strategic Planning and Static wing and provides awareness about Inland Revenue Services.

Internal Job Posting

Employment related services are arranged by this wing by setting up panel for interview, conducting various tests, compilation of results and recommendations on the basis of the results compiled.

Powers of the Human Resource Wing

- (a) Power to implement the human resource policy
- (b) Power to assess, identify, create, decrease and reduce or designate or redesignate posts and prepare, execute the internal job posting regime in accordance with the rules
- (c) Power to lay down qualifications and criteria for the posting of employees against specialized or available posts?
- (d) Power to implement a transparent evaluation process to assess if the official is qualified for posting against a specialized or available post
- (e) Power to make assessment of integrity of the employees for the purpose of evaluation process or for the purpose of posting, promotion or transfer
- (f) Power to transfer, select or post the officials and employees against any post on the basis of transparent criteria of selection for internal job postings or transfers
- (g) Power to transfer any official to any post in any entity controlled by the board
- (h) Power to prepare and recommend to the competent authority, the voluntary severance scheme and on approval subsequently implement the same
- (i) Power to take any action, make rules, regulations, guidelines, code of conduct, in order to fulfill the objects and purposes of the act; and
- (j) Powers to make rules for uniformed services with regard to maintenance and up keep of uniform and discipline and matter connected therewith or incidental thereto

DIRECTOR GENERAL (Training and Research)

Director-General of Training and Research (DGTR) means a person appointed to be a Director-General of Training and Research under the Income Tax Ordinance, 2001.

Appointment

The Director General (Training and Research) is appointed by the Federal Board of Revenue.

Basic Function

The Director General (Training and Research) provides training and research facility to the Income Tax Department. Further, he shall perform such functions as may be specified by the Federal Board Revenue.

Jurisdiction of the DGTIR

The jurisdiction of the Director General (Training and Research) is specified by the Federal Board Revenue.

Authorities Subordinate

The following authorities are subordinate to the Director General (Training and Research):

- (i) Director (Training and Research);
- (ii) Additional Director (Training and Research);
- (iii) Deputy Director (Training and Research);
- (iv) Assistant Director (Training and Research); and
- (v) Any other officer appointed,

VALUER

Valuer is not an income tax authority under the Income Tax Ordinance, 2001. However, he assists the Commissioner in the valuation of assets.

Appointment

The Commissioner Inland Revenue may appoint the Valuer as a result of an application made by a person willing to be a Valuer.

Functions

The basic function of the Valuer is to assist the Commissioner Inland Revenue in valuation of the capital assets belonging to a taxpayer.

Qualification

A person should be competent according to nature of assets normally valued by him. Generally, a person who holds a recognized degree or equivalent qualification in civil, mechanical, electrical engineering or architectural field etc. may be appointed as Valuer.

Disqualified Valuers

The following persons are not qualified for appointment as a Valuer:

- (i) A person who has been dismissed or removed from government service
- (ii) An undischarged insolvent
- (iii) A person who has been found guilty of misconduct in his professional capacity
- (iv) Representative of taxpayer Termination

The Commissioner may terminate the Valuer at any time without assigning any reason and without paying any compensation.

Remuneration

A Valuer is remunerated on the basis of the value of the assets valued by him. Remuneration list has been provided in the of the Income Tax Ordinance, 2001.

APPELLATE TRIBUNAL INLAND REVENUE

The Federal Government is the appointing authority of the Appellate Tribunal. It is the second court of appeals. The taxpayer or the Commissioner Inland Revenue, if not satisfied with the decision of the Commissioner Inland Revenue (Appeals) can appeal to the Appellate Tribunal Inland Revenue. The details regarding the constitution and functioning the Appellate Tribunal Inland Revenue have been provided in the Income Tax Ordinance, 2001 and Income Tax Appellate Tribunal Rules 1981. Important points of these two statutes are being given here.

MEMBERS OF APPELLATE TRIBUNAL INLAND REVENUE

The Appellate Tribunal Inland Revenue consists of two types of members:

- (a) Judicial members; and
- (b) Accountant members.

The qualifications necessary for their appointments are as follows:

Judicial Members

The Federal Government may appoint a person as judicial member of the Appellate Tribunal Inland Revenue if:

- (a) he has exercised the powers of a District Judge and is qualified to be a Judge of a High Court;
- (b) he is or has been an advocate of High Court and is qualified to be a Judge of High Court; or
- (c) he is an officer of Inland Revenue service in BS-20 or above and is a law graduate.

Accountant Members

The Federal Government shall appoint the Accountant Members of the Tribunal also. He must possess any one of the following qualifications:

- (a) he is an officer of Inland Revenue services equivalent to the rank of Regional Commissioner;
- (b) a Commissioner Inland Revenue or Commissioner Inland Revenue (Appeals) having at least three years experience as Commissioner or Collector;
- (c) is a person who has, for a period of not less than ten years, practiced professionally as a Chartered Accountant;
- (d) is a person who has practiced professionally as a Cost and Management Accountant for at least ten years.

The Federal Government may appoint as many judicial and accountant members as it think necessary for the proper working of the Appellate Tribunal Inland Revenue. The Federal Government shall appoint a judicial member of the Tribunal as the Chairperson of Appellate Tribunal Inland Revenue. However, under special circumstances an accountant member may also be appointed as Chairperson.

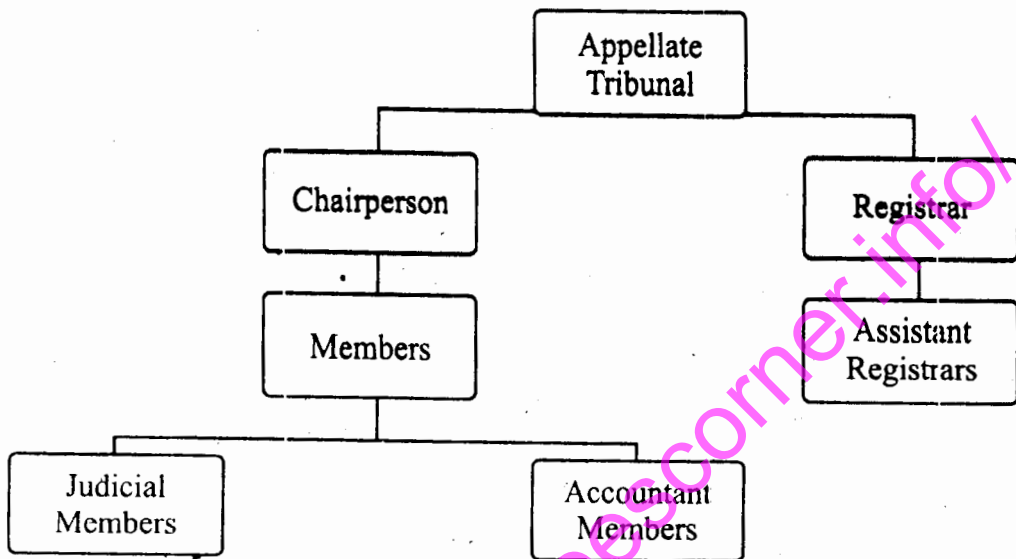
Administration

A full time registrar is responsible to receive the appeals and look after the working of the offices of the Tribunal. He is subordinate to Chairperson of the Appellate Tribunal Inland Revenue and works under his guidance. He entertains the appeals provisionally, fixes the dates for hearing and looks after the administrative affairs of the Appellate Tribunal Inland Revenue. His office is situated in the headquarters of Appellate Tribunal Inland Revenue in Islamabad. There are Assistant Registrars posted in Karachi and Peshawar benches.

FUNCTIONING OF THE APPELLATE TRIBUNAL INLAND REVENUE

The Chairperson of the Appellate Tribunal Inland Revenue may constitute benches to perform the functions of Tribunals. A bench normally consists of two members. However, a larger bench may also be constituted by the Chairperson. A bench usually consists of equal number of judicial and accountant members but in certain cases the number of one type of members may exceed the other type by one. The Chairman is also empowered to constitute as many benches consisting of a single member as he may deem necessary to hear such cases or class of cases as the Federal Government may by order in writing specify.

Organization of Appellate Tribunal Inland Revenue can best be explained with the help of the following chart:



Explanation

A bench might consist of two judicial members and one accountant member or two judicial members and three accountant members. The Federal Government may authorize the Chairperson or any one member of the Tribunal to alone hear and decide the case. The Chairman or other members of the Appellate Tribunal Inland Revenue authorized, in this behalf by the Chairman who constitutes a single member bench may dispose of any case where the amount of tax or penalty involved does not exceed Rs. 10,00,000. If the members of a bench differ in opinion on any point, the majority decision is accepted but if the members are equally divided the point in dispute is referred to the Chairperson of the Tribunal. In such cases the Chairperson appoints one or more of the other members of the Tribunal to hear the disputed point. The question is then decided according to the opinion of majority of members who have heard the case including those who first heard.

Final Fact Finding Authority

The decision of the Appellate Tribunal Inland Revenue on a point of fact is final. Due to this reason it is known as final fact finding authority. However, if the decision of the Appellate Tribunal Inland Revenue involves a point of law, the case can be referred to the High Court.

The Appellate Tribunal Inland Revenue has the power to regulate its own procedure and the procedure of the Benches of the Tribunal. It can also itself decide all matters arising out of discharge of its functions including the places at which the Benches shall hold their sittings.

To sum up the present position of income tax authorities after incorporating the latest amendments is as follows:

Current Authority	Previous Designation
Appellate Tribunal Inland Revenue	Income Tax Appellate Tribunal
Chief Commissioner Inland Revenue	Directorate General of Income and Sales Tax
Commissioner Inland Revenue	Commissioner Income Tax
Commissioner Inland Revenue (Appeal)	Commissioner Income Tax (Appeal)
Additional Commissioner Inland Revenue	Additional Commissioner Income Tax / Taxation Officer
Deputy Commissioner Inland Revenue	Deputy Commissioner Income Tax/ Taxation Officer
Currents authority	Previous Designation
Assistant Commissioner Inland Revenue	Assistant Commissioner Income Tax/ Taxation Officer
Officer Inland Revenue	Income Tax Officer / Taxation Officer
Special Officer Inland Revenue	Special Officer Income Tax / Taxation Officer
Inspector Inland Revenue	Income Tax Officer (ITO)

The changes which have been brought in the hierarchy of Taxation Laws during the previous years are being watched closely by tax experts. The FBR claims, that the changes will prove beneficial in removing shortfalls of taxation system in the country.

TAX REFORMS IN TAX ADMINISTRATION

MCCQs

1. A person shall, within _____ days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the Commissioner.
 - a. 10
 - b. 12
 - c. 15
 - d. 17
2. A trustee for a bankrupt shall, within _____ months of being notified under sub-section (1), notify the liquidator, Commissioner in writing.
 - a. 1
 - b. 3
 - c. 5
 - d. None
3. A _____ shall not, without leave of the Collector, Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).
 - a. liquidator
 - b. trustee
 - c. owner
 - d. All of these
4. The Board may, make rules for carrying out the purposes of this Act including rules for charging fee for processing _____ and other documents and for preparation of copies thereof.
 - a. return
 - b. claims
 - c. Both a & b
 - d. None
5. 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 _____ at reasonable price.
 - a. public
 - b. Department
 - c. Market
 - d. None
6. The Board may prescribe the use of _____ system for carrying out the purposes of this Act, including the receipt of Applications for registration
 - a. computerized
 - b. Manual
 - c. Either a OR b
 - d. None
7. The Board may make rules for regulating the conduct and transaction of business in relation to the submission of returns: _____ of authorization and for security of the information transmitted or received through the computerized system.
 - a. authorization
 - b. suspension
 - c. cancellation
 - d. All of these
8. Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all _____ purposes, be deemed to have been furnished by and received from such registered person.
 - a. official and legal
 - b. official
 - c. legal
 - d. None
9. The business information gathered through computerized system shall be _____ to be used only for official and legal purposes no unauthorized person shall claim for any access to such information.
 - a. Public
 - b. Legal
 - c. Proper
 - d. confidential
10. No suit shall be brought in any Civil Court to _____ any order passed, any assessment made, any tax levied, any Penalty imposed or collection of any tax made under this Act.
 - a. modify
 - b. Change
 - c. Alter
 - d. All of these
11. A registered person required to appear before the Appellate Tribunal or an officer of Inland Revenue in connection with any proceedings under this Act may, in _____, authorize any person1[having such qualification as may be prescribed] to represent him or appear on his behalf.
 - a. Oral
 - b. Verbally
 - c. Writing
 - d. All of these

12. 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 _____ and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14
- a. Chapter IV b. Chapter V
c. Chapter VI d. Chapter VII
13. A person registered under section _____ may authorize an e-intermediary to electronically file return or any other documents
- a. 10 b. 12
c. 13 d. 14
14. 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 the _____ person
- a. depositing b. Actual
c. registered d. None
15. Where an e-intermediary, authorized by a registered person to act on his behalf, knowingly 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 _____ jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess.
- a. shall be b. shalln't be
c. In Some Cases d. All of these
16. If a registered person is declared bankrupt, the Duty liability under this Act shall pass on to the estate in bankruptcy if it _____ to operate the business.
- a. Discontinue
b. Continue
c. In Some Cases Continue Or Discontinue
d. None
17. 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 _____ the claims preferred by other creditors are settled.
- a. After
b. At the Time of payment of
c. before
d. None
18. Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Custo And excise who _____ the assessment or adjudication or passed such order or decision on or by his successor in office
- a. checked b. Approved
c. Made d. All of these
19. For the purpose of this Act and subject to sub-sections (2) and (3), the expression "representative" in respect of a registered person, means _____.
- a. where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;
b. where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;
c. where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust
d. All of these
20. where the person is a Provincial Government, in Pakistan, any individual responsible for accounting for the receipt and payment of

- money or funds on behalf of the Provincial Government
- local authority
 - Provincial Govt.
 - Federal Govt.
 - None
21. No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the _____ of being heard.
- Deputy Commissioner
 - Assistant Commissioner
 - Commissioner
 - Chief Commissioner
22. 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
- 10
 - 8
 - 5
 - 4
23. The tax paid on goods purchased by a person who is subsequently required to be registered under section _____ due to new liabilities or levies or gets voluntary registration under this Act or the rules made there under, shall be treated as input tax
- 14
 - 16
 - 18
 - 20
24. The Duty on goods paid by him thereon during a period of _____ days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or unconsumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration.
- 60
 - 90
 - 120
 - 150
25. 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 are capable of being identified, _____ of such tax shall
- five Fourth
 - Three Fourth
 - Seven Fifth
 - seven-eighth
26. Board may, on sufficient cause being shown, in any case extend any period by a further period of _____
- six months
 - Nine monts
 - one year
 - one And half year
27. 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 _____
- modifying the amount of tax which shall be repaid as drawback on any such goods or class of goods
 - prohibiting the repayment of tax as drawback on any such goods or class of goods
 - 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.
 - All of these
 - Any Cf a b c
28. 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 _____ than the amount that should have actually been charged
- less
 - equal
 - More
 - None

29. No Duty claimed to have been paid or over paid through inadvertence, error or misconstruction or refund on account of input adjustment not claimed within the relevant tax period, shall be allowed, unless the claim is made within _____ of the date of Payment
 a. 3 years b. Two years
 c. one year d. None
30. where the refund has become due on account of any decision or judgment of any officer of 3Inland Revenue or court or the Tribunal, the period of _____ shall be reckoned from the date of judgment or decision of such officer, court or Tribunal.
 a. one year b. Two Years
 c. Three d. Four
31. The application or claim filed under this section shall be disposed of within a period not exceeding _____ days from the date of filing of such application or claim.
 a. 30 b. 60
 c. 90 d. 120
32. Where a refund is not made within the time specified in this behalf, there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to KIBOR per _____ of the amount of refund due
 a. annum b. Month
 c. Week d. None
33. 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 _____ responsible for the act done by his agent
 a. shalln't be b. shall be
 c. Can be d. may be
34. An officer of 5Inland Revenue not below the rank of Assistant Commissioner may, on payment of _____ Rupees issue an attested duplicate of any Inland Revenue 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.
 a. 1000 b. 500
 c. 300 d. 100
35. 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, _____, shall be deemed to be validly made under this Act
 a. 1997 b. 1998
 c. 1999 d. None
36. Payment of the amount for a transaction exceeding value of _____ 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.
 a. 30 b. 50
 c. 70 d. 90
37. Payment in case of a transaction on credit is so transferred within _____ days of issuance of the tax invoice.
 a. 30 b. 60
 c. 90 d. 180
38. Online transfer of payment from the business account of buyer to the business account of supplier as well as payments through _____ shall be treated as transactions through the banking channel.
 a. credit card b. Bank Draft
 c. Money Order d. None
39. The First Schedule of Sales Tax Act is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from March 28, _____
 a. 1994 b. 1995
 c. 1997 d. 1999

40. The Second Schedule is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from _____.
a. March 28, 1994
b. March 28, 1997
c. March 28, 1998
d. March 28, 1999
41. Supply 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.
42. Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act, 1969, (IV of 1969), the supplies from duty free shops shall be treated as _____ for the purpose of levy of sales tax
a. Export b. import
c. Either a or b d. None
43. Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section _____ of the Income Tax Ordinance 2001
a. 120 b. 130
c. 136 d. 150
44. "Chief Commissioner" means a person appointed as the chief Commissioner Inland Revenue under section _____.
a. 30 b. 130
c. 230 d. 330
45. Commissioner' means the Commissioner of Inland Revenue appointed under section _____.
a. 20 b. 40
c. 230 d. 30
46. The expression "KIBOR" means _____ prevalent on the first day of each quarter of the financial year.
a. Khyber Inter-Bank offered rate
b. Karachi Inter-Bank Offset rate
c. Karachi Inter-Bank offered rate
d. Karachi Inter-Bank offered Revenue
47. _____ means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify.
a. 'Local Sales Tax Office'
b. FBR
c. Inland Revenue
d. All of these
48. "Officer of Inland Revenue" means an officer appointed under section _____.
a. 239 b. 130
c. 330 d. 30
49. 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 _____ days shall be excluded from the computation of the period specified in the first proviso.
a. 20 b. 25
c. 30 d. 40
50. Sumons Are sent to any defaulter Under code of civil procedure, _____.
a. 1908 b. 1910
c. 1912 d. 1914
51. The validity of any service of a notice under this Act _____ be called into question after the notice has been complied with in any manner.
a. Shall not b. Shall
c. may not d. None
52. "Any fraud" means knowingly, dishonestly or fraudulently and without any _____ excuse.
a. lawful b. Proper
c. Rightful d. None
53. 'Tax fraud' means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of

- proof of which excuse shall be upon the accused) _____
- doing of any act or causing to do any act;
 - omitting to take any action or causing the omission to take any action, including the making of taxable supplies without getting registration under this Act
 - Any of Above
 - All of above
54. 'goods' means all goods other than those which have been exempted under section _____
- 10
 - 12
 - 13
 - 14
55. 'Sales or Excise Tax invoice' means a document required to be issued under section _____
- 23
 - 24
 - 35
 - 36
56. 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 _____ per cent under section 4
- one
 - Two
 - three
 - Zero
57. '_____' means a period of one month or such other period as the Federal Government may, by notification in the official Gazette
- Tax Time
 - Tax duration
 - Tax period
 - None
58. "supply Time," in relation to _____
- a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply;
 - a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and
 - services, means the time at which the services are rendered or provided;
 - All of these
 - None
59. The meaning of a Trust is _____ 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
- Association
 - Appropriation
 - obligation
 - All of these
60. In Tax Reforms The Meaning of trust is under which _____ interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held
- beneficial
 - Economic
 - Tax
 - None
61. 'value of supply' means in respect of a _____ supply, the consideration in money 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
- Imposable
 - Levi able
 - Enforceable
 - taxable
62. In case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market price of the supply _____ the amount of tax
- Including
 - Exempting
 - excluding
 - All of these
63. In case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is _____ than the open market

- price, the value of supply shall mean the open market price of the supply excluding the amount of tax
- a. Higher b. lower
c. Highest d. All of these
64. The discounted price In Trade Discount is _____ 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
- a. excluding b. Including
c. Both a & b. d. none
65. In case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the invoice, the value determined by the Valuation Committee _____ comprising representatives of trade and the Inland Revenue constituted by the _____
- a. Chief Officer b. Commissioner
c. Any officer d. None
66. 'Tax invoice' means a document required to be issued under section
- a. 23 b. 24
c. 25 d. 26
67. Definition of 'Wholesaler' includes a _____ and means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale
- a. Individual b. dealer
c. Both a & b d. None
68. According to Tax Laws the 'Zero-rated supply' is a taxable supply which is charged to tax at the rate of zero per cent under section
- a. 14 b. 24
c. 34 d. None
69. Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of _____ percent of the value of taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and goods imported into Pakistan
- a. 10 b. 12
c. 14 d. 16
70. Taxable supplies specified in the _____ Schedule shall be charged to tax at the rate of sixteen per cent of the retail price which along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be
- a. First b. second
c. Third d. None
71. _____ may, by notification in the official Gazette, exclude any taxable supply from the said Schedule or include any taxable supply therein
- a. FBR
b. Federal Government
c. Supreme Court
d. None
72. The liability to pay the tax shall be
- 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
c. Both a & b
d. None
73. The Federal Government may, in addition to the tax levied under _____ levy and collect such extra amount of tax not exceeding sixteen per cent of the value of such goods or class of goods.
- a. Sub section (1)
b. sub-section (2)
c. sub-section (4)
d. All of these
74. The Federal Government or the Board may, in lieu of the tax under _____ by notification in the official Gazette, levy and collect such amount of tax as it may deem fit on any supplies or class of supplies or

- on any goods or class of goods and may also specify the mode, manner or time of payment of such amount of tax.
- sub-section (3)
 - sub-section (2),
 - sub-section (1)
 - None
75. The Federal Government may, by notification in the official Gazette, specify _____ as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.
- any person
 - class of persons
 - Both a & b
 - None
76. Whether under misapprehension of any provision, Any person who has collected or collects any tax or charge 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
 - FBR
 - Custom
 - All of these
77. Any amount payable to the Federal Government under _____ shall be deemed to be an arrear of tax or charge payable under this.
- sub-section (1)
 - Sub-section (11)
 - sub-section (11')
 - All of these
78. 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 _____ the tax or charge.
- Imposing
 - collecting
 - Describing
 - None
79. Notwithstanding the provisions of section 3, the following goods shall be charged to tax at the rate of zero per cent
- goods exported, or the goods specified in the Fifth Schedule
 - 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);
 - such other goods as the Federal Government may, by notification in the official Gazette, specify
 - All of these
80. whether under misapprehension of any provision of this Act or otherwise, Any person who has collected or collects any tax or charge 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
 - FBR
 - Supreme Court
 - All of these
81. Any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and no claim for refund in respect of such amount shall be _____
- Collectable
 - Refundable
 - Admissible
 - All of these
82. If there is a change in the rate of tax, a taxable supply made by a registered person shall be charged to tax at such rate as is in force at the time of _____
- purchase
 - Notification
 - supply
 - All of these
83. If 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 _____
- Order was made
 - Purchase order was made
 - Sale invoice was recognized
 - manifest of the conveyance is delivered
84. if the tax is not paid within _____ days of the presenting of the goods declaration under section 104 of The Sales Tax Act, 1990, the tax shall be charged at the rate as is in force on the date on which tax is actually paid.
- 7
 - 15
 - 30
 - 60
85. The tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 and the provisions of the said Act including section _____ thereof, shall, so far as they relate to collection, _____ payment _____ and enforcement of tax under this Act on such goods where no specific provision exists in this Act, apply.
- 31A
 - 31B
 - 31C
 - 31D
86. The tax in respect of taxable supplies made during a _____ period shall be paid by the registered person at the time of filing the return in respect of that period under _____
- Financial
 - Selected
 - Prescribed
 - tax
87. The tax due on taxable supplies shall be paid by any of the following modes, namely _____
- through deposit in a bank designated by the Board; and
 - through such other mode and manner as may be specified by the Board
- a only
 - Both a & b
88. 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 _____ succeeding tax periods.
- Six
 - Seven
 - Eight
 - Nine
89. A registered person shall not be entitled to deduct input tax from output tax unless _____
- in case of a claim for input tax in respect of a taxable supply made, he holds a tax invoice in his name and bearing his registration number in respect of such supply for which a return is furnished
 - 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 or section 104 of the Customs Act, 1969 (IV of 1969)
 - in case of goods purchased in auction, he holds a treasury challan, in his name and bearing his registration number, showing payment of sales tax
 - All of these
90. Notwithstanding anything in sub-sections (1) and (2), the Federal Government may, by a special order, subject to such conditions, limitations or restrictions as may be specified therein allow a registered person to _____ input tax paid by him from the output tax determined or to be determined as due from him under this Act
- Deposit
 - deduct
 - Exempt
 - All of these
91. A registered person shall not be entitled to reclaim or deduct input tax paid on _____
- the goods or services used or to be used for any purpose other

- than for taxable supplies made or to be made by him;
- b. any other goods or services which the Federal Government may, by a notification in the official Gazette, specify;
- c. the goods under sub-section (5) of section 3
- d. All of these
92. No person other than a _____ person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him.
- a. registered b. Govt
- c. Lawful d. None
93. Anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the _____ day of December, 1998
- a. 1st b. 2nd
- c. 3rd d. 4th
94. The adjustment or refund of input tax mentioned in sub-section (2), if any, shall be made on _____ basis in the second month following the end of the financial year of the registered person.
- a. monthly b. Quarterly
- c. half annually d. yearly
95. Where a registered person has issued a _____ in respect of a supply made by him and as a result of cancellation of supply or return of goods, the registered person may, subject to such conditions and limitations as the Board may impose, issue a debt or credit note and make corresponding adjustment against output tax in the return
- a. tax invoice b. credit note
- c. Debt note d. None
96. 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 _____ days
- a. 30 b. 60
- c. 120 d. 150
97. 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 _____ by an officer not below the rank of an Additional Commissioner Inland Revenue
- a. ten b. twenty
- c. thirty d. fifty
98. 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 Commissioner Inland Revenue and the Board may, for reasons to be recorded in written, extend the aforesaid period which shall in no case exceed _____
- a. one month b. three
- c. nine months d. twelve
99. An officer of Inland Revenue shall make an assessment of sales tax actually payable by that person or determine the amount of tax credit or tax refund which he has _____ claimed and shall impose a penalty and charge default surcharge.
- a. unlawfully b. Lawfully
- c. both a & b d. one
100. 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 _____

- days shall be excluded from the computation of the period
- a. thirty b. Fifty
c. Seventy d. None
101. A Special Judge shall be a person who is or has been or is qualified to be a _____ Judge.
- a. Sessions b. Chief
c. Civil d. None
102. On the appointment of a Special Judge for any area, an offence punishable under this Act shall be tried exclusively by the Special Judge and all cases pending in any other court in such area immediately before such appointment shall stand _____ to such Special Judge.
- a. Appointed b. nominated
c. transferred d. None
103. The provisions of the Code of Criminal Procedure _____, shall apply to the proceedings of the court of a Special Judge and, for the purposes of the said provisions, the court of a Special Judge shall be deemed to be a Court of Session trying cases, and a person conducting prosecution before the court of a Special Judge shall be deemed to be a Public Prosecutor.
- a. 1899 b. 1898
c. 1897 d. 1896
104. The Code of Criminal Procedure, 1898 shall have effect as if an offence punishable under this Act were one of the offences referred to in sub-section (1) of _____ of the Code.
- a. section 331 b. section 334
c. section 336 d. section 337
105. The provisions of Chapter XX of the Code of Criminal Procedure, 1898 (Act V of 1898), shall apply to trial of cases under this Act in so far as they are _____ with the provisions of this Act.
- a. inconsistent
b. not inconsistent
c. in Accordance
d. All of these
106. 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 _____ to the court of another Special Judge for disposal, whenever it appears to the Federal Government that such transfer will promote the ends of justice or tend to the general convenience of parties or witnesses.
- a. Special Judge b. Chief Judge
c. Civil Judge d. Special Judge
107. In respect of a case transferred to a Special Judge, such Judge shall not, by reason of the said transfer, _____ to recall and rehear any witness who has given evidence in the case before the transfer and may act on the evidence already recorded by or produced before the court which tried the case before the transfer.
- a. not bound b. may be bound
c. be bound d. None
108. Any Federal Excise Officer authorized by the Board in this behalf who has reason to believe that any person has committed an offence under this Act may arrest such person after obtaining permission in writing from the _____ concerned.
- a. commissioner
b. Collector
c. Additional Collector
d. None
109. _____ shall immediately intimate the fact of the arrest of a person to the Special Judge who may direct such Officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.
- a. Collector
b. Commissioner

- c. Federal Excise Officer
d. All of these
110. 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 _____ 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.
- a. 12 b. 16
c. 18 d. 24
111. When any person is produced before the _____, 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.
- a. Magistrate b. Collector
c. Special Judge d. None
112. Special Judge from canceling 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 _____, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Act.
- a. heard b. Appealed
c. Writ d. All of these
113. Special Judge or the Magistrate from remanding any such person to the custody of the Federal Excise Officer 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 an order, provided that in no case the period of such custody shall exceed _____ days.
- a. 10 b. 14
c. 15 d. None
114. When any person is arrested under this Act, the Federal Excise Officer shall record the fact of arrest and other relevant particulars in the register shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within _____ 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.
- a. 12 b. 14
c. 24 d. 36
115. Federal Excise Officer shall exercise the _____ 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.
- a. same b. Excess
c. Different d. None
116. If a Federal Excise Officer, after holding an inquiry, is of the opinion that there is no sufficient evidence or reasonable grounds to proceed against a person he shall make a report to this effect to the _____ and with his approval may 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 may make a report to the Special Judge for the discharge of

such person and shall make a full report of the case of his immediate superior.

- a. Judge b. Magistrate
c. Collector d. All of these
117. _____ to whom a report has been made, 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 proceeding against such person, proceed with his trial and direct the prosecution to produce evidence.
- a. Special Judge b. Magistrate
c. Collector d. All of these
118. The Federal Excise Officer empowered to hold inquiry under this section shall maintain a register to be called _____
- a. Register of Arrests
b. Register Detention"
c. Register of Arrests and Detention"
d. None
119. After completing the inquiry, the Federal Excise Officer shall, as early as possible, submit to the _____ a complaint in the same form and manner, in which the officer in charge of a police-station submits a report before a court.
- a. Special Judge b. Magistrate
c. Collector d. All of these
120. Any Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with the provisions of _____ of the Code of Criminal Procedure, 1898 (Act V of 1898).
- a. section 64 b. section 164
c. section 264 d. None
121. Without prejudice to the foregoing provisions of this section, the Federal Government may, by notification in the _____, authorize any other officer working under the Board to exercise the powers and

perform the functions of a Federal Excise Officer under this section, subject to such conditions, if any, that it may deem fit to impose.

- a. Newspaper
b. official Gazette
c. No where
d. None
122. Any person has committed an offence liable to penalty or punishment under this Act, the _____ may, either before or after the initiation of any proceedings for the recovery of duty or prosecution of such person, compound the offence if he pays the amount of duty along with such default surcharge and penalty as is determined under the provisions of this Act.
- a. Special Judge b. Magistrate
c. Collector d. None
123. Any Federal Excise Officer duly empowered by the Board in this behalf shall have power to summon any person whose _____ he considers necessary either to give evidence or to produce a document or any other thing or information in any inquiry which such officer is making for any of the purposes of this Act.
- a. attendance b. Arrest
c. Punishment d. All of these
124. All persons so summoned _____ to attend, either in person or by an authorized agent, as such Officer may direct, and all persons so summoned shall be bound to state the truth upon any subject respecting which they are examined or make statements and to produce such documents and other things as may be required.
- a. shall not be bound
b. shall be bound
c. Can be bound
d. None
125. All searches or arrests made under this Act or any rules made there

- under and all arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 _____
- a. (VII of 1898). b. (VI of 1898).
c. (V of 1898). d. (IV of 1898).
126. The counterfeit cigarettes or cigarettes which have been manufactured _____ or on which duty has not been paid as required under this Act and rules made there under, shall be liable to seizure besides the conveyance which has been used for the movement, carriage or transportation of such cigarettes.
- a. unlawfully b. Hiddenly
c. Illegally d. none
127. For the purpose of this section, 'conveyance' shall include all of its _____
- a. fixtures b. fittings
c. accessories d. All of these
128. The cigarettes seized for the reasons of counterfeiting shall be liable to outright confiscation and shall be destroyed in the manner prescribed in sub-section (10) of _____
- a. section 29 b. section 39.
c. section 19. d. section 119.
129. In case of cigarettes seized on account of evasion of duty, the owner shall be given an option to pay penalties and fines as provided under section 19 and meet other obligations as provided under other relevant provisions of the Act and rules made there under, for release of such cigarettes in lieu of confiscation provided that if such release is not claimed or availed, no reduction or abatement in respect of amounts of duty, _____ shall be admissible in case such cigarettes are auctioned.
- a. penalties b. fine
c. penalties and fine d. None
130. In case confiscated cigarettes are rendered unfit for human consumption or become otherwise unfit for sale, the _____ may allow destruction of such cigarettes in such manner as he may deem appropriate.
- a. Commissioner b. Collector
c. Collector d. None
131. Where any conveyance is seized which is liable to _____ the adjudicating authority may, subject to such conditions as may be prescribed, order its release pending adjudication of the case
- a. confiscation, b. Destruction
c. Sale d. None
132. On furnishing a guarantee by the owner of the seized conveyance, from a scheduled bank valid for at least _____
- a. Half year b. 2year
c. one year d. None
133. In respect of cases pending before the Special Judge, release of conveyance under shall not be allowed without prior permission of the _____
- a. Collector
b. Special Judge
c. Commissioner
d. All of these
134. For the purposes of this Act and rules made there under, the Board may, by notification in the official Gazette, appoint, in relation to any area or jurisdiction specified in the notification, any person to be –
- a. a Collector of Federal Excise
b. a Collector of Federal Excise (Appeals)
c. an Additional Collector of Federal Excise
d. All of these
135. Notwithstanding the other designations of the officers of Federal Excise used in this Act or the rules made there under the Directorate _____ shall consist of

- a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette.
- a. General (Intelligence)
b. General (Investigation)
c. General (Intelligence & Investigation)
d. None
136. The Directorate General _____ shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette.
- a. External Audit b. Annual Audit
c. Internal Audit d. None
137. The Directorate General of Training & Research shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette, Substituted vide Finance Act, _____
- a. 2001 b. 2003
c. 2005 d. 2007
138. The Board may, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, empower by name or designation _____
- a. Any Additional Collector of Federal Excise or Deputy Collector of Federal Excise to exercise any of the powers of a Collector of Federal Excise;
b. Any Deputy Collector of Federal Excise or Assistant Collector of Federal Excise to exercise any of the powers of an Additional Collector of Federal Excise;
c. Any Assistant Collector of Federal Excise to exercise any of the powers of a Deputy Collector of Federal Excise; and
d. All of the Above
139. Unless the Board in any case otherwise directs, the Collector may, with the prior approval of the _____, authorize any officer subordinate to him to exercise within any specified area, any of the powers of the Collector or of any other officer of Federal Excise under this Act.
- a. Collector b. Board
c. Both a & b d. All of these
140. The officer to whom any powers of any senior officer are delegated _____ further delegate such powers
- a. shall b. can
c. shall not d. None
141. An officer appointed under this Act 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 or functions conferred or imposed upon any officer _____ to him.
- a. subordinate b. Senior
c. Equal in Rank d. None
142. Notwithstanding anything contained in this Act or the rules made there under, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties by any _____ as it deems fit.
- a. official
b. Provincial Officer
c. person
d. Federal Excise Officer
143. 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 _____ days shall be excluded for the computation of these periods
- a. 30 b. 40
c. 50 d. 60
144. Board shall _____ powers to regulate the system of adjudication including transfer of cases and extension of time limit in exceptional circumstances
- a. have
b. have not
c. Don't have Concern
d. have
145. Adjudication Time in all the cases pending as on _____ June, 2006, shall be deemed always to have been extended up to 31st December, 2006, from the date on which the time limit prescribed under sub-section (3), expires.
- a. 20th b. 24th
c. 25th d. 30th
146. Wherever confiscation is adjudged under this Act or the rules made there under, the officer adjudging it may give the _____ of the conveyance an option to pay in lieu of confiscation such fine as the officer thinks fit.
- a. owner b. Seller
c. Laison d. None
147. Any person other than Federal Excise officer aggrieved by any decision or order passed under this Act or the rules made there under by a Federal Excise Officer up to the rank of Additional Collector of Federal Excise, other than a decision or order or notice given or action taken for recovery of the arrears of duty under this Act or rules made there under may within _____ days of receipt of such decision or order prefer appeal there from to the Collector (Appeals).
- a. 15 b. 20
c. 30 d. 45
148. _____ (Appeals) may, after giving both parties to the appeal an opportunity of being heard.
- a. The Collector
b. The Commissioner
c. The Assistant Collector
d. All of these
149. Order shall be passed not later than _____ days from the date of filing of appeal or within such extended period, not exceeding "sixty" days.
- a. 100 b. 120
c. 150 d. 180
150. Collector (Appeals) may, for reasons to be recorded in writing, extend Provided further that any period during which the proceeding are adjourned on account of stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding _____ days shall be excluded for the computation of these period.
- a. 20 b. 25
c. 30 d. None
151. A trustee for a bankrupt shall, within _____ months of being notified under sub-section (1), notify the liquidator, Commissioner, in writing, of the amount which appears to the Collector 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.
- a. 1 b. 3
c. 5 d. None
152. A _____ shall not, without leave of the Collector, Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).
- a. liquidator b. trustee
c. owner d. All of these
153. The Board make rules for carrying out the purposes of this Act including rules for charging fee for processing _____ and other

- documents and for preparation of copies thereof.
- a. return b. claims
c. Both a & b d. None
154. All rules 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 _____ at reasonable price.
- a. public b. Department
c. Market d. None
155. The Board can the use of _____ system for carrying out the purposes of this Act, including the receipt of Applications for registration, returns and such other declarations, Thereunder from such date and for such registered persons or class of persons as the Board may, by notification in the official Gazette, specify.
- a. computerized b. Manual
c. Either a OR b d. None
156. 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 _____ of authorization and for security of the information transmitted or received through the computerized system.
- a. authorization b. suspension
c. cancellation d. All of these
157. Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all _____ purposes, be deemed to have been furnished by and received from such registered person.
- a. official and legal b. official
c. legal d. None
158. The business information gathered through computerized system shall be _____ to be used only for official and legal purposes no unauthorized person shall claim for any access to such information.
- a. Public b. Legal
c. Proper d. confidential
159. In Civil Court to _____ any order passec. No Suit to any assessment made, any tax levied, any Penalty imposed or collection of any tax made under this Act.
- a. modify b. Change
c. Alter d. All of these
160. A registered person required to appear before the Appellate Tribunal or an officer of Inland Revenue in connection with any proceedings under this Act may, in _____ authorize any person¹[having such qualification as may be prescribed] to represent him or appear on his behalf.
- a. Oral b. Verbally
c. Writing d. All of these
161. The Board may, by a notification in the official Gazette, appoint a person to electronically file return under _____ and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14
- a. Chapter IV b. Chapter V
c. Chapter VI d. Chapter VII
162. A person registered under section _____ may authorize an e-intermediary to electronically file return or any other documents
- a. 10 b. 12
c. 13 d. 14
163. The return filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by the _____ person
- a. depositing b. Actual
c. registered d. None
164. Where an e-intermediary 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 intermediary _____ jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess.
- a. shall be b. shalln't be
c. In Some Cases d. All of these
165. If a registered person is declared bankrupt, the Duty liability under this Act shall pass on to the estate in bankruptcy if it _____ to operate the business.
- a. Discontinue
b. Continue
c. In Some Cases Continue Or Discontinue
d. None
166. 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 _____ the claims preferred by other creditors are settled.
- a. After
b. At the Time of payment of
c. before
d. None
167. Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Custom And excise who _____ the assessment or adjudication or passed such order or decision or by his successor in office
- a. checked b. Approved
c. Made d. All of these
168. The expression "representative" in respect of a registered person, means _____.
- a. where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;
- b. where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;
- c. where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust
- d. All of these
169. where the person is a Provincial Government, in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government
- a. local authority
b. Provincial Govt.
c. Federal Govt.
d. None
170. No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the _____ of being heard.
- a. Deputy Commissioner
b. Assistant Commissioner
c. Commissioner
d. Chief Commissioner
171. Any tax that, by virtue of 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
- a. 10 b. 8
c. 5 d. 4
172. The tax paid on goods purchased by a person who is subsequently required to be registered under section _____ due to new liabilities or levies or gets voluntary registration under this Act or the

- rules made there under, shall be treated as input tax
- a. 14 b. 16
c. 18 d. 20
173. where a person imports goods, the Duty on goods paid by him thereon during a period of _____ 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 .
- a. 60 b. 90
c. 120 d. 150
174. 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 are capable of being identified, _____ of such tax shall
- a. five Fourth b. Three Fourth
c. Seven Fifth d. seven-eighth
175. Board may, on sufficient cause being shown, in any case extend any period by a further period of _____
- a. six months
b. Nine monts
c. one year
d. one And half year
176. 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
b. prohibiting the repayment of tax as drawback on any such goods or class of goods
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.
- d. All of these
e. Any Of a b c
177. 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 _____ than the amount that should have actually been charged.
- a. less b. equal
c. More d. None
178. The refund of Duty claimed to have been paid or over paid through inadvertence, error or misconstruction or refund on account of input adjustment not claimed within the relevant tax period, shall be allowed, unless the claim is made within _____ of the date of Payment
- a. 3 years b. Two years
c. one year d. None
179. In a case where the refund has become due on account of any decision or judgment of any officer of Inland Revenue or court or the Tribunal, the period of _____ shall be reckoned from the date of judgment or decision of such officer, court or Tribunal.
- a. one year b. Two Years
c. Three d. Four
180. The application or claim filed under this section shall be disposed of within a period not exceeding _____ days from the date of filing of such application or claim.
- a. 30 b. 60
c. 90 d. 120
181. There shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to KIBOR per _____ of the amount of refund due, from the date following the expiry of the time specified as aforesaid, to the day

- preceding the day of payment of refund.
- a. annum b. Month
c. Week d. None
182. 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 _____ responsible for the act done by his agent
- a. shalln't be b. shall be
c. Can be d. may be
183. An officer of Inland Revenue not below the rank of Assistant Commissioner may, on payment of _____ Rupees issue an attested duplicate of any Inland Revenue 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.
- a. 1000 b. 500
c. 300 d. 100
184. Any decision of any court the trade enrolment Certificate Schemes immediately in force before the commencement of the Finance Act, _____, shall be deemed to be validly made under this Act
- a. 1997 b. 1998
c. 1999 d. None
185. Payment of the amount for a transaction exceeding value of _____ 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.
- a. 30 b. 50
c. 70 d. 90
186. Payment in case of a transaction on credit is so transferred within _____ days of issuance of the tax invoice.
- a. 30 b. 60
c. 90 d. 180
187. Online transfer of payment from the business account of buyer to the business account of supplier as well as payments through _____ shall be treated as transactions through the banking channel.
- a. credit card b. Bank Draft
c. Money Order d. None
188. The First Schedule of Sales Tax Act is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from March 28, _____.
- a. 1994 b. 1995
c. 1997 d. 1999
189. The Second Schedule is omitted vides Finance Supplementary (Amendment) Act, 1997, with effect from _____.
- a. March 28, 1994
b. March 28, 1997
c. March 28, 1998
d. March 28, 1999
190. 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.
191. Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules, the supplies from duty free shops shall be treated as _____ for the purpose of levy of sales tax
- a. Export b. import
c. Either a or b d. None
192. Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section _____ of the Income Tax Ordinance 2001
- a. 120 b. 130
c. 136 d. 150
193. "Chief Commissioner" means a person appointed as the chief

- Commissioner Inland Revenue under section ____.
- a. 30 b. 30
c. 230 d. 330
194. Commissioner' means the Commissioner of Inland Revenue appointed under section ____.
- a. 20 b. 40
c. 230 d. 30
195. The expression "KIBOR" means ____ prevalent on the first day of each quarter of the financial year.
- a. Khyber Inter-Bank offered rate
b. Karachi Inter-Bank Offset rate
c. Karachi Inter-Bank offered rate
d. Karachi Inter-Bank offered Revenue
196. ____ means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify.
- a. 'Local Sales Tax Office'
b. FBR
c. Inland Revenue
d. All of these
197. "Officer" means an officer appointed under section ____.
- a. 239 b. 130
c. 330 d. 30
198. 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 ____ days shall be excluded from the computation of the period specified in the first proviso.
- a. 20 b. 25
c. 30 d. 40
199. Sumons Are sent to any defaulter Under code of civil procedure, ____.
- a. 1908 b. 1910
c. 1912 d. 1914
200. Tax and the income tax authorities of the Azad Jammu and Kashmir ____ recover the tax because ____.
- (i) the person's residence is in Pakistan; or
(ii) the person has no movable or immovable property in the Azad Jammu and Kashmir,
- a. cannot b. Can
c. none

ANSWER

1. c 2. b 3. a 4. c 5. a 6. a 7. d 8. a 9. d 10. d
11. c 12. b 13. d 14. c 15. a 16. b 17. c 18. c
19. d 20. b 21. c 22. c 23. a 24. b 25. d 26. c
27. e 28. a 29. c 30. a 31. c 32. a 33. b 34. d
35. c 36. b 37. d 38. a 39. c 40. b 41. 42. b 43. b
44. a 45. d 46. c 47. a 48. d 49. c 50. a 51. a
51. d 52. a 53. c 54. c 55. a 56. d 57. c 58. d
59. c 60. a 61. d 62. c 63. b 64. a 65. b 66. a 67. b
68. d 69. d 70. c 71. b 72. c 73. d 74. c 75. c
76. a 77. a 78. b 79. d 80. a 81. c 82. c 83. d
84. a 85. a 86. d 87. d 88. a 89. d 90. b 91. d
92. a 93. d 94. d 95. a 96. b 97. b 98. c 99. a
100. a 101. a 102. c 103. b 104. d 105. b
106. a 107. c 108. b 109. c 110. d 111. c
112. a 113. b 114. c 115. a 116. c 117. a 118. c
119. a 120. b 121. b 122. c 123. a 124. b
125. c 126. a 127. d 128. c 129. c 130. b
131. a 132. c 133. b 134. d 135. c 136. c 137. d
138. d 139. b 140. c 141. a 142. d 143. a
144. a 145. d 146. a 147. c 148. a 149. b 150. c
151. b 152. a 153. c 154. a 155. a 156. d
157. a 158. d 159. d 160. c 161. b 162. d 163. c
164. a 165. b 166. c 167. c 168. d 169. b 170. c
171. c 172. a 173. b 174. d 175. d 176. e
177. a 178. c 179. a 180. c 181. a 182. b 183. d
184. c 185. b 186. d 187. a 188. c 189. b 190. b
191. b 192. b 193. a 194. d 195. c 196. a
197. d 198. c 199. a 200. a.

4

CHAPTER

THE SALES TAX ACT, 1990

PRELIMINARY

1. Short title, extent and commencement

- (1) This Act may be called the Sales Tax Act, 1990.
- (2) It extends to the whole of Pakistan.
- (3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.

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

- (1) **Appellate Tribunal**” means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance 2001 (XLIX of 2001)”
- (2) **‘appropriate officer’** means an officer of Inland Revenue authorised by the Board by notification in the official Gazette to perform certain functions under this Act;
- (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,
- (3) **“associates (associated persons)”** means, —
 - (i) subject to sub-clause (ii), where two persons associate and the relationship between the two is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;
 - (ii) two persons shall not be associates solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;
 - (iii) without limiting the generality of sub-clause (i) and subject to subclause (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 –
 - (i) fifty per cent or more of the voting power in both companies;
 - (ii) fifty per cent or more of the rights to dividends; or
 - (iii) fifty per cent or more of the rights to capital; and
- (iv) two persons shall not be associates under sub-clause (a) or (b) of paragraph (iii) where the 1 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 body 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 any body 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;
- (4A) “Chief Commissioner”** means a person appointed as the chief Commissioner Inland Revenue under section 30;
- (5) ‘Commissioner’** means the Commissioner of Inland Revenue appointed under section 30;
- (5A) “common taxpayer identification number”** means the registration number or any other number allocated to a registered person;
- (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 company for the purposes of the Income Tax Ordinance 2001 (XLIX of 2001);
- (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;
- (5AB) "cottage industry"** means a manufacturer whose annual turnover from taxable supplies made in any tax period during the last twelve months ending any tax period does not exceed five million rupees or whose annual utility (electricity, gas and telephone) bills during the last twelve months ending any tax period do not exceed seven hundred thousand rupees;
- 5(AC) "CREST"** Means the computerized program for analyzing and cross-matching of sales tax return, also referred to as computerized Risk-based 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;
- (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;
- (6B) "default surcharge"** means the default surcharge levied under section 34;
- (7) 'distributor'** means a person appointed by a manufacturer, importer or any other person for a specified area to purchase goods from him for further supply and includes a person who in addition to being a distributor is also engaged in supply of goods as a wholesaler or a retailer;
- (8) 'document'** includes any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium for the storage of such data;
- (9) 'due date'** in relation to the furnishing of a return under section 26 Omitted and section 26AA means the 15th day of the month following the end of the tax period, or such other date as the Board may, by notification in the official Gazette, specify;
- (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;
- (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;
- (11A) "firm"** means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;
- (12) 'goods'** include every kind of movable property other than actionable claims, money, stocks, shares and securities;
- (13) 'importer'** means any person who imports any goods into Pakistan;
- (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;
- (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;
- (14A) The expression “**KIBOR**” means Karachi Inter-Bank offered rate prevalent on the first day of each quarter of the financial year;
- (15) ‘**Local Sales Tax Office**’ means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify.”
- (16) ‘**Manufacture**’ or ‘produce’ includes –
 - (a) any process in which an article singly or in combination with other articles, materials, components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product;
 - (b) process of printing, publishing, lithography and engraving; and
 - (c) process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner;
- (17) ‘**manufacturer**’ or ‘**producer**’ means a person who engages, whether exclusively or not, in the production or manufacture of goods whether or not the raw material of which the goods are produced or manufactured are owned by him; and shall include—
 - (a) a person who by any process or operation assembles, mixes, cuts, dilutes, bottles, packages, repackages or prepares goods by any other manner;
 - (b) an assignee or trustee in bankruptcy, liquidator, executor, or curator or any manufacturer or producer and any person who disposes of his assets in any fiduciary capacity and
 - (c) any person, firm or company which owns, holds, claims or uses any 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 or company sells, distributes, consigns or otherwise disposes of the goods;

Provided that for the purpose of refund under this Act, only such person shall be treated as manufacturer-cum-exporter who owns or has his own manufacturing facility to manufacture or produce the goods exported or to be exported;
- (18) “**Officer of Inland Revenue**” means an officer appointed under section 30;
- (19) ‘**open market price**’ means the consideration in money which that supply or a similar supply would generally fetch in an open market;
- (20) “**output tax**”, in relation to a registered person, means—
 - (a) tax levied under this Act on a supply of goods, made by the person;
 - (b) tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services, by the person;
 - (c) Provincial sales tax levied on services rendered or provided by the person;

(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;

(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 Commissioner;

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

(25) **‘registered person’** means a person who is registered or is liable to be registered under this Act:

Provided that a person liable to be registered but not registered under this Act shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made there under;

(26) Omitted

(27) **‘retail price’**, with reference to the Third Schedule, means the price fixed by the manufacturer, inclusive of all duties, charges and taxes (other than sales tax) 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;

(28) **‘retailer’** means a person, supplying goods to general public for the purpose of consumption. 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, and his total turnover per annum shall be taken into account for the purposes of registration under section 14.

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

(29A) **“sales tax”** means—

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

(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 resembles the characteristics, quantity, components and materials of the aforementioned goods;
- (31A) **'special audit'** means an audit conducted under section 32A;
- (32) **'Special Judge'** means the Special Judge appointed under Section 185 of the Customs Act;
- (33) **"supply"** means a sale or other transfer of the right to dispose of goods as owner, including such sale or transfer under a hire purchase agreement, and also includes—
- (a) putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;
 - (b) auction or disposal of goods to satisfy a debt owed by a person; and
 - (c) possession of taxable goods held immediately before a person ceases to be a registered person

Provided that the Federal Government, may by notification in the official Gazette, specify such other transactions which shall or shall not constitute supply;

- (34) **"tax"**, unless the context requires otherwise, means sales tax;
- (35) **"taxable activity"**, means any economic activity carried on by a person whether or not for profit, and includes—
- (a) an activity carried on in the form of a business, trade or manufacture;
 - (b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person;
 - (c) a one-off adventure or concern in the nature of a trade; and
 - (d) anything done or undertaken during the commencement or termination of the economic activity, but does not include—
- (a) the activities of an employee providing services in that capacity to an employer;
 - (b) an activity carried on by an individual as a private recreational pursuit or hobby; and
 - (c) an activity carried on by a person other than an individual which, if carried on by an individual, would fall within sub-clause (b).
- (36) **'tax fraction'** means the amount worked out in accordance with the following formula:-

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

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

- (37) **'tax fraud'** means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of proof of which excuse shall be upon the accused) –
- (i) doing of any act or causing to do any act; or
 - (ii) omitting to take any action or causing the omission to take any action, including the making of taxable supplies without getting registration under this Act; or

- (iii) falsifying or causing falsification the sales tax invoices, in contravention of duties or obligations imposed under this Act or rules or instructions issued there under with the intention of understating the tax 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;
- (38) Omitted
- (39) **'taxable goods'** means all goods other than those which have been exempted under section 13;
- (40) **'tax invoice'** means a document required to be issued under section 23;
- (41) **'taxable supply'** means a supply of taxable goods made 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;
- (42) Omitted
- (43) **'tax period'** means a period of one month or such other period as the Federal Government may, by notification in the official Gazette, specify;
- (44) **"time of supply,"** in relation to,—
 - (a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply;
 - (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;
- (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;
- (45) Omitted
- (46) **'value of supply'** means:—
 - (a) in respect of a taxable supply, the consideration in money 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 supply 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 of the supply excluding the amount of tax; and
- (iii) in case a taxable supply is made to a consumer from general public on installment basis on a price inclusive of mark up or surcharge rendering it higher than open

market price, the value of supply shall mean the open market price of the supply excluding the amount of tax.

- (b) in case of trade discounts, the discounted price excluding the amount of tax; provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with the normal business practices;
- (c) in case where for any special nature of transaction it is difficult to ascertain the value of a supply, the open market price;
- (d) in case of imported goods, the value determined under section 25 of the Customs Act, including the amount of customs-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 comprising representatives of trade and the Inland Revenue constituted by the Commissioner; and
- (f) in case the goods other than taxable goods are supplied to a registered person for processing, the value of supply of such processed goods shall mean the price excluding the amount of sales tax which such goods will fetch on sale in the market;
- (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.

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;

(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 belonging to others as an agent for the purpose of sale; and includes a person supplying taxable goods to a person who deducts income tax at source under the Income Tax Ordinance, 2001

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

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 **seventeen** per cent of the value of—
 - (a) taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and
 - (b) goods imported into Pakistan.

- (1A) Subject to the provision of sub-section 6 of section 8 or any notification issued there under, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of one per cent of the value in addition to the rate specified in sub-section (1), (1B), (2), (5) and (6).

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

- (1B) The Board may, by notification in the official Gazette, in lieu of levying and collecting tax under sub-section (1) on taxable supplies, levy and collect tax:
- (a) on the production capacity of plants, machinery, undertakings, establishments or installations producing or manufacturing such goods; or
 - (b) on fixed basis, as it may deem fit, from any person who is in a position to collect such tax due to the nature of the business; and
2. Notwithstanding the provisions of sub-section (1);--

- (a) taxable supplies specified in the Third Schedule shall be charged to tax at the rate of seventeen per cent of the retail price which along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be;

Provided that the Federal Government, may, by notification in the official Gazette, exclude any taxable supply from the said Schedule or include any taxable supply therein;

- (aa) goods specified in the Eighth Schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and;
- (b) the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any goods or class of goods imported into or produced or any taxable supplies made by a registered person or a class of registered persons, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.
- (3) The liability to pay the tax shall be,-
- (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.
- (3A) Notwithstanding anything contained in clause (a) sub-section (3), the Federal Government 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.
- (3B) Notwithstanding anything contained in sub-sections (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein.
- (4) Omitted
- (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 not exceeding sixteen 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.

- (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 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.
- (7) The Federal Government may, by notification in the official Gazette, specify any person or class of persons as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.
- (8) Notwithstanding anything contained in any law or notification made thereunder, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of seventeen per cent of the value of supply to the CNG consumers, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.
- (9) Notwithstanding anything contained in sub-section (1), tax shall be charged from retailers through their monthly electricity bills, at the rate of five per cent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid amount, subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007:

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).

3A. TO 3AAA. Omitted

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.
- (2) Notwithstanding anything contained in any law or judgment of a court, including the Supreme Court and a High Court, any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.
- (3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the consumer shall be on the person collecting the tax or charge.

4. Zero rating:—

Notwithstanding the provisions of section 3, 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);

- (c) Such other goods as the Federal Government may, by notification in the official Gazette, specify: 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; or
 - (iii) Have been exported to a country specified by the Federal Government, by Notification in the official Gazette.

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.

- (d) Such other goods as may be specified by the Federal Board of Revenue through a general order as are supplied to a registered person or class of registered persons engaged in the manufacture and supply of goods at reduced rate of sales tax.

5. Change in the rate of tax.—

If there is a change in the rate of tax—

- (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;
- (b) imported goods shall be charged to tax at such rate as is in force,--
 - (i) in case the goods are entered for home consumption, on the date on which a goods declaration is presented under section 79 of the Customs Act, 1969 (IV of 1969);
 - (ii) in case the goods are cleared from warehouse, on the date on which a goods declaration for clearance of such goods is presented under section 104 of the Customs Act, 1969 (IV of 1969).

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 presenting 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

6. Time and manner of payment.—

- (1) The tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 and the provisions of the said Act including section 31A thereof, shall, so far as they relate to collection, payment and enforcement of tax under this Act on such goods where no specific provision exists in this Act, apply.
- (1A) Notwithstanding anything contained in any other law for the time being in force, including but not limited to the Protection of Economic Reforms Act, 1992 (XII of 1992), and notwithstanding any decision or judgment of any forum, authority or court whether passed, before or after the promulgation of the Finance Act, 1998 (III of 1998), the provisions of section 31-A of the Customs Act, 1969 (IV of 1969), referred to in sub-section (1) shall be incorporated in and shall be deemed to have always been so incorporated in this Act and no person shall be entitled to any exemption from or adjustment of or refund of tax on account of the absence of such a provision in this Act, or in consequence of any decision or judgment of any

forum, authority or court passed on that ground or on the basis of the doctrine of promissory estoppel or on account of any promise or commitment made or understanding given whether in writing or otherwise, by any government department or authority.

- (2) The tax in respect of taxable supplies made during a tax period shall be paid by the registered person at the time of filing the return in respect of that period under Chapter-V.

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

- (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.

7. Determination of tax liability.—

- (1) Subject to the provisions of sections 8 and 8B, for the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a registered person shall, subject to the provisions of section 73, be 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 subsection (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.

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

- (2) A registered person shall not be entitled to deduct input tax from output tax unless,-
 - (i) in case of a claim for input tax in respect of a taxable supply made, he holds a tax invoice in his name and bearing his registration number in respect of such supply for which a return is furnished;
 - (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 or section 104 of the Customs Act, 1969 (IV of 1969);
 - (iii) in case of goods purchased in auction, he holds a treasury challan, in his name and bearing his registration number, showing payment of sales tax;
 - (iii a) the goods and services against which input tax is claimed are-
 - (a) Imported or purchased for the purpose of sale or re-sale by the registered person on payment of tax;
 - (b) used directly as raw material, ingredient, part, component or packing material by the registered person in the manufacture or production of taxable goods;
 - (c) electricity, natural gas and other fuel consumed directly by the registered person in his declared business premises for the manufacture, production or supply of taxable goods; or

- (d) Plant, machinery and equipment used by the registered person in his declared business premises for the manufacture, production or supply of taxable goods.
- (3) Notwithstanding anything in sub-sections (1) and (2), the Federal Government 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.
- (4) Notwithstanding anything contained in this Act or rules made 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.

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

- (1) Notwithstanding anything contained in this Act or the 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.
- (2) Notwithstanding anything contained in this Act or the rules made there under, the Federal Government may, by notification in the official Gazette, and subject to the conditions, limitations, restrictions and procedure mentioned therein, specify the minimum value addition required to be declared by certain persons or categories of persons, for supply of goods of such description, or class as may be prescribe; and to waive the requirement of audit or scrutiny of records if such minimum value addition is declared.

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 --
 - (a) the goods or services used or to be used for any purpose other than for taxable supplies made or to be made by him;
 - (b) any other goods or services which the Federal Government may, by a notification in the official Gazette specify;
 - (c) the goods under sub-section (5) of section 3:
 - (ca) the goods or services in respect of which sales tax has not been deposited in the Government treasury the respective supplier;
 - (caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain;
 - (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;
 - (f) goods and services not related to the taxable supplies made by the registered person;
 - (g) goods and services acquired for personal or non-business consumption;

- (h) goods used in, or permanently attached to, immoveable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding such goods acquired for sale or re-sale or for direct use in the production or manufacture of taxable goods; and
- (i) Vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture, furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale.;
- (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.
- (4) Omitted
- (5) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the first day of December, 1998.
- (6) Notwithstanding anything contained in any other law for the time being in force or any provision of this Act, the Federal Government may, by notification in the official Gazette, specify any goods or class of goods which a registered person cannot supply to any person who is not registered under this Act.

8A. Joint and several liability of registered persons in supply chain where tax unpaid.- Where a registered person receiving a taxable supply from another registered person is in the knowledge or has reasonable grounds to suspect that some or all of the tax payable in respect of that supply or any previous or subsequent supply of the goods supplied would go unpaid, such person as well as the person making the taxable supply shall be jointly and severally liable for payment of such unpaid amount of tax:

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

8B. Adjustable input tax.-

- (1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:

Provided that the restriction on the adjustment of input tax in excess of ninety per cent of the output tax, shall not apply in case of fixed assets or capital goods:

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

- (2) A registered person, subject to 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-section (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-section (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.
- (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).

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.

(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:

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

Provided further that the Board may, from such date and subject to such conditions and restrictions as it may impose, by notification in the official Gazette, direct that refund of input tax against exports shall be paid along with duty drawback at the rates notified in the said 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 Commissioner Inland Revenue and the Board may, for reasons to be recorded in written, extend the aforesaid period which shall in no case exceed nine months.

11. Assessment of Tax and recovery of tax not levied or short-levied or erroneously refunded.—

- (1) Where a person who is required to file a tax return fails to file the return for a tax period by the due date or pays an amount which, for some miscalculation is less than the amount of tax actually payable, an Officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax, including imposition of penalty and default surcharge in accordance with section 33 and 34.

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

- (2) Where a person has not paid the tax due on supplies made by him or has made short payment or has claimed input tax credit or refund which is not admissible under this Act for reasons other than those specified in sub-section (1), an Officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax actually payable by that person or determine the amount of tax credit or tax refund which he has unlawfully claimed and shall impose a penalty and charge default surcharge in accordance with section 33 and 34.
- (3) Where by reason of some collusion or a deliberate act any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of refund erroneously made shall be served with a notice requiring him to show cause for payment of the amount specified in the notice.
- (4) Where by reason of any inadvertence, error or misconstruction, any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay the amount of tax or charge or the amount of refund erroneously made shall be served with a notice requiring him to show cause for payment of the amount specified in the notice.

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

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

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

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

- (6) Notwithstanding anything in sub-section (1), where a registered person fails to file a return, an officer of Inland Revenue not below the rank of Assistant

Commissioner shall subject to such conditions as specified by the Federal Board of Revenue, determine the minimum tax liability of the registered person.

- (7) For the purpose of this section, the expression "relevant date" means- (a) the time of payment of tax or charge as provided under section 6; and
- (b) in a case where tax or charge has been erroneously refunded, the date of its refund.

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.

12. Omitted

13. Exemption.—

- (1) Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule shall, subject to such conditions as may be specified by the Federal Government, be exempt from tax under this Act.
- (2) Notwithstanding the provisions of sub-section (1)-
 - (a) the Federal Government may, by notification in the official Gazette, exempt any taxable supplies made or import or supply of any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein; and
 - (b) the Board may, by special order in each case stating the reasons, exempt any import or supply of goods of such description or class, as may be specified from the payment of the whole or any part of the tax chargeable under this Act.
- (3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause (a) or, as the case may be, order made under clause (b) of that sub-section.

REGISTRATION

14. Registration. -

Under this Act, registration will be required for such persons and be regulated in such manner and subject to rules as the Board may, by notification in the official Gazette, prescribe.

15. to 20. Omitted

21. De-registration, blacklisting and suspension of registration.—

- (1) The Board or any officer, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act.
- (2) Notwithstanding anything contained in this Act, in cases where the Commissioner is satisfied that a registered person is found 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

- (3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales tax refund or input tax credit, and once such person is blacklisted, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such blacklisting shall be rejected through a self speaking appeasable order and after affording an opportunity of being heard to such person.
- (4) Notwithstanding anything contained in this Act, where the Board, the 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, 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.

BOOK KEEPING AND INVOICING REQUIREMENTS

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, imported and supplies (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;
 - (c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports;
 - (d) records of zero-rated and exempt supplies;
 - (da) double entry sales tax accounts;
 - (e) invoices, credit notes, debit notes, bank statements, banking instruments in terms of section 73, inventory records, utility bills, salary and labour bills, rental agreements, sale purchase agreements and lease agreements;
 - (ea) record relating to gate passes, inward or outward, and transport receipts;
 - (f) such other records as may be specified by the Board;

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

- (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 there under 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.
- (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.
- (3) The Board may, by notification in the official gazette, prescribe the procedure or software for electronically maintenance of records, filing of sales tax returns or refunds and for any other matter or approve any software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons.
- (4) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 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 good" containing the following particulars, namely:-
 - (a) name, address and registration number of the supplier;
 - (b) name, address and registration number of the recipient;
 - (c) date of issue of invoice;
 - (d) description and quantity of goods;
 - (e) value exclusive of tax;
 - (f) amount of sales tax; and
 - (ff) Omitted
 - (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 for a taxable supply.

- (2) No person other than a registered person or a person paying retail tax shall issue an invoice under this section.
- (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 Commissioner, as may be specified.
- (4) The Board may, by notification in the Official Gazette, prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.

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 or till 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.

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 such officer of Inland Revenue authorized by the Commissioner and use of any machine on which such data is kept.
- (2) The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained under sub-section (1), may, once in a year, conduct audit:

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

Provided further that nothing in this sub-section shall bar the Inland Revenue officer 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;

- (3) After completion of the 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 or section 36, as the case may be.
- (4) Omitted
- (5) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with 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, he 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 amount of tax short paid or amount of tax evaded along with default surcharge after issuance of show cause notice, he shall deposit the evaded amount of tax, default surcharge under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.

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.

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

25AA. Transactions between associates.- 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.

RETURNS

26. Return.-

- (1) Every registered person shall furnish not later than the due date a true and correct return 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 maybe prescribed:

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.

- (2) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of tax period showing the application of different rates of tax shall be furnished
- (3) A registered person may, subject to approval of the Commissioner Inland Revenue having jurisdiction, file a revised return within one hundred and twenty days of the filing of return 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 of wrong declaration made therein.
- (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 default surcharge, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that in case the registered person wishes to deposit the amount of tax as pointed out by the officer of Inland Revenue during 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 per cent of the penalty payable under section 33 along with the revised return:

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

- (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.

26A. Omitted TO 26AA.

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

- (a) a person registered Omitted under this Act shall furnish special return within such date and in such form indicating information such as quantity manufactured or produced, purchases made, goods supplied or payment of arrears made, etc, for such period as the Board may, by a notification in official gazette, specify; and
- (b) the 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.

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

OFFENCES AND PENALTIES

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 fails to furnish a return within the due date.	Such person shall pay a penalty of five thousand rupees: Provided that in case a person files a return within fifteen days of the due date, he shall pay a penalty of one hundred rupees for each day of default.	26
2. Any person who fails to issue an invoice when required under this Act.	Such person shall pay a penalty of five thousand rupees or three per cent of the amount of the tax involved, whichever is higher.	23
3. Any person who unauthorizedly issues an invoice in which an amount of tax is specified.	Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher.	3, 7 and 23
4. Any person who fails to notify the changes of material nature in the particulars of registration of taxable activity.	Such person shall pay a penalty of five thousand rupees.	14
5. Any person who fails to deposit the amount of tax due or any part thereof in the time or manner laid down under this Act or rules or orders made there under.	Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher: Provided that, if the amount of tax or any part thereof is paid within fifteen days from the due date, the defaulter shall pay a penalty of five hundred rupees for each day of default: Provided further that no penalty shall be imposed when any miscalculation is made for the first time during a year: Provided further that if the amount of tax due is not paid even after the expiry of a period of sixty days of issuance of the notice for such payments by an	3, 6, 7 and 48

	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.	
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.	Such person shall pay a penalty of five thousand rupees or three per cent of the amount of the tax involved, whichever is higher.	7 and 26
7. Any person who is required to apply for registration under this Act fails to make an application for registration before making taxable supplies.	Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher: 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.	14
8. Any person who fails to maintain records required under this Act or the rules made there under.	Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher.	22 and 24
9. Where a registered person who, without any reasonable cause, in non compliance with the provisions of section 25,—	Such person shall pay a penalty of five thousand rupees; such person shall pay a penalty of ten thousand rupees; and such person shall pay a penalty of fifty thousand rupees.	25

<p>(a) fails to produce the record on receipt of first notice;</p> <p>(b) fails to produce the record on receipt of second notice; and</p> <p>(c) fails to produce the record on receipt of third notice.</p>		
<p>10. Any person who fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26.</p>	<p>Such person shall pay a penalty of ten thousand rupees.</p>	<p>26</p>
<p>11. Any person who,--</p> <p>(a) submits a false or forged document to any officer of Inland Revenue; or</p> <p>(b) destroys, alters, mutilates or falsifies the records including a sales tax invoice; or</p> <p>(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.</p>	<p>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.</p>	<p>2(37) and General</p>
<p>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 required under section 25, 38 38A or 40B</p>	<p>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 three years, or with fine which may extend to an amount equal to the amount of tax involved, or with both.</p>	<p>25, 38, 38A and 40B</p>

13.	Any person who commits causes to commit or attempts to commit the tax fraud, or abets or connives in commissioning of tax fraud.	Such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both	2(37)
14.	Where any person violates any embargo placed on removal of goods in connection with recovery of tax.	Such person shall pay a penalty of twenty five thousand rupees or ten per cent of the amount of the tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of tax involved, or with both.	48
15.	Any person who obstructs the authorized officer in the performance of his official duties.	Such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher.	31 and General
16.	Any person who fails to make payment in the manner prescribed under section 73 of this Act.	Such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher.	73
17.	Any person who fails to fulfil any of the conditions, limitations or restrictions prescribed in a Notification issued under any of the provisions of this Act.	Such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher.	71 and General
18.	Where any officer of inland revenue authorized to act under this Act, acts or omits or attempts to act or omit in a manner	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	General

	causing loss to the inland revenue or otherwise abets or connives in any such act.	amount equal to the amount of tax involved, or with both.	
19.	Any person who contravenes any of the provision of this Act for which no penalty has, specifically, been provided in this section.	Such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher.	General
20.	Omitted		
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 system; or (b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; or (c) falsifies any record or information stored in the computerized system; or (d) knowingly or dishonestly damages or impairs the computerized system; or (e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; or	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 the Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to an amount equal to the loss of tax involved, or with both.";	50A

(f)	unauthorizedly uses unique user identifier of any other registered user to authenticate a transmission of information to the computerized system; or		
(g)	fails to comply with or contravenes any of the conditions prescribed for security of unique user identifier.		

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 willfully or otherwise, in time or in the manner specified under this Act, rules or notifications issued there under or claims a tax credit, refund or makes an adjustment which is not admissible to him, or incorrectly applies the rate of zero per cent to supplies made by him, he shall, in addition to the tax due, pay default surcharge at the rate mentioned below —
 - (a) 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 KIBOR plus three per cent per annum of the amount of tax due or the amount of refund erroneously made; and
 - (b) Omitted
 - (c) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of two per cent per month, of the amount of tax evaded or the amount of refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid.
- (2) For the purpose of calculation of default surcharge,—
 - (a) in the case of inadmissible input tax credit or refund, the period of default shall be reckoned from the date of adjustment of such credit or, as the case may be, refund is received; and
 - (b) in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the 16th day of a month (following the due date of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid.

Explanation.—For the purpose of this section tax due does not include the amount of penalty.

34A. Exemption from penalty and default surcharge.—

The Federal Government may, by a notification in the official Gazette, or 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 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,

35. 35A. 36. Omitted**37. Power to summon persons to give evidence and produce 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 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 (V of 1908), shall not be required to appear in person.

- (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).

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).
- (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.
- (5) Where the person suspected of tax fraud or any offence warranting prosecution under this Act is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing the tax fraud or any offence warranting prosecution under this Act shall be liable to arrest; provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Act.

37B. Procedure to be followed on arrest of a person.--

- (1) When a Officer of Inland Revenue authorised 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 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 purpose of this Act.

- (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 person to the custody of the officer of Inland Revenue holding inquiry against that person if such officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order:

Provided that in no case the period of such custody shall exceed fourteen days.

- (6) When any person is arrested under this Act, the Inland Revenue Officer shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty-four hours of his arrest, excluding the time necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody.
- (7) While holding an inquiry under sub-section (6), the officer of Inland Revenue shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898) but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.
- (8) If the Officer of Inland Revenue, after holding an inquiry as aforesaid, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.
- (9) The Special Judge to whom a report has been made under sub-section (8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is

sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

- (10) The Inland Revenue Officer empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day; and, such register or authenticated copies of its aforesaid entries shall be produced before the Special Judge, whenever such Officer is so directed by him.
- (11) After completing the inquiry, the 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 in charge of a police station submits a report, before a court.
- (12) Any Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with the provisions of Section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).
- (13) Without prejudice to the foregoing provisions to this section, the Federal Government may, by notification in the official Gazette, authorize any other officer working under the Board to exercise the powers and perform the functions of a Inland Revenue Officer under this section, subject to such conditions, if any, that it may deem fit to impose.

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 headquarters 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.

37D. Cognizance of offences by Special Judges.-

- (1) Notwithstanding anything contained in this Act or any other law for the time being in force, a Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable under this Act
 - (a) upon a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or
 - (b) upon receiving a complaint or information of facts constituting such offence made or communicated by any person; or
 - (c) upon his own knowledge acquired during any proceeding before him under this Act or under any other law for the time being in force.
- (2) Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with the 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 summons 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 Spec 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 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 provisions 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 provisions 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 purposes of the said Code and the provisions of Chapter XXIIA of the 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 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 will 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).

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 to business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained belonging to any registered person or a person liable for registration or whose business activities are covered under this Act or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the goods, stocks, records, data, documents, correspondence, accounts and statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents, including those which are required under any of the Federal, Provincial or local laws maintained in any form or mode and may take into his custody such records, statements, diskettes, documents or any part thereof, in original or copies thereof in such form as the authorised officer may deem fit against a signed receipt.
- (2) The registered person, his agent or any other person specified in sub-section (1) shall be bound to answer any question or furnish such information or explanation as may be asked by the authorised officer.
- (3) The department of direct and indirect taxes or any other Government department, local bodies, autonomous bodies, corporations or such other institutions shall supply requisite information and render necessary assistance to the authorised officer in the course of inquiry or investigation under this section.

38A. Power to call for information.—

The Commissioner may, by notice in writing, require any person including a banking company, to furnish such information or such statement in connection with any investigation or inquiry in cases of tax fraud, as may be specified in such notice: provided that the Commissioner may require any regulatory authority to provide information concerning the licenses and authorizations issued by it.

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 a Deputy Commissioner Inland Revenue, by notice in writing, as and when specified in the notice, shall,—

- (a) produce for examination, such documents or records which the officer of Inland Revenue considers necessary or relevant to the audit, inquiry or investigation under the Act;
 - (b) allow the officer of Inland Revenue to take extracts from or make copies of such documents or records; and
 - (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.
- (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 Inland Revenue under sub-section (2) or (3), within the time specified in the notice issued by the Board or, as the case may be, the officer of Inland Revenue.

39. Omitted

40. Searches under warrant-

- (1) Where any officer of Inland Revenue has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the magistrate, enter that place and cause a search to be made at any time.
- (2) The search made under sub-section (1) shall be carried out in accordance with the relevant provision of the Code of Criminal Procedure 1898 (V of 1898)

40A. Omitted

40B. Posting of Inland Revenue Officer. — Subject to such conditions and restrictions, as deemed fit to impose, the Board or the Chief Commissioner, 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:

Provided that if a Commissioner, on the basis of material evidence, has reason to believe that a registered person is involved in evasion of sales tax or tax fraud, he may, by recording the reason in writing, post an officer of Inland Revenue to the premises of such registered person to monitor production or sale of taxable goods and the stock position.

Explanation: - For the removal of doubt, it is declared that the powers of the Board, Chief Commissioner and Commissioner under this section are independent of the provisions of section 40.

40C. Monitoring or tracking by electronic or other means.—

- (1) Subject to such conditions, restrictions and procedures, as it may deem fit to impose or specify, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any 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.
- (2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, banderole, stickers, labels, etc. in any such form, style and manner as may be prescribed by the Board in this behalf.

41.42. Omitted.**APPEALS****43. to 44. 45. Omitted.****45A. Power of the Board and Commissioner to call for records.**

- (1) The Board may, of its own motion, call 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 of 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 Inland Revenue than the originally levied shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

- (2) No proceeding under this section shall be initiated in a case where an appeal under Section 45B or Section 46 is pending.
- (3) No order shall be made under this Section after the expiry of five years from the date of original decision or order of the sub-ordinate officer referred to in sub-section (1).
- (4) The Commissioner may, suo moto, call for and examine the record of any proceeding under this Act or the rules made there under for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by an officer of Inland Revenue subordinate to him, and pass such order as he may deem fit.

45B. 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 appeal within the specified period:

Provided further that the appeal shall be accompanied by a fee of one thousand rupees to be paid in such manner as the Board may prescribe.

- (1A) Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.
- (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 annulling the decision or order appealed against.

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 extended period as the Commissioner Inland Revenue (Appeals) may, for reasons to be recorded in writing fix:

Provided further that such extended period shall, in no case, exceed Sixty 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 thirty days shall be excluded from the computation of aforesaid periods".

- (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 denovo consideration.
- (4) Omitted

46. Appeals to Appellate Tribunal.-

- (1) Any person including an officer of inland Revenue (not below the rank of an Additional Commissioner, aggrieved by any order passed by-
 - (a) the Commissioner Inland Revenue (Appeals) under section 45B,
 - (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.
- (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.

- (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 13C of the Income Tax Ordinance 2001 (XLIX of 2001) with effect from the 28th day of October, 2009.

- (3) To (9) omitted

- (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 13C of the Income Tax Ordinance 2001 (XLIX of 2001) with effect from the date promulgation of the Finance (Amendment) Ordinance, 2009

47. Reference to the High Court.—

- (1) Within ninety days of the communication of the order of the Appellate Tribunal under sub-section (2) of section 46, the aggrieved person or any officer of Inland

Revenue not below the rank of an Additional Commissioner, 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.
- (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 (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 pass 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.
- (9) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1)
- (10) An application under sub-section (1) by a person other than the Additional Commissioner authorized by the Commissioner shall be accompanied by a fee of one hundred rupees.
- (11) Notwithstanding anything contained in any provision of this Act, where any reference or appeal was filed with the approval of 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.

47A. Alternative dispute resolution.—

- (1) Notwithstanding any other provisions of this Act, or the rules made there under, any registered person aggrieved in connection with any dispute pertaining to:-

- (a) The liability of tax against the registered person, or admissibility of refunds, as the case may be;
 - (b) The extent of waiver of default surcharge and penalty;
 - (c) The quantum of input tax admissible in terms of sub-section (3) of section 7;
 - (d) Relaxation of any procedural or technical irregularities and Condonation of any prescribed time limitation; and
 - (e) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate authority, except in the cases where first information reports (FIRs) have been lodged under the Act or criminal proceedings initiated or where interpretation of question of law having larger revenue impact in the opinion of the Federal Board of Revenue is involved, may apply to the Federal Board of Revenue for the appointment of a committee for the resolution of dispute in appeal and only such application may be entertained for dispute resolution under the provisions of this section.
- (2) The Board may, after examination of the application of a registered person appoint a committee within thirty days of receipt of such application in the Board, consisting of an officer of Inland Revenue not below the rank of an Additional Commissioner and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge, chartered or cost accountants, advocates, representatives of trade bodies or associations, or any other reputable taxpayers, for the resolution of dispute.
- (3) The committee constituted under sub-section (2) shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall make recommendations within ninety days of its constitution in respect of the dispute. If the committee fails to make recommendations with the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of that period the dispute is not resolved the matter shall be taken up by the appropriate forum for decision.
- (4) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate within forty-five days of the receipt of the recommendations of the Committee
- (4A) Notwithstanding anything contained in sub-section (4), the Chairman FBR and a Member nominated by him may, on the application of an aggrieved person, for reasons to be recorded in writing, and on being satisfied that there is an error in order or decision, pass such order as may be deemed just and equitable.
- (5) The registered person may make payment of sales tax and other duty and taxes as determined by the Board in its order under sub-section (4), and such order of the Board shall be submitted before the forum, tribunal or the Court where the matter is sub-judice for consideration of orders as deemed appropriate.
- (6) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.

RECOVERY OF ARREARS

48. Recovery of arrears of tax.-

- (1) Subject to sub-section (1A), where any amount of tax is due from any person, the officer 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 Federal 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;
 - (ca) require by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts;
 - (d) seal the business premises till such time the amount of tax is paid or- recovered in full;
 - (e) attach and sell or sell without attachment any movable or immovable property of the registered person from whom tax is due; and
 - (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.
- (1A) If any arrears of tax, default surcharge, penalty or any other amount which is adjudged or payable by any person and which cannot be recovered in the manner prescribed above, the Board or any officer authorized by the Board, may, write off the arrears in the manner as may be prescribed by the Board.
- (2) For the purpose of recovery of tax, penalty or any other demand raised under this Act, the officer of 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.

MISCELLANEOUS

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

- (2) In the case of sale or transfer of ownership of a taxable activity or part thereof to another registered person as an ongoing concern, sales tax chargeable on taxable

goods or part thereof shall be accounted for and paid by the registered person to whom such sale is made or ownership is transferred.

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 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.
- (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 liquidator, the amount notified by the Commissioner under sub-section (2), or such amount as is subsequently agreed to by the Collector; and
 - (b) shall be liable to the extent of the amount set aside for the Inland Revenue 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 subsection (4) for the tax referred to in sub-section (2) if, and to the extent that, the liquidator fails to comply with the requirements of this section.
- (6) Where the proceeds of sale of any asset are less than the amount notified by the Commissioner under sub-section (2), the application of sub-section (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.

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 return, claims and other documents and for preparation of copies thereof.
- (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

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.
- (3) Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.
- (4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim for any access to such information.

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 act on is initiated.
- (3) The computerized system shall keep record of the issues detected, intimations sent, responses received and actions taken, and shall present such information to the officer of Inland Revenue and to the Board in the prescribed manner.
- (4) The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerized system.

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.
- (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 Inland Revenue in connection with any proceedings under this Act may, in writing, authorise any person having such qualification as may be prescribed to represent him or appear on his behalf.

52A. E-intermediaries to be appointed.—

- (1) Subject to such conditions, limitations and restrictions, the Board may, by a notification in the official Gazette, appoint a person to electronically file return

under Chapter V and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14.

- (2) A person registered under section 14 may authorize an e-intermediary to electronically file return or any other documents, as specified in sub-section (1).
 - (3) The return or such other documents filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by that registered person.
 - (4) Where this Act requires anything to be done by the registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, shall be deemed to have been done with the knowledge and consent of such registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.
 - (5) Where an e-intermediary, authorized by a registered person under sub-section (2) to act on his behalf, knowingly or wilfully submits a false or incorrect information or document or declaration with an intent to avoid payment of tax due or any part thereof or claiming a tax credit or a refund that is not due to the registered person, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess as a result of such incorrect or false information or document or declaration, without prejudice to any other action that may be taken against him under the relevant provisions of the law.
 - (6) The Board may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e- intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions as specified therein.
- 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.
- 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.
- 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 nonresidents individual" the representative of the individual; I

- (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, or(c) Served on the individual in the manner prescribed for service of a summons under the code of civil procedure, 1908(v of 1908)
- (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 to any office or place of business of the person in Pakistan; or
 - (c) Served on the manner prescribed for service of a summons under the code of civil procedure, 1908(v of 1908)
- (3) Where an association of persons is dissolved, any notice order or requisition required to be served under this Act, on the association or a member of the association may be served on any person's 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 any notice issued under this Act or the validity any service of a notice under this Act Shall not be called into question after the notice has been complied with in any manner;

57. Rectification of mistake.—

- (1) The 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 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.

58. Liability for payment of tax in the case of private companies or business enterprises--

Notwithstanding anything contained in the Companies ordinance 1984 (XLVII of 1984), where any private company or business enterprise is wound up and any tax

chargeable on the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was a owner of, or partner in, or director of, the company or business enterprise during the relevant period shall, Jointly and severally with such persons be liable for the payment of such tax.

58A. Representatives.—

- (1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression "representative" in respect of a registered person, means—
 - (a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;
 - (b) where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;
 - (c) where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust;
 - (d) where the person is a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government or local authority;
 - (e) where the person is an association of persons, a director or a manager or secretary or agent or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;
 - (f) where the person is the Federal Government, any individual responsible for accounting for the receipt and payment of moneys or funds on behalf of the Federal Government, or
 - (g) where the person is a public international organization, or a foreign government or political sub-division of a foreign government, any individual responsible for accounting for the receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political 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.
- (3) Subject to sub-section (4), where a person is a non-resident person, the representative of the persons for the purpose of this Act for a tax year shall be any person in Pakistan—
 - (a) who is employed by, or on behalf of, the non-resident person; ,
 - (b) who has any business connection with the non-resident person;
 - (c) from or through whom the non-resident person is in receipt of any income, whether directly or indirectly;
 - (d) who holds, or controls the receipt or disposal of any money belonging to the non-resident person;
 - (e) who is the trustee of the non-resident person; or (f) who is declared by the Commissioner by an order in writing to be the representative of the non-resident person.

- (4) No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the 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.
- (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 Commissioner a certificate stating the amount to be so retained pending final determination of the tax liability, and the certificate so obtained shall be his authority for retaining that amount.
- (5) Every representative shall be personally liable for the payment of any tax due by the representative in a representative capacity if, while the amount remains unpaid, the representative—
 - (a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable, or
 - (b) disposes of or parts with any moneys or funds belonging to the registered person that is in the possession of the representative or which comes to the representative after the tax is payable, if such tax could legally have been paid from or out of such moneys or funds.
- (6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person which the representative of the person has failed to perform.

59. Tax paid on stocks acquired before registration.-- The tax paid on goods purchased by a person who is subsequently required to be registered under section 14 due to new liabilities or levies or gets voluntary registration under this Act or the rules made there under, 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.

60. Powers to deliver certain goods without payment of tax.— Subject to such conditions, limitations or restrictions as it thinks fit 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;
- (ii) registered manufacturer-cum-exporters who import raw materials and intermediary products for further manufacture of goods meant for export;
- (iii) (* * *)

61. Repayment of tax in certain cases.— Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may authorise the repayment in whole or in part of the tax paid on 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.

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 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 apply to such tax, as they apply for the purposes of that Act.

Provided that no such drawback shall be repaid unless the re-export is made within a period of two years from the date of importation as shown in the records of the Custom House.

Provided further that the Board may, on sufficient cause being shown, in any case extend the said period by a further period of one year.

63. Drawback on goods taken into use between importation and re-exportation.— Notwithstanding anything contained in section 62, the repayment of sales tax as drawback in respect of goods which have been taken into use between importation and re-exportation shall be subject to such orders, conditions or limitations as may be passed or imposed by the Board in each case -

- (a) modifying the amount of tax which shall be repaid as drawback on any such goods or class of goods; or
- (b) prohibiting the repayment of tax as drawback on any such goods or class of 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 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 misconstruction or refund on account of input adjustment not claimed within the relevant tax period, shall be allowed, unless the claim is made within one year of the date of payment:

Provided that in a case where a registered person did not deduct 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 by the Commissioner:

Provided further that in a case where the refund has become due on account of any decision or judgement of any officer of Inland Revenue or court or the Tribunal, the period of one year shall be reckoned from the date of judgement or decision of such officer, court or Tribunal:

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.

67. **Delayed Refund** -- Where a refund due under section 10 is not made within the time specified in this behalf, there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to KIBOR per annum of the amount of refund due, from the date following the expiry of 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 of the claim is completed and the claim is either accepted or rejected.

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.

- 69. Issuance of duplicate of sales tax documents.**—An officer of Inland Revenue not below the rank of Assistant Commissioner may, on payment of one hundred rupees, issue an attested duplicate of any Inland Revenue document as is available with the department or has been filed under this Act or rules made there under 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.
- 71. Special procedure.**—
- (1) Notwithstanding anything contained in this Act, the Federal Government 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.
 - (2) ***
 - (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.
- 72. Officers of sales tax to follow Board's orders, etc.**—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.
- 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, Senior Auditor Inland Revenue and an officer of Inland Revenue, respectively."
- 72B. Selection for 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.
 - (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

72C. Reward to Inland Revenue officers and officials.-

- (1) In cases involving concealment or evasion of sales tax and other taxes, cash reward shall be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection, as may be prescribed by the Board only after realization of part or whole of the taxes involved in such cases.
- (2) The Board may, by notification in the official Gazette, prescribe 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.

73. Certain transactions not admissible.—

- (1) Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount for a transaction exceeding value of fifty thousand rupees, excluding payment against a utility bill, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument showing transfer of the amount of the sales tax invoice in favour of the supplier from the business bank account of the buyer:

Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payments through credit card shall be treated as transactions through the banking channel, subject to the condition that such transactions are verifiable from the bank statements of the respective buyer and the supplier.

- (2) The buyer shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed in sub-section (1), provided that payment in case of a transaction on credit is so transferred within one hundred and eighty days of issuance of the tax invoice.
- (3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier; otherwise the supplier shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or 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.

- 74. Condonation of time-limit.—**Where any time or period has been specified under any of the provisions of the Act or rules made thereunder within which any application is to be made or any act or thing is to be done, the Board may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate.

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.

- 75. Application of the provisions of Act IV of 1969 to Sales Tax.—**The Federal Government may, by notification in the official Gazette, declare that any of the provision of the Customs Act, 1969 (IV of 1969), relating to the levy of, and exemption from, customs duties, draw-back of duty, warehousing, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the tax imposed by section 3.

**THE SALES TAX ACT, 1990
AMMENDED AS ON OCT,
28, 2009**

MC:Qs

1. Sales Tax act was promulgated in which of the following year?
a. 1990 b. 1991
c. 1992 d. 1993
2. Sales tax Act 1990 extends to the whole of
a. Punjab b. Sindh
c. Pakistan d. Internationally
3. Sales tax Act 1990 shall come into force on such date as the -----
---- may, by notification in the official Gazette, appoint.
a. Provincial Govt.
b. High Court
c. Federal Court
d. Federal Govt.
4. 'Appropriate officer' means an officer of ----- authorized by the Board by notification in the official Gazette to perform certain functions under this Act.
a. FBR
b. Inland Revenue
c. Excise Duty
d. None
5. "Aarrear", in relation to a person, means, on any day, the sales tax ----- by the person under this Act before that day but which has not yet been paid
a. Due b. Payable
c. Both a & b d. None
6. 'Banking company' means a banking company as defined in the Banking Companies Ordinance-----
a. 1960 b. 1961
c. 1962 d. 1956
7. "Board" means the Federal Board of Revenue established under section 3 of the Federal Board of Revenue Act -----
a. 1900 b. 2007
c. 2009 d. None
8. "Chief Commissioner" means a person appointed as the chief Commissioner Inland Revenue under section-----
a. 30 b. 31
c. 32 d. 33
9. 'What is the Meaning of Commissioner, appointed under section 30
a. The Commissioner Of FBR
b. The Commissioner Of Management
c. The Commissioner Of Inland Revenue
d. None
10. "Common taxpayer identification number" means the registration number or any other number allocated to a ----- person
a. Common b. Foreigner
c. Registered d. None
11. A company as defined in the Companies Ordinance, 1984 (XL VII of 1984)
a. a body corporate formed by or under any law in force in Pakistan
b. a modaraba
c. a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies
d. All of These
12. "computerized system" means any comprehensive ----- 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
a. information technology
b. Computer System
c. Both a & b
d. None
13. Cottage industry" means a manufacturer whose annual turnover from taxable supplies made

- in any tax period during the last _____ months ending.
- a. 6 b. 8
c. 10 d. 12
14. Customs Act' means the Customs Act, _____ (V of 1969), and where appropriate all rules and notifications made under that Act
- a. 1967 b. 1968
c. 1969 d. None
15. '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 _____
- a. Tax b. Excise Duty
c. Arrears d. All of These
16. "Default surcharge" means the default surcharge _____ under section 34
- a. Collected b. Imposed
c. levied d. none
17. Distributor' means a person appointed by a manufacturer, importer or any other person for a _____ area to purchase goods from him for further supply
- a. specified b. All
c. Foreigner d. All of These
18. 'Document' includes any _____ or any other medium for the storage of such data
- a. electronic data
b. computer programmes
c. computer tapes
d. All of These
19. Due date' in relation to the furnishing of a return under section 26 and section 26AA means the _____ day of the month following the end of the tax period
- a. 10th b. 15th
c. 20th d. None
20. "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 _____
- a. 12 b. 13
c. 14 d. 15
21. 'Establishment' means an _____, whether incorporated or not, an association of persons or an individual
- a. undertaking b. firm
c. company d. All of these
22. "Exempt supply" means a supply which is exempt from tax under section _____
- a. 12 b. 13
c. 15 d. 16
23. "Firm" means the _____ between persons who have agreed to share the profits of a business carried on by all or any of them acting for all
- a. Coordination b. Appropriation
c. relation d. none
24. 'Goods' include every kind of _____ property other than actionable claims, money, stocks, shares and securities
- a. movable
b. immovable Property
c. All Of these
d. None
25. 'Importer' means any person who imports _____ any _____ goods into _____
- a. State b. Province
c. Pakistan d. none
26. "Input tax", in relation to a registered person, means _____
- a. 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
d. All of these

27. According to sales Tax Act 'Manufacture' or 'produce' includes _____
- any process in which an article singly or in combination with other articles, materials, components
 - process of printing, publishing, lithography and engraving; and
 - process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner
 - All of these
28. 'Open market price' means the consideration in money which that supply or a similar supply would generally fetch in an open _____
- Stock Exchange
 - Economy
 - market
 - None
29. "Output tax", in relation to a registered person, means _____
- tax levied under this Act on a supply of goods, made 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, by the person;
 - Provincial sales tax levied on services rendered or provided by the person
 - All Of these
30. The Federal Government Can Be a _____ Under this Act
- Person
 - Community
 - Organization
 - None
31. 'Prescribed' _____ means _____ by _____ rules made under this Act.
- Statute
 - Elected
 - Selected
 - prescribed
32. Provincial sales tax" means tax levied under _____
- All provinces
 - In one province
 - Outside the State
 - None
33. '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 _____
- Commissioner
 - chairman
 - Both a & b
 - None
34. 'Registration number' means the number allocated to the _____ person for the purpose of this Act.
- Employee
 - Individual
 - registered
 - None
35. 'Registered person' means a person who is registered or is liable to be registered under _____
- constitution of Pakistan
 - Federal Excise Duty
 - this Act
 - All of these
36. 'Retail price', with reference to the _____ Schedule, means the price fixed by the manufacturer, inclusive of all duties, charges and taxes
- second
 - Third
 - fourth
 - Fifth
37. 'Retail price', with reference to the Thirc Schedule, means the price fixed by the manufacturer, inclusive of all duties, charges and taxes (other than sales tax) 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 _____ of such price
- highest
 - Lowest
 - Average
 - All of these

38. Retailer' means a person, supplying goods to genera public for the purpose of _____
 a. Sale b. Purchase
 c. consumption d. None
39. Retailer' means a person, supplying goods to general public for the purpose of consumption.
 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, and his total turnover per annum shall be taken into account for the purposes of _____ registration _____ under section _____
 a. 12 b. 14
 c. 16 d. 18
40. Return' means any return required to be furnished under _____ of the sales Act
 a. chapter I b. Chapter-V
 c. Chapter-VI d. None
41. Sales tax" means _____
 a. the tax, additional tax, or default surcharge levied under this Act;
 b. a fine, penalty or fee imposed or charged under this Act; and
 c. any other sum payable under the provisions of this Act or the rules made there under
 d. All of these
42. "Sales tax account" means an account _____ representing the _____ entry recording of sales tax transactions in the books of account.
 a. double b. Single
 c. both a& b d. None
43. 'Schedule' means a Schedule _____ to this Act.
 a. Amended b. Attached
 c. appended d. None
44. Similar supply', in relation to the open market price of goods, means any other supply of goods which closely or substantially resembles the _____ and materials of the aforementioned goods.
 a. characteristics b. quantity
 c. components d. All of these
45. 'Special audit' means an audit conducted _____ under section _____
 a. 31A b. 32A
 c. 33A d. 34A
46. Special Judge' means the Special Judge appointed under Section _____ of the Customs Act.
 a. 85 b. 185
 c. 285 d. 385
47. Supply" means a sale or other transfer of the right to dispose of goods as owner, including such sale or transfer under a hire purchase agreement, _____ and _____ also includes _____
 a. putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;
 b. auction or disposal of goods to satisfy a debt owed by a person; and
 c. possession of taxable goods held immediately before a person ceases to be a registered person
 d All of these
48. Tax", unless the context requires otherwise, means _____ tax
 a. sales b. Ordinary
 c. both a& b d. none
49. "Taxable activity", means any _____ activity carried on by a person whether or not for profit, and includes
 a. economic b. Social
 c. Financial d. None
50. "Taxable activity", means any economic activity carried on by a

- person whether or not for profit, and includes _____
- an activity carried on in the form of a business, trade or manufacture;
 - an activity that involves the supply of goods, the rendering or providing of services, or both to another person;
 - a one-off adventure or concern in the nature of a trade
 - All of these
51. "Taxable activity", means any economic activity carried on by a person whether or not for profit, and does not include _____
- an activity that involves the supply of goods, the rendering or providing of services, or both to another person
 - anything done or undertaken during the commencement or termination of the economic activity
 - an activity carried on in the form of a business, trade or manufacture
 - the activities of an employee providing services in that capacity to an employer
52. "Tax fraud" means knowingly, dishonestly or fraudulently and without any _____ excuse
- lawful
 - Proper
 - Rightful
 - None
53. "Tax fraud" means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of proof of which excuse shall be upon the accused) _____
- doing of any act or causing to do any act;
 - omitting to take any action or causing the omission to take any action, including the making of taxable supplies without getting registration under this Act
 - Any of Above
 - All of above
54. 'Taxable goods' means all goods other than those which have been exempted under section _____
- 10
 - 12
 - 13
 - 14
55. 'Tax invoice' means a document required to be issued under section _____
- 23
 - 24
 - 35
 - 36
56. '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 _____ per cent under section 4
- one
 - Two
 - three
 - Zero
57. _____ means a period of one month or such other period as the Federal Government may, by notification in the official Gazette
- Tax Time
 - Tax duration
 - Tax period
 - None
58. "Time of supply," in relation to _____
- a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply;
 - a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and
 - services, means the time at which the services are rendered or provided;
 - All of these
 - None
59. "Trust", _____ means _____ ar _____ 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

- a. Association
- b. Appropriation
- c. obligation
- d. All of these

SCOPE AND PAYMENT OF TAX

60. "Unit trust", means any trust under which _____-interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held
- a. beneficial
 - b. Econommic
 - c. Tax
 - d. None
61. 'value of supply' means in respect of a _____ supply, the consideration in money 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
- a. Imposable
 - b. Levi able
 - c. Enforceable
 - d. taxable
62. In case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market price of the supply _____ the amount of tax
- a. Including
 - b. Exempting
 - c. excluding
 - d. All of these
63. In case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is _____ than the open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax
- a. Higher
 - b. lower
 - c. Highest
 - d. All of these
64. in case of trade discounts, the discounted price _____ 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

- a. excluding
 - b. Including
 - c. Both a & b
 - d. none
65. In case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the invoice, the value determined by the Valuation Committee _____ comprising representatives of trade and the Inland Revenue constituted by the _____
- a. Chief Officer
 - b. Commissioner
 - c. Any officer
 - d. None
66. 'Tax invoice' means a document required to be issued under section _____
- a. 23
 - b. 24
 - c. 25
 - d. 26
67. 'Wholesaler' includes _____ a _____ and means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale
- a. Individual
 - b. dealer
 - c. Both a & b
 - d. None
68. 'Zero-rated supply' means a taxable supply which is charged to tax at the rate of zero per cent under section _____
- a. 14
 - b. 24
 - c. 34
 - d. None
69. Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of _____ percent of the value of taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and goods imported into Pakistan
- a. 10
 - b. 12
 - c. 14
 - d. 16
70. Taxable supplies specified in the _____ Schedule shall be charged to tax at the rate of sixteen per cent of the retail price which along with the amount of sales tax shall be legibly, prominently and

- indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be
- a. First b. second
c. Third d. None
71. _____ may, by notification in the official Gazette, exclude any taxable supply from the said Schedule or include any taxable supply therein
- a. FBR
b. Federal Government
c. Supreme Court
d. None
72. The liability to pay the tax shall be
- 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
c. Both a & b
d. None
73. The Federal Government may, in addition to the tax levied under _____, levy and collect such extra amount of tax not exceeding sixteen 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
- a. Sub section (1)
b. sub-section (2)
c. sub-section (4)
d. All of these
74. The Federal Government or the Board may, in lieu of the tax under _____ by notification in the official Gazette, levy and collect such amount of tax as it may deem fit on any supplies or class of supplies or on any goods or class of goods and may also specify the mode, manner or time of payment of such amount of tax.
- a. sub- section (3)
b. sub- section (2),
c. sub- section (1)
d. None
75. The Federal Government may, by notification in the official Gazette, specify _____ as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.
- a. any person
b. class of persons
c. Both a & b
d. None
76. 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
- a. Federal Government
b. FBR
c. Custom
d. All of these
77. Any amount payable to the Federal Government _____ under _____ shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and no claim for refund in respect of such amount shall be admissible.
- a. sub-section (1)
b. Sub-section (11)
c. sub-section (111)
d. All of these
78. 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 _____ the tax or charge.
- a. Imposing b. collecting
c. Describing d. None
79. Notwithstanding the provisions of section 3, 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);
c. such other goods as the Federal Government may, by notification in the official Gazette, specify
d. All of these
80. 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 _____
- a. Federal Government
b. FBR
c. Supreme Court
d. All of these
81. Any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and no claim for refund in respect of such amount shall be _____
- a. Collectable b. Refundable
c. Admissible d. All of these
82. If there is a change in the rate of tax, a taxable supply made by a registered person shall be charged to tax at such rate as is in force at the time of _____
- a. purchase b. Notification
c. supply d. All of these
83. If 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 _____
- a. Order was made
b. Purchase order was made
c. Sale invoice was recognized
d. manifest of the conveyance is delivered
84. if the tax is not paid within _____ days of the presenting of the goods declaration under section 104 of The Sales Tax Act, 1990, the tax shall be charged at the rate as is in force on the date on which tax is actually paid.
- a. 7 b. 15
c. 30 d. 60
85. The tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 and the provisions of the said Act including section _____ thereof, shall, so far as they relate to collection, _____ payment _____ and enforcement of tax under this Act on such goods where no specific provision exists in this Act, apply
- a. 31A b. 31B
c. 31C d. 31D
86. The tax in respect of taxable supplies made during a _____ period shall be paid by the registered person at the time of filing the return in respect of that period under _____
- a. Financial b. Selected
c. Prescribed d. tax

87. The tax due on taxable supplies shall be paid by any of the following modes, namely _____
- through deposit in a bank designated by the Board; and
 - through such other mode and manner as may be specified by the Board
 - a only
 - Both a & b
88. 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 _____ succeeding tax periods.
- Six
 - Seven
 - Eight
 - Nine
89. A registered person shall not be entitled to deduct input tax from output tax unless _____
- in case of a claim for input tax in respect of a taxable supply made, he holds a tax invoice in his name and bearing his registration number in respect of such supply for which a return is furnished
 - 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 or section 104 of the Customs Act, 1969 (IV of 1969)
 - in case of goods purchased in auction, he holds a treasury challan, in his name and bearing his registration number, showing payment of sales tax
 - All of these
90. Notwithstanding anything in sub-sections (1) and (2), the Federal Government may, by a special order, subject to such conditions, limitations or restrictions as may be specified therein allow a registered person to _____ input tax paid by him from the output tax determined or to be determined as due from him under this Act
- Deposit
 - deduct
 - Exempt
 - All of these
91. Notwithstanding anything contained in this Act, a registered person shall not be entitled to reclaim or deduct input tax paid on _____
- the goods or services used or to be used for any purpose other than for taxable supplies made or to be made by him;
 - any other goods or services which the Federal Government may, by a notification in the official Gazette, specify;
 - the goods under sub-section (5) of section 3
 - All of these
92. No person other than a _____ person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him.
- registered
 - Govt
 - Lawful
 - None
93. Anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the _____ day of December, 1998
- 1st
 - 2nd
 - 3rd
 - 4th
94. The adjustment or refund of input tax mentioned in sub-section (2), if any, shall be made on _____ basis in the second month following the end of the financial year of the registered person.
- monthly
 - Quarterly
 - half annually
 - yearly
95. Where a registered person has issued a _____ in respect of a supply made by him and as a result of cancellation of supply or return of goods, 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
- a. tax invoice b. credit note
c. Debt note d. None
96. 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 _____ days.
- a. 30 b. 60
c. 120 d. 150
97. 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 _____ by an officer not below the rank of an Additional Commissioner Inland Revenue
- a. ten b. twenty
c. thirty d. fifty
98. 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 Commissioner Inland Revenue and the Board may, for reasons to be recorded in written, extend the aforesaid period which shall in no case exceed _____.
- a. one month b. three
c. nine months d. twelve
99. An officer of Inland Revenue shall make an assessment of sales tax actually payable by that person or determine the amount of tax credit or tax refund which he has _____ claimed and shall impose a penalty and charge default surcharge.
- a. unlawfully b. Lawfully
c. both a & b d. None
100. 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 _____ days shall be excluded from the computation of the period
- a. thirty b. Fifty
c. Seventy d. None
101. 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 _____ 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
- a. 40 b. 45
c. 50 d. 55
102. 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 _____ outstanding amount of tax or, as the case may, default surcharge and penalty
- a. unpaid b. paid
c. collected d. None
103. 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 _____ Inland Revenue and the Board may, for reasons to be recorded in written, extend the aforesaid period which shall in no case exceed nine months.
- Commissioner
 - Chief Commissioner
 - Chairman
 - Additional Commissioner
104. 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 section _____.
- 31 and 34
 - 33 and 35
 - 33 and 34
 - 33 and 37
105. When 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 _____.
- Remain Existing
 - Increase
 - abate
 - none
106. 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 _____ shall be excluded from the computation of the period specified in the first proviso.
- thirty days
 - one thirty days
 - Two thirty days
 - None
107. Where a registered person fails to file a return, an officer of Inland Revenue, not below the rank of _____, shall subject to such conditions as specified by the Central Board of Revenue, determine the minimum tax liability of the registered person
- Extra Assistant Commissioner
 - Additional Assistant Commissioner
 - Assistant Commissioner
 - None
108. 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 _____ of this Act
- 44
 - 48
 - 58
 - All of these

REGISTRATION

109. In _____ cases where the _____ is/are satisfied that a registered person is found 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
- Additional Commissioner
 - Chief Commissioner
 - Commissioner
 - All of these
110. Under this Act, registration will be required for such persons and be regulated in such manner and

subject to rules as the Board may, by notification in the.

- a. official Gazette b. newspaper
- c. Both a & b d. None

111. _____, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act
- a. The Board b. any officer
 - c. Both a & b d. either a or b

BOOK KEEPING AND INVOICE REQUIREMENTS

112. A registered person making taxable supplies shall maintain and keep at his business premises or registered office in _____ language the following records of goods purchased, imported and supplies (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. English b. Urdu
 - c. Either a or b d. None
113. Records of supplies made shall indicate the _____ of goods, name and address of the person to whom supplies were made and the amount of the tax charged.
- a. description b. quantity
 - c. value d. All of these
114. 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 _____ in such notification to make or receive payments on account of purchase and sale transactions for the purpose of this Act or rules made

there under and to make payment of due tax from such accounts only.

- a. Board
- b. Commissioner
- c. additional commissioner
- d. All of these

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

- a. registered
- b. Non registered
- c. taxable d. None

116. The registered persons, whose accounts are subject to audit under the Companies Ordinance, _____, 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.

- a. 1980 b. 1982
- c. 1983 d. 1984

117. A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars, namely

- a. name, address and registration number of the supplier
- b. name, address and registration number of the recipient
- c. date of issue of invoice
- d. All of these

118. _____ person/ persons other than a registered person or a person paying retail tax shall issue an invoice under this section

- a. One b. Two
- c. Three d. No

119. A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of _____ years after the end of the tax period to which such record or documents relate for till

- <http://www.employeescorner.info/>

show cause notice, shall stand

- a. Continue b. abated
c. Nullify d. None
128. Where an authorized officer of 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 _____ quantity of goods or raw materials sufficient to enable a proper examination or analysis to be made.
- a. Maximum b. Equal
c. Double d. minimum
129. At the time of taking the sample the person in possession of the goods shall be informed and given the opportunity to sign the representative samples, so drawn, and take a corresponding sample for his record. Any sample taken under this section shall be taken against a proper receipt a copy each of which shall be kept in the record by the registered person at _____.
- a. Large Taxpayers Unit
b. Regional Tax Office
c. Both a & b
d. Either a or b
130. Transactions between associates, 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 _____ of supplies in an arm's length transaction.
- a. market value b. Face value
c. Purchase d. None

RETURNS

131. Every registered person shall furnish not later than the due date, a true and correct return 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 _____, the tax due and paid and such other information.
- a. tax period
b. Financial Period
c. Both a & b
d. None
132. The Board may, by notification in the official Gazette, require any person or class of persons to submit return on _____ basis.
- a. yearly b. Half Yearly
c. quarterly d. none
133. 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 _____.
- a. monthly return
b. quarterly return
c. Either a or b
d. None
134. A person registered under this Act shall furnish special return within such date and in such form indicating information such as _____ made, etc, for such period as the Board may, by a notification in official gazette.
- a. quantity manufactured or produced
b. purchases made
c. goods supplied or payment of arrears
d. All of these
135. 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

- _____ than the date specified in this regard.
- a. later b. Earlier
c. before d. All of these
136. If a person applies for de-registration in terms of section _____, he shall before such de-registration, furnish a final return to the commissioner in the specified form in such manner and at such time as directed by the commissioner.
- a. 21 b. 121
c. 222 d. 321
137. A return purporting to be made on behalf of a person by his duly appointed representative shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary
- APPOINTMENT OF
AUTHORITIES & THEIR POWERS**
138. For the purposes of this Act, the board may, by notification in the Authorities Gazette, appoint in relation to any area, any case or class of cases specified in the notification, 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. All of these
139. The chief Commissioner Inland Revenue and Commissioner Inland Revenue (Appeals) shall be subordinate to the _____ Inland Revenue.
- a. Board b. Commissioner
c. Both a & b d. None
140. Commissioner Inland Revenue shall be sub-ordinate to the _____ Inland Revenue
- a. chief commissioner b. chairman
c. Both a & b d. None
d. None
141. Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Senior Auditor Inland Revenue and Officer of Inland Revenue with any other designation shall be subordinate to the _____ Inland Revenue
- a. Assistant Commissioner
b. Deputy Commissioner
c. Commissioner
d. None
142. The Directorate General FBR 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
- a. Intelligence b. Investigation
c. Both a & b d. None
143. An officer of sales tax appointed under section _____ shall exercise such powers and discharge such duties as are conferred or imposed upon 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,
- a. 20 b. 21
c. 30 d. None
144. Unless the _____ in any case otherwise directs, the Commissioner Inland Revenue may authorize an officer subordinate to him to exercise within any specified area, any of the powers of the Commissioner Inland Revenue or of any other officer of Inland Revenue under this Act.
- a. Chairman b. Member
c. Senior member d. Board
145. The officer to whom any powers are delegated under this section

- _____ further delegate such powers
- a. shall not b. Shall
c. a or b d. a & b
146. The Board may, by notification in the official Gazette, appoint a Chartered Accountant as defined under Chartered Accountants Ordinance _____.
- a. 1958 b. 1961
c. 1963 d. 1973
147. Notwithstanding that records of a registered person have been audited by an officer appointed under section 30, the Board or a Commissioner may direct an _____ appointed under sub-section (1) to audit the records of any registered person
- a. Accountant
b. Chartered Accountant
c. auditor
d. All of these
148. An auditor appointed under sub-section (1), shall have the powers of an officer of sales tax under sections _____.
- a. 25 b. 37
c. 38 d. All of these
151. Any person who un- authorizedly issues an invoice in which an amount of tax is specified, Such person shall pay a penalty of _____ or five per cent; of the amount of the tax involved, whichever is higher.
- a. 8 thousand rupees
b. 9 thousand rupees
c. 10 thousand rupees
d. 11 thousand rupees
152. 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 _____ rupees.
- a. One thousand b. Two thousand
c. Four thousand d. five thousand
153. 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. Such person shall pay a penalty of ten thousand rupees or _____ of the amount of the tax involved, whichever is higher
- a. five per cent
b. Six per cent
c. Eight per cent
d. None

OFFENCES AND PENALTIES

149. Where any person fails to furnish a return within the due date, Such person shall pay a penalty of _____ thousand rupees.
- a. five b. Six
c. Seven d. Eight
150. Any person who fails to issue an invoice when required under this Act, Such person shall pay a penalty of five thousand rupees or _____ of the amount of the tax involved, whichever is higher.
- a. two per cent
b. three per cent
c. four per cent
d. None
154. Any person who repeats erroneous calculation in the return during a year whereby amount of tax less than the actual tax due is paid. Such person shall pay a penalty of five thousand rupees or _____ of the amount of the tax involved, whichever is higher.
- a. One per cent b. Two per cent
c. three per cent d. Four per cent
155. Any person who is required to apply for registration under this Act fails to make an application for registration before making taxable supplies; such person shall pay a penalty of _____ or five per cent of the

- amount of tax involved, whichever is higher.
- ten thousand rupees
 - Twenty thousand rupees
 - Thirty thousand rupees
 - Forty thousand rupees
156. 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 required under section 25, 38, 138A or 40B, Such person shall pay a penalty of _____ thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher.
- 20
 - 25
 - 30
 - 35
157. 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 required under section 25, 38, 138A or 40B, He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to _____ years, or with fine which may extend to an amount equal to the amount of tax involved, or with both.
- 2
 - 3
 - 4
 - 5
158. 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 _____ of the amount of tax involved, whichever is higher.
- 50 per cent
 - 75 per cent
 - 80 per cent
 - 100 per cent
159. Any person who fails to make payment in the manner prescribed under section _____ of this Act, Such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, whichever is higher.
- 70
 - 72
 - 73
 - 75
160. Where any person repeats an offence for which a penalty is provided under this Act, Such person shall pay _____ the amount of penalty provided under the Act for the said offence.
- half
 - Equal
 - twice
 - thrice
161. 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 _____ per month, of the amount of tax evaded or the amount of refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid.
- 2 per cent
 - 3 per cent
 - 4 per cent
 - 5 per cent
162. In the case of non-payment of tax or part thereof, the period of default shall be reckoned from the _____ 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.
- 14th
 - 15th
 - 16th
 - None
163. Where by reason of some collusion or a deliberate act any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of refund erroneously made shall be served with _____ a notice, within _____ years of the relevant date, requiring him to show

- <http://www.employeescorner.info/>

the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.

- a. 6 b. 12
c. 20 d. 24
172. 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, _____ can _____ admit him _____.
- a. to bail on his executing a bond
b. with or without sureties, or refuse to admit him to bail
c. direct his detention at such place as he deems fit
d. All of these
173. If the Sales Tax Officer completes the inquiry within _____ 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.
- a.6 b.10
c.12 d.24
174. If the 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 _____ for the discharge of such person and shall make a full report of the case to his immediate superior.
- a. Justice b. Magistrate
c. Special Judge d. All of these
175. The Sales Tax Officer empowered to hold inquiry under this section

shall maintain a register to be called _____ in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Act.

- a. Register of Arrests and Detentions
b. Register of Arrests
c. Register Detentions
d. none
176. Any _____ Magistrate of the _____ 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.
- a. first
b. Second
c. either a or b
d. Both a & b
e. None
177. The _____ may post Officer of Inland Revenue to the premises of registered person or class of such persons to monitor production, sale of taxable goods.
- a. Board
b. Commissioner
c. Chairman
d. All of these

APPEALS

178. The Board may, of its own motion, call 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 _____ of any decision or order passed therein by an Officer of Inland Revenue, it may pass such order as it may think fit.
- a. legality b. propriety
c. a OR b d. both a & b
179. No order shall be made under the Sub- Section3 of Section 45A after the expiry of _____ years from the date of original decision or order of the sub-ordinate

- officer referred to in sub-section (1)
- five
 - six
 - seven
 - eight
180. 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, _____ setting aside or annulling the decision or order appealed against.
- confirming
 - varying
 - altering
 - All of these
181. Any order shall be passed not later than _____ days from the date of filing of appeal or within such extended period as the Commissioner Inland Revenue (Appeals) may, for reasons to be recorded in writing fix.
- 100
 - 120
 - 150
 - 180
182. 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 _____ days shall be excluded from the computation of aforesaid periods.
- 15
 - 20
 - 25
 - 30
183. Any person including an officer of Inland Revenue not below the rank of an _____, aggrieved by any order passed by
- the Commissioner Inland Revenue (Appeals) under section
 - the Commissioner Inland Revenue through adjudication or under any of the provisions of this Act or rules made there under,
 - the Board under section 45A, may, within sixty days of the
- receipt of such decision or order, prefer appeal to the Appellate Tribunal
- Additional Commissioner
 - Commissioner
 - Extra Additional Commissioner
 - All of these
184. The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in sections 131 and _____ of the Income tax Ordinance, 2001
- 134
 - 133
 - 132
 - 130
185. Within _____ days of the communication of the order of the Appellate Tribunal under sub-section (5) of section 46, the aggrieved person or any officer of Inland Revenue not below the rank of an Additional Commissioner, 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.
- 60
 - 80
 - 90
 - 120
186. Section 5 of the Limitation Act, _____ shall apply to an application made to the High Court under sub-section (1) of Section 46A.
- 1904
 - 1906
 - 1907
 - 1908
187. An application under sub-section (1) of section 46A by a person other than the Additional Commissioner authorized by the Commissioner shall be accompanied by a fee of _____ rupees.
- 500
 - 400
 - 300
 - 100
188. Anything contained in any provision of this Act, where any reference or appeal was filed with the approval of 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

- a. Judge b. Chairman
c. Member d. Commissioner

189. The Board may after examination of the application of a registered person, appoint a committee within _____ days of receipt of such application in the Board, consisting of an officer of Inland Revenue not below the rank of an Additional Commissioner and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge.

- a. 10 b. 30
c. 50 d. 60

190. The committee constituted under sub-section (2) of Section 47A shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall make recommendations within _____ days of its constitution in respect of the dispute.

- a. 90 b. 60
c. 30 d. 10

191. If the committee fails to make recommendations with the period of 90 days, the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of _____ days.

- a. 40 b. 60
c. 80 d. 90

192. The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate within _____

days of the receipt of the recommendations of the Committee.

- a. 30 b. 45
c. 60 d. 90

193. _____ may on the application of an aggrieved person, for reasons to be recorded in writing, and on being satisfied that there is an error in order or decision may pass such order may be deemed just and equitable.

- a. Commissioner
b. Additional Commissioner
c. Chairman
d. None

RECOVERY OF ARREARS

194. Subject to sub-section (1A), where any amount of tax is due from any person, the officer 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 Federal 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

d. All of these

195. 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 _____ may, write off the arrears in the

- manner as may be prescribed by the Board
- Board
 - Commissioner
 - Additional commissioner
 - None
196. For the purpose of _____ of tax, penalty or any other 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.
- Imposition
 - Collection
 - Penalty
 - recovery
- MISCELLANEOUS**
197. In case of _____ 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.
- Continuation
 - termination
 - Both a & b
 - None
198. 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 _____ of business.
- Owner
 - Director
 - transferee
 - none
199. Every person (hereinafter referred to as a "liquidator") who is _____
- a liquidator of a company;
 - a receiver appointed by a Court or appointed out of Court;
 - a trustee for a bankrupt; or
 - All of these
200. Every person (hereinafter referred to as a "liquidator") shall, within _____ days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the Commissioner.
- 10
 - 12
 - 15
 - 17
201. A trustee for a bankrupt shall, within _____ months of being notified under sub-section (1), notify the liquidator, Commissioner, 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.
- 1
 - 3
 - 5
 - None
202. A _____ shall not, without leave of the Commissioner, Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).
- liquidator
 - trustee
 - owner
 - All of these
203. 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 _____ and other documents and for preparation of copies thereof.
- return
 - claims
 - Both a & b
 - None
204. 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 _____ at reasonable price.
- public
 - Department
 - Market
 - None

205. The Board may prescribe the use of _____ 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.
- a. computerized b. Manual
c. Either a OR b d. None
206. 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 _____ of _____ authorization and for security of the information transmitted or received through the computerized system.
- a. authorization b. suspension
c. cancellation d. All of these
207. Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall for all _____ purposes, be deemed to have been furnished by and received from such registered person.
- a. official and legal b. official
c. legal d. None
208. The business information gathered through computerized system shall be _____ to be used only for official and legal purposes no unauthorized person shall claim for any access to such information.
- a. Public b. Legal
c. Proper d. confidential
209. No suit shall be brought in any Civil Court to _____ any order passed, any assessment made, any tax levied, any Penalty imposed or collection of any tax made under this Act.
- a. modify b. Change
c. Alter d. All of these
210. A registered person required to appear before the Appellate Tribunal or an officer of Inland Revenue in connection with any proceedings under this Act may, in _____, authorize any person [having such qualification as may be prescribed] to represent him or appear on his behalf.
- a. Oral b. Verbally
c. Writing d. All of these
211. 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 _____ and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14
- a. Chapter IV b. Chapter V
c. Chapter VI d. Chapter VII
212. A person registered under section _____ may authorize an e-intermediary to electronically file return or any other documents
- a. 10 b. 12
c. 13 d. 14
213. 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 the _____ person
- a. depositing b. Actual
c. registered d. None
214. 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 intermediary _____ jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess.
- a. shall be b. shalln't be
c. In Some Cases d. All of these
215. If a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it _____ to operate the business.
- a. Discontinue
b. Continue
c. In Some Cases Continue Or Discontinue
d. None
216. 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 _____ the claims preferred by other creditors are settled.
- a. After
b. At the Time of payment of
c. before
d. None
217. Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Inland Revenue who _____ the assessment or adjudication or passed such order or decision or by his successor in office
- a. checked b. Approved
c. Made d. All of these
218. For the purpose of this Act and subject to sub- sections (2) and (3), the expression "representative" in respect of a registered person, means _____
- a. where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual.
b. where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company.
c. where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust
d. All of these
219. where the person is a Provincial Government, in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government
- a. local authority
b. Provincial Govt.
c. Federal Govt.
d. None
220. No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the _____ of being heard.
- a. Deputy Commissioner
b. Assistant Commissioner
c. Commissioner
d. Chief Commissioner
221. Subject to section 58 and sub-section 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
- a. 10 b. 8
c. 5 d. 4
222. The tax paid on goods purchased by a person who is subsequently required to be registered under section _____ due to new liabilities or levies or gets voluntary registration under this Act or the rules made there under, shall be treated as input tax
- a. 14 b. 16
c. 18 d. 20
223. where a person imports goods, the tax paid by him thereon during a period of _____ days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or unconsumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration
- a. 60 b. 90
c. 120 d. 150
224. 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 are capable of being identified, _____ 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 apply to such tax, as they apply for the purposes of that Act.
- a. five Fourth b. Three Fourth
c. Seven Fifth d. seven-eighth
225. Board may, on sufficient cause being shown, in any case extend any period by a further period of _____
- a. six months
b. Nine months
c. one year
d. one And half year
226. 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
b. prohibiting the repayment of tax as drawback on any such goods or class of goods
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.
d. All of these
e. Any Of a b c
227. 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 _____ than the amount that should have actually been charged.
- a. less b. equal
c. More d. None
228. No refund of tax claimed to have been paid or over paid through inadvertence, error or misconstruction or refund on account of input adjustment not claimed within the relevant tax period, shall be allowed, unless the

- claim is made within _____ of the date of Payment
- a. 3 years b. Two years
c. one year d. None
229. In a case where the refund has become due on account of any decision or judgment of any officer of Inland Revenue or court or the Tribunal, the period of _____ shall be reckoned from the date of judgment or decision of such officer, court or Tribunal.
- a. one year b. Two Years
c. Three d. Four
230. The application or claim filed under this section shall be disposed of within a period not exceeding _____ days from the date of filing of such application or claim.
- a. 30 b. 60
c. 90 d. 120
231. Where a refund due under section 10 is not made within the time specified in this behalf, there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to KIBOR per _____ of the amount of refund due, from the date following the expiry of the time specified as aforesaid, to the day preceding the day of payment of refund.
- a. annum b. Month
c. Week d. None
232. 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 _____ responsible for the act done by his agent
- a. shalln't be b. shall be
c. Can be d. may be
233. An officer of Inland Revenue not below the rank of Assistant Commissioner may, on payment of _____ Rupees issue an attested duplicate of any Inland Revenue 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.
- a. 1000 b. 500
c. 300 d. 100
234. 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, _____, shall be deemed to be validly made under this Act
- a. 1997 b. 1998
c. 1999 d. None
235. Payment of the amount for a transaction exceeding value of _____ 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.
- a. 30 b. 50
c. 70 d. 90
236. Payment in case of a transaction on credit is so transferred within _____ days of issuance of the tax invoice.
- a. 30 b. 60
c. 90 d. 180
237. Online transfer of payment from the business account of buyer to the business account of supplier as well as payments through _____ 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.
- a. credit card b. Bank Draft
c. Money Order d. None

238. The First Schedule of Sales Tax Act is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from March 28, _____.
- a. 1994 b. 1995
c. 1997 d. 1999
239. The Second Schedule is omitted vides Finance Supplementary (Amendment) Act, 1997, with effect from _____.
- a. March 28, 1994
b. March 28, 1997
c. March 28, 1998
d. March 28, 1999
240. 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.
241. Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act, 1939, (IV of 1969), the supplies from duty free shops shall be treated as _____ for the purpose of levy of sales tax
- a. Export b. import
c. Either a or b d. None
242. Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section _____ of the Income Tax Ordinance 2001
- a. 120 b. 130
c. 136 d. 150
243. "Chief Commissioner" means a person appointed as the chief Commissioner Inland Revenue under section _____.
- a. 30 b. 130
c. 230 d. 330
244. Commissioner' means the Commissioner of Inland Revenue appointed under section _____.
- a. 20 b. 40
c. 230 d. 30
245. The expression "KIBOR" means _____ prevalent on the first day of each quarter of the financial year.
- a. Khyber Inter-Bank offered rate
b. Karachi Inter-Bank of set rate
c. Karachi Inter-Bank offered rate
d. Karachi Inter-Bank offered Revenue
246. _____ means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify.
- a. Local Sales Tax Office
b. FBR
c. Inland Revenue
d. All of these
247. "Officer of Inland Revenue" means an officer appointed under section _____.
- a. 239 b. 130
c. 330 d. 30
248. 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 _____ days shall be excluded from the computation of the period specified in the first proviso.
- a. 20 b. 25
c. 30 d. 40
249. Sumons Are sent to any defaulter Under code of civil procedure. _____.
- a. 1908 b. 1910
c. 1912 d. 1914

250. The validity of any notice issued under this Act or the validity any service of a notice under this Act _____ be called into question after the notice has been complied with in any manner:

a. Shall not b. Shall
c. may not d. None

ANSWERS

1. a 2. c 3. d 4. b 5. c 6. c 7. b 8. a 9. c
10. c 11. d 12. a 13. d 14. c 15. c 16. c 17. a
18. d 19. b 20. d 21. d 22. 13 23. c 24. a 25. c
26. d 27. d 28. c 29. d 30. a 31. d 32. a 33. a
34. c 35. c 36. b 37. a 38. c 39. b 40. b 41. d
42. a 43. c 44. d 45. b 46. b 47. d 48. a 49. a
50. d 51. d 52. a 53. c 54. c 55. a 56. d 57. c
58. d 59. c 60. a 61. d 62. c 63. b 64. a 65. b
66. a 67. b 68. d 69. d 70. c 71. b 72. c 73. d 74. c
75. c 76. a 77. a 78. b 79. d 80. a 81. c 82. c
83. d 84. a 85. a 86. d 87. d 88. a 89. d 90. b
91. d 92. a 93. d 94. d 95. a 96. b 97. b 98. c

99. a 100. a 101. b 102. a 103. d 104. c 105. c
106. a 107. c 108. b 109. c 110. a 111. d 112. c
113. d 114. a 115. c 116. d 117. d 118. d
119. a 120. a 121. c 122. b 123. d 124. c 125. d
126. b 127. b 128. d 129. d 130. a 131. a
132. c 133. c 134. d 135. a 136. a 137. d 138. c
139. a 140. a 141. c 142. c 143. c 144. d 145. a
146. b 147. c 148. d 149. a 150. b 151. c 152. d
153. a 154. c 155. a 156. b 157. b 158. d 159. c
160. c 161. a 162. c 163. a 164. d 165. b 166. c
167. c 168. b 169. c 170. d 171. d 172. d 173. c
174. c 175. a 176. a 177. a 178. c 179. a 180. d
181. b 182. d 183. a 184. c 185. c 186. d 187. d
188. d 189. b 190. a 191. d 192. b 193. c
194. d 195. a 196. d 197. c 198. c 199. d 200. c
201. b 202. a 203. c 204. a 205. a 206. d
207. a 208. d 209. d 210. c 211. b 212. d 213. c
214. a 215. b 216. c 217. c 218. d 219. b 220. c
221. c 222. a 223. b 224. d 225. d 226. e
227. a 228. c 229. a 230. c 231. a 232. b 233. d
234. c 235. b 236. d 237. a 238. c 239. b 240. c
241. b 242. b 243. a 244. d 245. c 246. a
247. d 248. c 249. a 250. a

5

CHAPTER

FEDERAL EXCISE ACT, 2005

PRELIMINARY

1. Short title, extent and commencement.-

- (1) This Act may be called the Federal Excise Act, 2005
- (2) It extends to the whole of Pakistan
- (3) It shall come into force on 1st day of July, 2005

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

- (1) "adjudicating authority" means any authority competent to pass any order or decision under this Act or the rules made there under, but does not include the Board or Appellate Tribunal.
- (2) "adjustment" means deduction of amount of duty paid on goods used in the manufacture or production of other goods from the amount of duty payable on such other goods in the prescribed manner.
- (3) "Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance, 2001 (XLIX of 2001)."
- (4) "Board" means the Federal Board of Revenue established under the Central Board of Revenue Act, 1924 (IV of 1924) and on the commencement of the Federal Board of Revenue Act, 2007, the Federal Board of Revenue established under section 3 thereof.
- (4A) "Chief Commissioner" means a person appointed as Chief Commissioner Inland Revenue under section 29."
- (5) "Commissioner" means an person appointed as Commissioner Inland Revenue under section 29 of this Act."
- (6) "conveyance" means any means of transport used for carrying goods or passengers such as vessel, aircraft, vehicle or animal etc.;
- (7) "default surcharge" means surcharge levied under section 8.
- (8) "Distributor" means a person appointed by a manufacturer in or for a specified area to purchase goods from him for sale to a wholesale dealer in that area.

- (8a) "due date", in relation to furnishing a return under section 4, means the 15th day of the month following the end of the month, or such other date as the Federal Government may, by notification in the official Gazette, specify.
- (8b) "dutiable goods" means all excisable goods specified in the First Schedule except those which are exempt under section 16 of the Act;
- (8c) "dutiable supply" means a supply of dutiable goods made by a manufacturer other than a supply of goods which is exempt under section 16 of the Act;
- (8d) "dutiable services" means all excisable services specified in the First Schedule except those which are exempt under section 16 of the Act;
- (9) "duty" means any sum payable under the provisions of this Act or the rules made there under and includes the default surcharge and the duty chargeable at the rate of zero per cent;
- (9a) "duty due" means duty in respect of supplies made or services provided or rendered during a month and shall be paid at the time of filing of return;
- (10) "establishment" includes an undertaking, firm or company, whether incorporated or not, an association of persons and an individual;
- (11) "factory" means any premises, including the precincts thereof, wherein or in any part of which goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of the goods is being carried on or is ordinarily carried on;
- (12) "Officer of Inland Revenue" means any officer appointed by the Board as officer of Inland Revenue under section 29 or any person including an officer of the Provincial Government invested by the Board with any of the powers of an officer of Inland Revenue under this Act or rules made there under;
- (12a) "franchise" means an authority given by a franchiser under which the franchisee is contractually or otherwise granted any right to produce, manufacture, sell or trade in or do any other business activity in respect of goods or to provide service or to undertake any process identified with franchiser against a fee or consideration including royalty or technical fee, whether or not a trade mark, service mark, trade name, logo, brand name or any such representation or symbol, as the case may be, is involved;
- (13) "goods" means goods leviable to excise duty under this Act or as specified in the First Schedule and includes goods manufactured or produced in non-tariff area and brought for use or consumption to tariff area;
- (14) "goods insurance" includes, fire, marine, theft, accident and other such miscellaneous insurance;
- (15) "import" and "export" mean respectively bringing into, and taking out of Pakistan by sea, land or air and shall be deemed to have always been so defined;
- (15a) "KIBOR" means Karachi Inter Bank Offered Rate prevalent on first day of each quarter of the financial year;"
- (16) "manufacture" includes-
 - (a) any process incidental or ancillary to the completion of a manufactured product;

- (b) any process of re-manufacture, remaking, reconditioning or repair and the processes of packing or repacking such product, and, in relation to tobacco, includes the preparation of cigarettes, cigars, cheroots, biris, cigarette and pipe or hookah tobacco, chewing tobacco or snuff or preparation of unmanufactured tobacco by drying, cutting and thrashing of raw tobacco, and the word "manufacturer" shall be construed accordingly and shall include,-
- (i) any person who employs hired labour in the production or manufacture of goods or
- (ii) any person who engages in the production or manufacture of goods on his own account if such goods are intended for sale; and
- (c) any person who, whether or not he carries out any process of manufacture himself or through his employees or any other person, gets any process of manufacture carried out on his behalf by any person who is not in his employment.

Provided that any person so dealing in goods shall be deemed to have manufactured for all purposes of this Act, such goods in which he deals in any capacity whatever.

- (16a) "non-fund banking services" includes all non-interest based services provided or rendered by the banking companies or non-banking financial institutions against a consideration in the form of a fee or commission or charges;
- (17) "non-tariff area" means Azad Jammu and Kashmir, Northern Areas and such other territories or areas to which this Act does not apply;
- (18) "person" includes a company, an association, a body of individuals, whether incorporated or not, a public or local authority, a Provincial Government or the Federal Government;
- (19) "prescribed" means prescribed under this Act or by rules made there under;
- (19a) "property developers or promoters" means persons engaged in development of purchased or leased land for conversion into residential or commercial plots or construction of residential or commercial units for sale;
- (20) "registered person" means a person who is registered or is required to be registered under this Act provided that a person who is not registered but is required to be registered shall not be entitled to any benefit or privilege under this Act or rules made there under, unless he is registered and such benefit and privilege, unless allowed by Board, shall be confined to period of registration;
- (21) "sale" and "purchase" with their grammatical variations and cognate expressions, mean any transfer of the possession of goods or rendering and providing of services by one person to another in the ordinary course of trade or business for cash or deferred payment or other consideration;
- (21a) "sales tax mode" means the manner of collection and payment under the Sales Tax Act, 1990, and rules made there under, of the duties of excise chargeable under this Act specified to be collected and paid as if such duties were tax chargeable under section 3 of the said Act and all the provisions of that Act and rules, notifications, orders and instructions made or issued there-under shall, mutatis mutandis, apply to the excise duty so chargeable; and
- (22) "Schedule" means the schedule appended to this Act;

- (23) "services" means services, facilities and utilities leviable to excise duty under this Act or as specified in the First Schedule read with Chapter 98 of the Pakistan Customs Tariff, including the services, facilities and utilities originating from Pakistan or its tariff area or terminating in Pakistan or its tariff area;
- (23a) "supply" includes sale, lease or other disposition of goods and shall include such transaction as the Federal Government may notify in the official Gazette from time to time.
- (24) "tariff area" means area other than the non-tariff area.
- (25) "wholesale dealer" means a person who buys or sells goods wholesale for the purpose of trade or manufacture, and includes a broker or commission agent who, in addition to making contracts for the sale or purchase of goods for others, stocks such goods belonging to others as an agent for the purpose of sale; and
- (26) "Zero-rated" means duty of Federal excise levied and charged at the rate of zero per cent under section 5 of this act.

LEVY, COLLECTION AND PAYMENT OF DUTY

3. Duties specified in the First Schedule to be levied.-

- (1) Subject to the provisions of this Act and rules made there under, there shall be levied and collected in such manner as may be prescribed duties of excise on,—
- (a) goods produced or manufactured in Pakistan;
 - (b) goods imported into Pakistan;
 - (c) such goods as the Federal Government may, by notification in the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein; and
 - (d) services provided in Pakistan including the services originated outside but rendered in Pakistan;
 - (e) at the rate of sixteen per cent ad valorem except the goods and services specified in the First Schedule, which shall be charged to Federal excise duty as, and at the rates, set forth therein.
- (2) Duty in respect of goods imported into Pakistan shall be levied and collected in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 (IV of 1969), and the provisions of the said Act including section 31A thereof shall apply.
- (3) The Board may, by notification in the official Gazette, in lieu of levying and collecting under sub-section (1) duties of excise on goods and services, as the case may be, levy and collect duties,—
- (a) on the production capacity of plants, machinery, undertakings, establishments or installations producing or manufacturing such goods; or
 - (b) on fixed basis, as it may deem fit, on any goods or class of goods or on any services or class of services, payable by any establishment or undertaking producing or manufacturing such goods or providing or rendering such services. *

- (3A) Subject to the provision of sub-section (3) of section 6 or any notification issued thereunder, where excisable goods and services are supplied to a person who has not obtained registration number, the Federal Government may, by notification in the official Gazette, charge, levy and collect, on the excisable goods and services specified in that notification, a further duty at the rate of two per cent of the value in addition to the rate specified in sub-sections (1), (3), (4) and (5) of this section.
- (4) Without prejudice to other provisions of this Act, the Federal Government may levy and collect duty on any class or classes of goods or services by notification in the official Gazette at such higher or lower rate or rates as may be specified in such notification.

Explanation. - Subject to sub-section (1), for the purpose of this section, "goods" means the goods specified in CHAPTERS 1 TO 97 and "services" means the services specified in CHAPTER 98 of the First Schedule to the Customs Act, 1969 (IV of 1969).

(5) The liability to pay duty shall be-

- (a) in case of goods produced or manufactured in Pakistan, of the person manufacturing or producing such goods;
- (b) in case of goods imported into Pakistan, of the person importing such goods;
- (c) in case of services, provided where services are rendered by the person out of Pakistan, the recipient of such services in Pakistan shall be liable to pay Duty;
- (d) in case of goods produced or manufactured in non-tariff areas and brought to tariff areas for sale or consumption therein, of the person bringing or causing to bring such goods to tariff areas.

4. Filing of return and payment of duty etc.—

- (1) For every month, a registered person shall furnish not later than the due date a true and correct return in such manner and form as may be prescribed by the Board by notification in the official Gazette.
- (2) Duty due for the dutiable supplies made or services rendered during a month shall be deposited by the registered person in the designated branch of the bank at the time of filing of his return under sub-section (1).

Provided that the Board may, by notification in the official Gazette, prescribe any other manner of depositing the duty.

- (3) If during any month, there is a change in the rate of duty, a separate return showing the application of different rates of duty shall be used in respect of each portion of such month.
- (4) A registered person may, subject to approval of the Commissioner Inland Revenue having jurisdiction, file a revised return within one hundred and twenty days of the filing of return under sub-section (1), to correct any omission or wrong declaration made therein.
- (5) The Board may, by notification in the official Gazette, require any person or class of persons for any goods or class of goods to furnish such summary or details of particulars pertaining to imports, purchases, utilization, consumption, production, sales or disposal of such goods during any month or months in such format and manner as may be specified and provisions of this subsection may be invoked mutatis mutandis in respect of services.

- (6) The Board may by an order, specify the manner and procedure for filing of return for the purpose of this Act or rules made there under and for payment of duty by electronic means. The Board may specify the manner and procedure for the submission, receipt and transmission of any information for the purpose of this Act or rules made there under by electronic means.
- (7) Every amount of duty due from any person on any other account shall also be deposited on the prescribed return in the bank branch designated and in the same manner as aforesaid.
- (8) The Board may, by rules made under this Act, prescribe a composite return.”;

5. Zero rate of duty and drawback of duty etc. —

- (1) Notwithstanding the provisions of section 3, the goods exported out of Pakistan or such goods as may be, by a notification in the official Gazette, specified by the Federal Government shall be charged to duty at the rate of zero per cent and adjustment of duty in terms of section 6 shall be admissible on such goods
- (2) The Board may, by notification in the official Gazette, grant drawback of duty paid on any goods used in the manufacture of any goods manufactured in and exported out of Pakistan, or shipped as provisions or stores for consumption on board a ship or aircraft proceeding to a destination outside Pakistan, at such rate or rates and subject to such conditions and limitations as may be specified in the notification.
- (3) Notwithstanding anything in sub-sections (1) and (2), the Board may, by notification in the official Gazette, prohibit the payment of drawback, refund or adjustment of duty upon the exportation of goods or any specified goods or class of goods to any specified foreign port or territory.

6. Adjustment of duties of excise.

- (1) For the purpose of determining net liability of duty in respect of any goods, the duty already paid on goods specified in the First Schedule and used directly as input goods for the manufacture or production of such goods shall be deducted from the amount of duty calculated on such goods.
- (2) Adjustment of duty of excise under sub-section (1) shall be admissible only if a person registered under this Act holds a valid proof to the effect that he has paid the price of goods purchased by him including the amount of duty and received the price of goods sold by him including the amount of duty through banking channels including online payment whether through credit card or otherwise.
- (3) Notwithstanding the provisions of sub-section (1), the Board may, by a notification in the official Gazette disallow or restrict whole or part of the amount of or otherwise regulate the adjustment of duty in respect of any goods or class of goods.

7. Application of the provisions of the Sales Tax Act, 1990.— In case of goods specified in the Second Schedule or such services as may be specified by the Board through a notification in the official Gazette the duty shall be payable in sales tax mode, whereby—

- (1) (a) a registered person manufacturing or producing such goods or providing or rendering such services shall be entitled to deduct input tax paid during the tax period from the amount of duty of excise due from him on such goods or services in respect of that tax period;

- (b) a registered person shall be entitled to deduct the amount of duty of excise paid or payable by him on such goods or services as are acquired by him during a tax period from the output tax due from him in respect of that tax period;
 - (c) a registered person supplying such goods or providing or rendering such services shall be entitled to deduct duty of excise paid or payable on such goods or services as are acquired by him during the tax period from the amount of duty of excise due from him on such goods manufactured or produced or services as are provided or rendered by him during that period; and
 - (d) a person shall be entitled to deduct duty of excise paid or payable, on such goods or services as are acquired by him during a month, from the amount of duty of excise due from him on such goods manufactured or produced or services as are provided or rendered by him, during that month. Such services as are provided or rendered by him, during that month.
- (2) The Federal Government may, by notification in the official Gazette, declare that any of the provisions of the Sales Tax Act, 1990, relating to the levy of and exemption from sales tax, registration, book keeping and invoicing requirements, returns, offences and penalties, appeals and recovery of arrears 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 duty leviable under this Act.”;

Explanation.— For the purposes of this section, the expressions "input tax" "output tax" and "tax period" shall have the same meanings as are assigned to them in the Sales Tax Act, 1990

Default surcharge.— If a person does not pay the duty due or any part thereof within the prescribed time or receives a refund of duty or drawback or makes an adjustment which is not admissible to him, he shall, in addition to the duty due, pay default surcharge at the rate of "KIBOR plus three per cent per annum" of the duty due, refund of duty or drawback.

Explanation.—For the purpose of this section,—

- (a) the period of default shall be reckoned from the date following the due date on which the duty was payable to the preceding day on which the duty is actually paid; and
- (b) in case of inadmissible adjustment or refund of duty or drawback, the period of default shall be reckoned from the date of such adjustment or as the case may be, refund of duty or drawback is received.”;

9. Liability for payment of duty in the case of private companies or business enterprises or in case of sale of business ownership.—

- (1) Notwithstanding anything contained in any other law for the time being in force, where any private company or business enterprise is closed or discontinued or otherwise ceases to exist and any amount of duty chargeable on the company or business enterprise, whether before, or in the course of, or after its liquidation cannot be recovered from the company or business enterprise, every person who was a owner of, or partner in, or director of, the company or business enterprise shall, jointly and severally with such persons, be liable for the payment of such duty.

- (2) In the case of sale or transfer of ownership of a business or part thereof involving any charge of duty to another person as an ongoing concern, the chargeable duty shall be paid by the person to whom such sale is made or ownership is transferred provided that if any amount of duty payable by such person remains unpaid, such unpaid amount of duty shall be the first charge on the assets of the business and shall be payable by the transferee of business

Provided that no business enterprise or a part thereof shall be sold or transferred unless the outstanding duty is paid and a no objection certificate in this behalf from the Commissioner concerned is obtained

- (3) In case of termination of a business or part thereof involving any outstanding charge of duty, a person terminating such business or part thereof shall be required to account for and pay the outstanding charge of duty as if no such termination has taken place

10. Applicable value and rate of duty.— The value and the rate of duty applicable to any goods or services shall be the value, retail price, tariff value and the rate of duty in force. -

- (a) in the case of goods, on the date on which the goods are supplied for export or for home consumption,
- (b) in the case of services, on the date on which the services are provided or rendered, and
- (c) in the case of goods produced or manufactured outside the areas to which this Act has been applied and brought to such areas for sale or consumption therein, the date on which the goods are brought to those areas.

11. Collection of excess duty etc.— Every person who for any reason whatever has collected or collects any duty, which is not payable as duty or which is in excess of the duty actually payable and the incidence of which has been passed on to the consumer, shall pay the amount so collected to the Federal Government and all the provisions of this Act or rules made there under shall apply for the recovery of such amount and claim for refund of any such amount paid or recovered shall not be admissible on any ground whatever.

12. Determination of value for the purposes of duty-

- (1) Where any goods are liable to duty under this Act at a rate dependent on their value, duty shall be assessed and paid on the basis of value as determined in accordance with sub-section (46) of section 2 of the Sales Tax Act, 1930, excluding the amount of duty payable thereon "
- (2) Where any services are liable to duty under this Act at a rate dependent on the charges therefore, the duty shall be paid on total amount of charges for the services including the ancillary facilities or utilities, if any, irrespective whether such services have been rendered or provided on payment of charge or free of charge or on any confessional basis.
- (3) Where any goods are chargeable to duty at the import stage, duty will be assessed and paid on the value determined in accordance with section 25 of the Customs Act, 1969 (IV of 1969), including customs duties payable thereon.
- (4) Where any good is chargeable to a duty on the basis of retail price, duty thereon shall be paid on the retail price fixed by the manufacturer, inclusive of all duties,

charges and taxes, other than sales tax levied and collected under section 3 of the Sales Tax Act, 1990, at which any particular brand or variety of such goods 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 and such retail price shall, unless otherwise directed by the Board, be legibly, prominently and indelibly indicated on each good, packet, container, package, cover or label of such goods.

Provided that where so and as specified by the Board, any goods or class of goods liable to duty on local production as percentage of retail price, the provisions of this sub-section shall mutatis mutandis apply in case such goods are imported from abroad.

Provided further that the Board may through a general order specify zones or areas only for the purpose of determination of highest retail price for any brand or variety of goods.

- (5) The Board may fix the minimum price of any goods or class of goods, for the purpose of levying and collecting of duty and duty on such goods shall be paid accordingly.

Provided that, where the price at which the goods or class of goods are sold, is higher than the price fixed by the Board, the duty shall, unless otherwise directed by the Board, be levied and collected at such higher price.

13. Registration.—

- (1) Any person engaged in the production or manufacture of goods or providing or rendering services liable to duty of excise under this Act shall, unless otherwise specified, be required to obtain registration in the prescribed manner regardless of his annual turnover or volume of sales of such goods or services.
- (2) Where a person who is already registered under the Sales Tax Act, 1990 shall not be? required to take separate registration for excise purpose and his sales tax registration shall be deemed to be a registration for the purpose of this Act.

Provided that provisions of the Sales Tax Act, 1990, including those relating to exemption threshold shall not apply where a person obtains or is liable to obtain registration for the purposes of this Act but does not have or is not liable to registration under the Sales Tax Act, 1990.

14. Recovery of unpaid duty or of erroneously refunded duty or arrears of duty, etc.

- (1) Where any person has not levied or paid any duty or has short levied or short paid such duty or where any amount of duty has been refunded erroneously, such person shall be serviced with notice requiring him to show cause for payment of such duty provided that such notice shall be issued within five years from the relevant date.
- (2) The Officer of Inland Revenue, empowered in this behalf, shall after considering the objections of the person served with a notice to show cause under sub-section (1), determine the amount of duty payable by him and such person shall pay the amount so determined along with default surcharge and penalty as specified by such officer under the provisions of this Act.

Provided that an 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 sixty 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 thirty days shall be excluded from the computation of the periods specified in the first proviso.

- (3) Where any amount of duty levied and penalty imposed or any other amount payable under this Act is due from any person, such amount or sum shall be recovered in such manner as is prescribed under this Act or rules made there under.
- (4) Notwithstanding anything contained under any other law for the time being in force, where any business or activity involving liability to charge, levy and pay duty under this Act is sold, discontinued or liquidated, the amount of unpaid or recoverable duty shall be the first charge on the assets of the business.

Explanation.— For the purpose of this section, refund includes drawback of duty and; the expression "relevant date" means the date on which the payment of duty was due under sub-section (3) and in case where any amount of duty has been erroneously refunded, the date of its refund.

- (14A) Short paid amounts recoverable. - Notwithstanding the provisions of this Act or the rules made there under, where a registered person pays the amount of duty less than the duty due as indicated in his return, the short paid amount of duty 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 prejudice to any other action under this Act or the rules made there under.

Provided that no penalty under this Act or rules made there under shall be imposed unless a show cause notice is given to such person.

15. Application of the Customs Act, 1969 (IV of 1969) to Federal excise duties -The Federal Government may, by notification in the official Gazette, declare that any or all of the provisions of the Customs Act, 1969 (IV of 1969), shall, with such modifications and alterations it may specify, consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duties levied by sections 3 and 8.

16. Exemptions.-

- (1) All goods imported, produced or manufactured in Pakistan and services provided or rendered except such goods and services as are specified in the First Schedule shall be exempt from whole of excise duties levied under section 3:

Provided that goods and services specified in the Third Schedule shall be exempt from duty subject to such conditions and restrictions, if any, specified therein and no adjustment in terms of section 6 shall be admissible in respect of goods exempt from duty of excise whether conditionally or otherwise

- (2) The Federal Government may by notification in the official Gazette, exempt subject to such conditions as may be specified therein, any goods or class of goods or any services or class of services from the whole or any part of the duty leviable under this Act.

- (3) The Board may by special order, exempt from the payment of the whole or any part of the duty leviable under this Act, under circumstances of exceptional nature, any goods or services on which such duty is leviable.
- (4) Notwithstanding the provisions of sub-sections (2) and (3), the Federal Government or the Board may, by a notification in the official Gazette, for reasons to be recorded, exempt any person or class of persons from payment of the whole or part of the default surcharge imposed under section 8 and penalties subject to the such conditions or limitations as may be specified in such notification.

17. Records.—

- (1) Every person registered for the purposes of this Act shall maintain and keep for a period of six years 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 at his business premises or registered office in English or Urdu language the following records of excisable goods purchased, manufactured and cleared (including those cleared without payment of excise duty) by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his liability of duty, namely:—
 - (a) records of clearances and sales made indicating the description, quantity and value of goods, name and address of the person to whom sales were made and the amount of the duty charged;
 - (b) records of goods purchased showing the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the duty, if any, on purchases;
 - (c) records of goods cleared and sold without payment of duty;
 - (d) records of invoices, bills, accounts, agreements, contracts, orders and other allied business matters;
 - (da) record relating to gate passes, inward or outward, and transport receipts;
 - (e) records of production, stocks and inventory;
 - (f) records of imports and exports; and
 - (g) such other records as may be specified by the Board.
- (2) For any person or class of persons registered under this Act, or for any goods or class of goods the Board may specify or rescribe.—
 - (a) to keep any other records for the purposes of this Act;
 - (b) to use such electronic fiscal cash registers as may be approved by the Board, and
 - (c) the procedure or software for electronic maintenance of records and filing of statements, documents or information by any person or class of persons
- (3) Provisions of sub-sections (1) and (2) shall apply mutatis mutandis on services provided or rendered by a person registered under this Act.

18. Invoices.—

- (1) A person registered under this Act shall issue for each transaction a serially numbered invoice at the time of clearance or sale of goods, including goods

chargeable to duty at the rate of zero per cent, or providing or rendering services containing the following particulars, namely:-

- (a) name, address and registration number of the seller;
 - (b) name, address and registration number of the buyer;
 - (c) date of issue of the invoice;
 - (d) description and quantity of goods or as the case may be, description of services;
 - (e) value exclusive of excise duty;
 - (f) amount of excise duty; and
 - (g) value inclusive of excise duty
- (2) Notwithstanding sub-section (1), where a registered person is also engaged in making supplies taxable under the Sales Tax Act, 1990, such person shall not be required to issue a separate invoice for excise purposes and the amount of excise duty and other related information may in such cases be mentioned on the invoice issued for sales tax purposes.
- (3) The Board may, by notification in the official Gazette, specify such modified invoices for different persons or classes of persons as it may deem necessary.
- (4) The Board may, by notification in the official Gazette, specify goods in respect of which a copy of the invoice shall be carried or accompanied with the conveyance during their transportation or movement such manner and subject to such conditions as may be specified in this behalf either in such notification or otherwise.
- (5) The Board may, by notification in the official Gazette, specify the goods or services in respect of which sales invoice shall be issued electronically and prescribe the manner and procedure therein.

THE FEDERAL EXCISE ACT, 2005

MCQs

1. Federal Excise Tax Act, shall come into force on _____, 2005.
a. 30 June b. 1st July
c. 31st July d. None
2. Adjudicating authority means any authority competent to pass any order or decision under this Act or the rules made there under, but does not include the _____.
a. Board
b. Appellate Tribunal
c. Both a & b
d. None
3. "Adjustment" means _____ of amount of duty paid on goods used in the manufacture or production of other goods from the amount of duty payable on such other goods in the prescribed manner.
a. deduction b. Adjustment
c. Imposition d. None
4. Appellate Tribunal means the Customs, Excise and Sales Tax Appellate Tribunal constituted under section _____ of the Customs Act.
a. 190 b. 191
c. 194 d. 198
5. "Board" means the Federal Board of Revenue established under the Central Board of Revenue Act, 1924 (IV of 1924) and on the commencement of the Federal Board of Revenue Act, 2007, the Federal Board of Revenue established under section _____ thereof.
a. 1 b. 2
c. 3 d. 4
6. _____ means an officer of Federal Excise notified as Collector of Federal Excise under this Act.
a. Collector b. Commissioner
c. Director d. None
7. "Conveyance" means any means of transport used for carrying _____ such as vessel, aircraft, vehicle or animal etc
a. goods
b. passengers
c. goods or passengers
d. All of these
8. "Default surcharge" means surcharge levied under _____.
a. section 4 b. section 6
c. section 7 d. section 8
9. "Distributor" means a person appointed by a _____ in or for a specified area to purchase goods from him for sale to a wholesale dealer in that area.
a. manufacturer b. Owner
c. Distributor d. None
10. "Due date", in relation to furnishing a return under section 4, means the _____ day of the month following the end of the month, or such other date as the Federal Government may, by notification in the official Gazette.
a. 15th b. 20th
c. 25th d. None
11. "Dutiable goods" means all excisable goods specified in the First Schedule except those which are exempt under section _____ of the Act.
a. 10 b. 12
c. 16 d. 18
12. "Dutiable supply" means a supply of dutiable goods made by a manufacturer other than a supply of goods which is _____ under section 16 of the Act.
a. exempt b. Include
c. Preclude d. None
13. Dutiable services means all excisable services specified in the _____ Schedule except those which are exempt under section 16 of the Act.
a. 2nd b. 1st
c. 3rd d. 4th

14. "Duty" means any sum payable under the provisions of this Act or the rules made there under and includes the default surcharge and the duty chargeable at the rate of _____ per cent
 a. zero b. One
 c. Two d. Three
15. "Duty due" means duty in respect of supplies made or services provided or rendered during a month and shall be paid at the time of _____ of return
 a. Entering b. Filing
 c. filing d. All of these
16. "Establishment" includes an _____, whether incorporated or not, an association of persons and an individual.
 a. undertaking b. firm
 c. company d. All of these
17. "Federal Excise Officer" means any officer of the Federal Excise Department, or any person (including an officer of the Provincial Government) invested by the _____ with any of the powers of a Federal Excise Officer under this Act or rules made there under
 a. Board b. Chairman
 c. Both a & b d. None
18. "Franchise" means an authority given by a franchiser under which the franchisee is contractually or otherwise granted any right to _____ in or do any other business activity in respect of goods or to provide service or to undertake any process identified with franchiser against a fee or consideration including royalty or technical fee, whether or not a trade mark, service mark, trade name, logo, brand name or any such representation or symbol, as the case may be is involved.
 a. produce b. manufacture
 c. sell or trade d. All of these
19. "Goods" means goods leviable to excise duty under this Act or as specified in the First Schedule and includes goods manufactured or produced in non-tariff area and brought for use or consumption to _____ area.
 a. Public b. Open
 c. Trade d. tariff
20. "_____ " includes fire, marine, theft, accident and other such miscellaneous insurance
 a. servants
 b. Public
 c. Group
 d. Goods insurance
21. "KIBOR" means Karachi Inter Bank Offered Rate prevalent on _____ day of each quarter of the financial year
 a. Last b. first
 c. 15th d. None
22. "Manufacture" includes _____
 a. any process incidental or ancillary to the completion of a manufactured product.
 b. any process of re-manufacture, remaking, reconditioning or repair and the processes of packing or repacking such product
 c. Both a & b
 d. Either a & b
23. "Non-fund banking services" includes all _____ based services provided or rendered by the banking companies or non-banking financial institutions against a consideration in the form of a fee or commission or charges.
 a. Interest ful b. non-interest
 c. Payed d. None
24. "_____ " means Azad Jammu and Kashmir, Northern Areas and such other territories or areas to which this Act does not apply.
 a. Non-tariff area
 b. Non-tax area
 c. Non-custom area
 d. None

25. _____ includes a company, an association, a body of individuals, whether incorporated or not, a public or local authority, a Provincial Government or the Federal Government.
- a company b Party
c Person d. All of these
26. "Registered person" means a person who is registered or is required to be registered under this Act provided that a person who is not registered but is required to be registered shall not be entitled to any benefit or privilege under this Act or rules made there under, unless he is registered and such benefit and privilege, unless allowed by Board, shall be confined to _____ of registration.
- a period b Process
c Procedure d. None
27. "Sale" and "purchase" with their grammatical variations and cognate expressions, mean any transfer of the possession of _____ or rendering and providing of services by one person to another in the ordinary course of trade or business for cash or deferred payment or other consideration.
- a goods b Money
c Persons d. All of these
28. _____ means the manner of collection and payment under the Sales Tax Act 1990, and rules made there under, of the duties of excise chargeable under this Act specified to be collected and paid as if such duties were tax chargeable under section 3 of the said Act and all the provisions of that Act and rules, notifications, orders and instructions made or issued there under shall, mutatis mutandis, apply to the excise duty so chargeable.
- a sales tax b sales tax mode
c sales tax Module
d. None
29. "Services" means services, facilities and utilities leviable to excise duty under this Act or as specified in the First Schedule read with _____ of the Pakistan Customs Tariff, including the services, facilities and utilities originating from Pakistan or its tariff area or terminating in Pakistan or its tariff area.
- a. Chapter 92 b. Chapter 98
c. Chapter 99 d. None
30. "Supply" includes _____ of goods and shall include such transaction as the Federal Government may notify in the official Gazette from time to time.
- a. sale b. lease
c. disposition d. All of these
31. "wholesale dealer" means a person who buys or sells goods wholesale for the purpose of trade or manufacture, and includes a broker or commission agent who, in addition to making contracts for the sale or purchase of goods for others, stocks such goods belonging to others as an/ a _____ for the purpose of sale.
- a agent b. owner
c Dealer d. None
32. "Zero-rated" means duty of Federal excise levied and charged at the rate of _____ under section 5 of this act.
- a 10 per cent b 20 per cent
c zero per cent d. None
33. Duty shall be levied and collected in such manner as may be prescribed duties of excise on, _____.
- a goods produced or manufactured in Pakistan;
b. goods imported into Pakistan;
c. services provided in Pakistan including the services originated outside but rendered in Pakistan
d. All of Above
34. Duty shall be levied and collected in such manner as may be prescribed

- <http://www.employeescorner.info/>
- duties of excise on goods at the rate of _____ per cent
- a. 10 b. 15
 c. 20 d. Zero
35. Duty in respect of goods imported into Pakistan shall be levied and collected in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 (IV of 1969), and the provisions of the said Act including section _____ thereof shall apply
- a. 31C b. 31B
 c. 31A d. All of these
36. The Board may, by notification in the official Gazette, in lieu of levying and collecting under sub-section (1) duties of excise on goods and services, as the case may be, levy and collect duties on the _____ of plants, machinery, undertakings, establishments or installations producing or manufacturing such goods
- a. Manufacturing capacity
 b. Sale capacity
 c. production capacity
 d. All of these
37. Without prejudice to other provisions of this Act, the Federal Government may levy and collect duty on any class or classes of goods or services by notification in the official Gazette at such _____ or rates as may be specified in such notification.
- a. higher rate
 b. lower rate
 c. higher or lower rate
 d. All of these
38. The liability to pay duty shall be in case of goods produced or manufactured in Pakistan, of the person _____ such goods.
- a. manufacturing b. Selling
 c. Purchasing d. None
39. The liability to pay duty shall be in case of goods imported into Pakistan, of the person _____ such goods.
- a. manufacturing b. Selling
 c. Importing d. None
40. The liability to pay duty shall be in case of services where services are rendered by the person out of Pakistan, the _____ of such services in Pakistan shall be liable to pay Duty.
- a. Seller b. Provider
 c. Liaison d. recipient
41. The liability to pay duty shall be in case of goods produced or manufactured in non-tariff areas and brought to tariff areas for sale or consumption therein, of the person _____ such goods to tariff areas
- a. bringing or causing to bring
 b. manufacturing
 c. Selling
 d. Importing
42. The Federal Government may, by notification in the official Gazette, levy and collect, subject to such conditions, limitations or restrictions as it may deem fit to impose, special excise duty on any produced or manufactured in Pakistan, and at the rate of _____ percent of the value of such goods.
- a. 10 b. 20
 c. 30 d. 40
43. For every _____, a registered person shall furnish not later than the due date a true and correct return in such manner and form as may be prescribed by the Board by notification in the official Gazette.
- a. Year b. 6 month
 c. 3 month d. 1 month
44. Duty due for the dutiable supplies made or services rendered during a month shall be deposited by the registered person in the designated

- branch of the _____ at the time of filing of his return.
- a. FBR b. bank
c. Custom Office d. All of these
45. If during any month, there is a change in the rate of duty, a _____ return showing the application of different rates of duty shall be used in respect of each portion of such month.
- a. separate b. Attached
c. Mixed d. None
46. A registered person may, subject to approval of the Collector of Federal Excise having jurisdiction, file a revised return within _____ days of the filing of return, to correct any omission or wrong declaration made therein.
- a. 90 b. 100
c. 120 d. 150
47. Notwithstanding the provisions of section 3, the goods exported out of Pakistan or such goods as may be, by a notification in the official Gazette, specified by the Federal Government shall be charged to duty at the rate of _____ per cent
- a. zero b. 1
c. 2 d. 5
48. For the purpose of determining net liability of duty in respect of any goods, the duty already paid on goods specified in the First Schedule and used directly as input goods for the manufacture or production of such goods shall _____ the amount of duty calculated on such goods.
- a. be deducted from b. added to
c. Exempted to d. None
49. In case of goods specified in the Second Schedule or such services as may be specified by the Board through a notification in the official Gazette the duty shall be payable in sales tax mode, whereby a registered person manufacturing or producing such goods or providing or rendering such services shall be entitled to _____ input tax paid during the tax period from the amount of duty of excise due from him on such goods or services in respect of that tax period.
- a. Add b. deduct
c. Double d. Any of a b c
50. In case of goods specified in the Second Schedule or such services as may be specified by the Board through a notification in the official Gazette the duty shall be payable in sales tax mode, whereby a registered person shall be entitled to deduct the amount of duty of excise paid or payable by him on such goods or services as are acquired by him during a _____ period from the output tax due from him in respect of that tax period.
- a. One Month b. Two Months
c. Three Months d. tax
51. In case of goods specified in the Second Schedule or such services as may be specified by the Board through a notification in the official Gazette the duty shall be payable in sales tax mode, whereby a _____ person supplying such goods or providing or rendering such services shall be entitled to deduct duty of excise paid or payable on such goods or services as are acquired by him during the tax period from the amount of duty of excise due from him on such goods manufactured or produced or services as are provided or rendered by him during that period.
- a. registered b. Common
c. Both a & b d. None
52. If a person does not pay the duty due or any part thereof within the prescribed time or receives a refund of duty or drawback or makes an adjustment which is not admissible to him, he shall, in addition to the

- duty due. <http://www.employeescorner.info/>
- the rate of _____ of the duty due.
- refund of duty or drawback.
- 3 %
 - 4%
 - 5%
 - "KIBOR plus three per cent"
- 53 The period of default shall be reckoned from the date following the due date on which the duty was payable to the _____ day on which the duty is actually paid.
- Next
 - preceding
 - Following
 - none
- 54 Notwithstanding anything contained in any other law for the time being in force, where any private company or business enterprise is closed or discontinued or otherwise ceases to exist and any amount of duty chargeable on the company or business enterprise, whether before, or in the course of, or after its liquidation cannot be recovered from the company or business enterprise, every person who was a owner of, or partner in, or director of, the company or business enterprise shall, jointly and severally with such persons _____ for the payment of such duty.
- be liable
 - Not liable
 - can be liable
 - None
- 55 In the case of sale or transfer of ownership of a business or part thereof involving any charge of duty to another person as an ongoing concern, the chargeable duty shall be paid by the person to whom such sale is made or ownership is transferred provided that if any amount of duty payable by such person remains unpaid, such unpaid amount of duty shall be the _____ charge on the assets of the business and shall be payable by the transferee of business.
- first
 - last
 - Full
 - None
- 56 _____ business enterprise or a part thereof shall be sold or transferred unless the _____ duty is paid and a no objection certificate in this behalf from the Collector concerned is obtained.
- Previous
 - Full
 - outstanding
 - All of these
- 57 In case of _____ or part thereof involving any outstanding charge of duty, a person terminating such business or part thereof shall be required to account for and pay the outstanding charge of duty as if no such termination has taken place.
- Continuation of a business
 - termination of a business
 - Sale of a business
 - None
- 58 The value and the rate of duty applicable to any goods or services shall be the value, retail price, tariff value and the rate of duty in force _____.
- in the case of goods, on the date on which the goods are 1[supplies] for export or for home consumption;
 - in the case of services, on the date on which the services are provided or rendered; and
 - in the case of goods produced or manufactured outside the areas to which this Act has been applied and brought to such areas for sale
 - All of these
- 59 Every person who for any reason whatever has collected or collects any duty, which is not payable as duty or which is in excess of the duty actually payable and the incidence of which has been passed on to the consumer, shall pay the amount so collected to the Federal Government and all the provisions of this Act or rules made there under shall apply for the recovery of such amount and claim for _____ of

any such amount paid or recovered shall not be admissible on any ground whatever.

- a. Recovery
- b. Reimbursement
- c. refund
- d. None

60. Where any goods are liable to duty under this Act at a rate dependent on their value, duty shall be assessed and paid on the basis of value as determined in accordance with sub-section _____ of section 2 of the Sales Tax Act, 1990, excluding the amount of duty payable thereon

- a (41) b (43)
- c (45) d (46)

61. Where any services are liable to duty under this Act at a rate dependent on the charges therefore, the duty shall be paid on _____ amount of charges for the services including the ancillary facilities or utilities, if any, irrespective whether such services have been rendered or provided on payment of charge or free of charge or on any confessional basis.

- a. total b. Half
- c. one – third d. None

62. Where any goods are chargeable to duty at the import stage, duty will be assessed and paid on the value determined in accordance with _____ of the Customs Act, 1969 (IV of 1969), including customs duties payable thereon

- a. section 21 b. section 25
- c. section 27 d. section 29

63. Where any good is chargeable to a duty on the basis of retail price, duty thereon shall be paid on the retail price fixed by the manufacturer, inclusive of all duties, charges and taxes, other than sales tax levied and collected under _____ of the Sales Tax Act, 1990, at which any particular brand or variety of such

goods 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 and such retail price shall, unless otherwise directed by the Board, be legibly, prominently and indelibly indicated on each good packet, container, package, cover or label of such goods

- a. section 1 b. section 2
- c. section 3 d. section 4

64. The Board may fix the _____ price of any goods or class of goods, for the purpose of levying and collecting of duty and duty on such goods shall be paid accordingly

- a. maximum b. Full
- c. minimum d. None

65. Where the price at which the goods or class of goods are sold, is higher than the price fixed by the Board, the duty shall, unless otherwise directed by the Board, be levied and collected _____ at _____ such _____ price

- a. Fixed b. Lower
- c. higher d. None

66. Any person engaged in the production or manufacture of goods or providing or rendering services liable to duty of excise under this Act shall, unless otherwise specified, be required to obtain registration in the prescribed manner regardless of his _____ or volume of sales of such goods or services.

- a. Monthly turnover
- b. Bi annual turnover
- c. annual turnover
- d. All of these

67. Where a person who is already registered under the Sales Tax Act, 1990, _____ be required to take separate registration for excise purpose and his sales tax registration shall be deemed to be a

- registration for the purpose of this Act
- a. shall not b. shall
c. In some cases d. None
68. Provisions of the Sales Tax Act, 1990, including those relating to exemption threshold shall not apply where a person obtains or is liable to obtain registration for the purposes of this Act but does not have or _____ to registration under the Sales Tax Act, 1990
- a. is liable b. is not liable
c. Either a or b d. None
69. Where any person has not levied or paid any duty or has short levied or short paid such duty or where any amount of duty has been refunded erroneously, such person shall be serviced with notice requiring him to show cause for payment of such duty provided that such notice shall be issued within _____ from the relevant date.
- a. three years b. Two years
c. Four years d. Five years
70. The Federal Excise Officer, empowered in this behalf, shall after considering the objections of the person served with a notice determine the amount of duty payable by him and such person shall pay the amount so determined along with _____ as specified by such officer under the provisions of this Act.
- a. default surcharge
b. penalty
c. default surcharge or penalty
d. default surcharge and penalty
71. Where any amount of duty levied and penalty imposed or any other amount payable under this Act is due from any person, such amount or sum shall be recovered in _____ as is prescribed under this Act or rules made there under.
- a. Different manner b. Same manner
c. No manner
d. None
72. Expression "relevant date" means _____.
- a. the date on which the payment of duty was due
b. in case where any amount of duty has been erroneously refunded
c. the date of its refund
d. All of these
73. A registered person pays the amount of duty less than the duty due as indicated in his return, the short paid amount of duty along with default surcharge shall be recovered from such person by stopping _____ of any goods from his business premises and through attachment of his business bank accounts without prejudice to any other action under this Act or the rules made there under
- a. removal b. Attachment
c. Sale d. none
74. _____ penalty under this Act or rules made there under shall be imposed unless a show cause notice is given to Defaulter.
- a. Full b. Half
c. No d. None
75. Federal Government may, by notification in the official Gazette, declare that any or all of the provisions of the Customs Act, 1969 (IV of 1969), shall, with such modifications and alterations it may specify, consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duties levied by sections 3 and _____.
- a. 2 b. 4
c. 6 d. 8
76. All goods _____ in Pakistan and services provided or rendered

- except such goods and services as are specified in the First Schedule shall be exempt from whole of excise duties
- a. imported b. produced
c. manufactured d. All of these
77. Goods and services specified in the _____ shall be exempt from duty subject to such conditions and restrictions, if any, specified therein and no adjustment in terms of section 6 shall be admissible in respect of goods exempt from duty of excise whether conditionally or otherwise.
- a. 1st Schedule b. 2nd Schedule
c. 3rd Schedule d. 4th Schedule
78. The Federal Government may by notification in the official Gazette, exempt subject to such conditions as may be specified therein, any goods or class of goods or any services or class of services from the _____ part of the duty leviable under this Act.
- a. whole b. whole or any
c. any d. none
79. Federal Government or the Board may, by a notification in the official Gazette, for reasons to be recorded, exempt any person or class of persons from payment of the whole or part of the default surcharge imposed under _____ subject to the such conditions or limitations as may be specified in such notification.
- a. section 8 0 b. section 8 1
c. section 8 2 d. section 8 3
80. Every person registered for the purposes of this Act shall maintain and keep for a period of _____ at his business premises or registered office in English or Urdu language the following records of excisable goods purchased, manufactured and cleared (including those cleared without payment of excise duty) by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his liability of duty.
- a. 1 b. 2
c. 3 d. 5
81. Records of clearances and sales made indicating the description, quantity and value of goods, name and address of the person to whom _____ made and the amount of the duty charged.
- a. sales were
b. Purchase were
c. Invoice were
d. None
82. A person registered under this Act shall issue for each transaction a serially numbered invoice at the time of clearance or sale of goods, including goods chargeable to duty at the rate of zero per cent, or providing or rendering services containing the following particulars, namely
- I. name, address and registration number of the seller
II. name, address and registration number of the buyer
III. date of issue of the invoice
- a. I only b. II & III
c. I II & III d. None
83. where a registered person is also engaged in making supplies taxable under the _____, such person shall not be required to issue a separate invoice for excise purposes and the amount of excise duty and other related information may in such cases be mentioned on the invoice issued for sales tax purposes.
- a. Sales Tax Act, 1989
b. Sales Tax Act, 1990
c. Sales Tax Act, 1991
d. None
84. The Board may, _____ in the official Gazette, specify such modified invoices for different

- persons or classes of persons as it may deem necessary
- by notification
 - Without notification
 - by Verbal Cause
 - All of these
- 85 The Board may, by notification in the official Gazette, specify goods in respect of which a copy of the _____ shall be carried or accompanied with the conveyance during their transportation or movement in such manner and subject to such conditions as may be specified in this behalf either in such notification or otherwise.
- Sale invoice
 - Purchase invoice
 - Receipt
 - None
- 86 The Board may, by notification in the official Gazette, specify the goods or services in respect of which _____ shall be issued electronically and prescribe the manner and procedure therein
- sales invoice
 - Purchase invoice
 - Both purchase and sales invoice
 - None
- 89 Any person who makes, orally or in writing, or signs any declaration, certificate or other document required by this Act or rules made there under or by any Federal Excise officer to do so, which is untrue or incorrect in any particular or which is incomplete by omitting any material particular there from, shall be guilty of an offence and for every such offence shall be liable to fine which may extend to _____ thousand rupees.
- 10
 - 15
 - 20
 - 25
- 90 Any person who is in any way concerned in any fraudulent evasion or attempt at fraudulent evasion of any duty of excise, shall be guilty of an offence and for each such offence shall be liable to fine which may extend to fifty thousand rupees or _____ of the duty involved, whichever is higher and to punishment with imprisonment which may extend to five years or both
- 2 times
 - 3 times
 - 4 times
 - 5 times
- 91 Any person who without the approval of the Collector, directly or otherwise destroys, damages, erases or otherwise manipulates data stored in or used in connection with a computer or otherwise uses a computer, the purpose or effect of which is to reduce, avoid or evade any liability to duty of excise which would otherwise have been imposed by this Act, or to defeat any provisions of this Act or rules made there under shall be guilty of an offence and shall be liable to fine which may extend to seventy five thousand rupees or ten times of the duty involved, whichever is higher and to punishment with imprisonment which may extend to _____ or both.
- 4 years
 - 5 years
 - 6 years
 - 7 years

OFFENCES AND PENALTIES

- 87 Any person who fails to file or files an incorrect return within the period specified in sub-section (1) of section 4 or fails to make payment or makes short payment of duty on any account, shall pay a penalty of five thousand rupees in case of non-filing of return and ten thousand rupees or _____ of the duty involved whichever is higher
- 2%
 - 4%
 - 4.5%
 - 5%
- 88 where a person files the return within _____ days after the due date he shall pay a penalty of one hundred rupees for each day.
- 10
 - 12
 - 15
 - 20

- 92 If any person obtains, attempts to obtain or abets in obtaining, or does anything whereby there might be obtained by another person, any amount by way of refund or drawback of any duty in respect of any goods not lawfully payable or allowable in respect thereof or which is greater than the amount so payable or allowable, he shall be guilty of an offence and shall be liable to fine which may extend to _____ rupees or five times of duty involved, whichever is higher and to punishment with imprisonment which may extend to five years or both
- a. one hundred thousand
b. Two hundred thousand
c. Three hundred thousand
d. Four hundred thousand
- 93 Any person who obstructs any Federal Excise officer or other public servant or any person acting in his aid or assistance, or duly employed for the prevention of offences under this Act or rules made there under in the execution of his duty or in the due seizing of any goods liable to seizure under this Act or rules made there under, shall be guilty of an offence and for each such offence, shall be liable to fine which may extend to fifty thousand rupees or five times of duty involved, whichever is higher and to punishment which may extend to _____ or both.
- a. 5 year
b. 4 year
c. 3 year
d. 2 year
- 94 Where an offence under this Act or rules made there under has been committed by a company, firm, or other body of persons, any person who at the time of the commission of the offence was a _____ of the company, firm, or other body of persons or was purporting to act in that capacity shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.
- a. director
b. manager
c. a partner
d. All of these
- 95 If any person is liable under this Act to any penalty or punishment for any act, omission, neglect or default, he _____ to the same punishment, penalty or forfeiture for every such act, omission, neglect or default of any agent or employee
- a. shall not be liable
b. shall be liable
c. Can be liable
d. None
- 96 Where any goods are chargeable to duty on the basis of retail price under this Act and the retail price is not indicated on the goods and in case of cigarettes, retail price, health warning and name of the manufacturer is not mentioned in the manner specified therein or in the rules made there under, the duty shall be charged at the rate of _____ ad valorem in case of cigarettes, and 40 per cent ad valorem in case of goods other than cigarettes.
- a. 400 per cent
b. 300 per cent
c. 200 per cent
d. 500 per cent
- 97 If a registered person does not intend to print retail price for any _____ reasons, he may voluntarily pay duty on the said higher rates as applicable to him and declare his duty payments in the return accordingly and other provisions of this section shall not apply in such cases
- a. genuine
b. Fake
c. Illegal
d. None

98. Any goods in respect of which any of the provisions of this Act or rules made or notifications issued there under has been contravened shall be liable to _____ along with the conveyance, if any, in which such goods are laden or have been or being carried and all confiscations in this regard shall vest with the Federal Government.
- Auction
 - Sale
 - confiscation
 - None
99. Any person who attempts to commit any offence punishable under this Act, or abets the commission of the offence, shall be liable to the _____ provided for the offence
- Fine
 - punishment
 - Both a & b
 - None
100. The Federal Government may, by notification in the official Gazette, appoint as many Special _____ as it may consider necessary, and, where it appoints more than one Special Judge, shall specify in the notification the territorial limits within which each one of them shall exercise jurisdiction.
- Judges
 - Officers
 - Officials
 - All of these
101. A Special Judge shall be a person who is or has been or is qualified to be a _____ Judge.
- Sessions
 - Criminal
 - Civil
 - None
102. On the appointment of a Special Judge for any area, an offence punishable under this Act shall be tried exclusively by the Special Judge and all cases pending in any other court in such area immediately before such appointment shall stand _____ to such Special Judge.
- Appointed
 - nominated
 - transferred
 - None
103. The provisions of the Code of Criminal Procedure _____, shall apply to the proceedings of the court of a Special Judge and, for the purposes of the said provisions, the court of a Special Judge shall be deemed to be a Court of Session trying cases, and a person conducting prosecution before the court of a Special Judge shall be deemed to be a Public Prosecutor
- 1899
 - 1898
 - 1897
 - 1896
104. The Code of Criminal Procedure, 1898 shall have effect as if an offence punishable under this Act were one of the offences referred to in sub-section (1) of _____ of the Code
- section 331
 - section 334
 - section 336
 - section 337
105. The provisions of Chapter XX of the Code of Criminal Procedure, 1898 (Act V of 1898), shall apply to trial of cases under this Act in so far as they are _____ with the provisions of this Act
- inconsistent
 - not inconsistent
 - in Accordance
 - All of these
106. 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 _____ to the court of another Special Judge for disposal, whenever it appears to the Federal Government that such transfer will promote the ends of justice or tend to the general convenience of parties or witnesses.
- Special Judge
 - Chief Judge
 - Civil Judge
 - Special Judge
107. In respect of a case transferred to a Special Judge, such Judge shall not, by reason of the said transfer, _____ to recall and rehear any witness who has given evidence in the case before the transfer and may act on the evidence already recorded by or produced before the

- court which tried the case before the transfer.
- a. not bound b. may be bound
c. be bound d. None
108. Any Federal Excise Officer authorized by the Board in this behalf who has reason to believe that any person has committed an offence under this Act may arrest such person after obtaining permission in writing from the _____ concerned.
- a. commissioner
b. Collector
c. Additional Collector
d. None
109. _____ shall immediately intimate the fact of the arrest of a person to the Special Judge who may direct such Officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.
- a. Collector
b. Commissioner
c. Federal Excise Officer
d. All of these
110. 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 _____ 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.
- a. 12 b. 16
c. 18 d. 24
111. When any person is produced before the _____, 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.
- a. Magistrate b. Collector
c. Special Judge d. None
112. Special Judge from canceling 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 _____, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Act.
- a. heard b. Appealed
c. Writ d. All of these
113. Special Judge or the Magistrate from remanding any such person to the custody of the Federal Excise Officer 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 an order, provided that in no case the period of such custody shall exceed _____ days.
- a. 10 b. 14
c. 15 d. None
114. When any person is arrested under this Act, the Federal Excise Officer shall record the fact of arrest and other relevant particulars in the register shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within _____ 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.
- 12
 - 14
 - 24
 - 36
115. Federal Excise Officer shall exercise the _____ 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.
- same
 - Excess
 - Different
 - None
116. If a Federal Excise Officer, after holding an inquiry, is of the opinion that there is no sufficient evidence or reasonable grounds to proceed against a person he shall make a report to this effect to the _____ and with his approval may 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 may make a report to the Special Judge for the discharge of such person and shall make a full report of the case of his immediate superior.
- Judge
 - Magistrate
 - Collector
 - All of these
117. _____ to whom a report has been made, 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 proceeding against such person, proceed with his trial and direct the prosecution to produce evidence.
- Special Judge
 - Magistrate
 - Collector
 - All of these
118. The Federal Excise Officer empowered to hold inquiry under this section shall maintain a register to be called "_____".
- Register of Arrests
 - Register Detention"
 - Register of Arrests and Detention"
 - None
119. After completing the inquiry the Federal Excise Officer shall, as early as possible, submit to the _____ a complaint in the same form and manner, in which the officer in charge of a police-station submits a report before a court.
- Special Judge
 - Magistrate
 - Collector
 - All of these
120. Any Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with the provisions of _____ of the Code of Criminal Procedure, 1898 (Act V of 1898).
- section 64
 - section 164
 - section 264
 - None
121. Without prejudice to the foregoing provisions of this section, the Federal Government may, by notification in the _____, authorize any other officer working under the Board to exercise the powers and perform the functions of a Federal Excise Officer under this section, subject to such conditions, if any, that it may deem fit to impose.
- Newspaper
 - official Gazette
 - No where
 - None
122. Any person has committed an offence liable to penalty or punishment under this Act, the _____ may, either before or after the initiation of any proceedings for the recovery of duty or prosecution of such person, compound the offence if he pays the amount of duty along with such default surcharge and penalty as is

- determined under the provisions of this Act.
- a. Special Judge b. Magistrate
c. Collector d. None
123. Any Federal Excise Officer duly empowered by the Board in this behalf shall have power to summon any person whose _____ he considers necessary either to give evidence or to produce a document or any other thing or information in any inquiry which such officer is making for any of the purposes of this Act
- a. attendance b. Arrest
c. Punishment d. All of these
124. All persons so summoned _____ to attend, either in person or by an authorized agent, as such Officer may direct, and all persons so summoned shall be bound to state the truth upon any subject respecting which they are examined or make statements and to produce such documents and other things as may be required
- a. shall not be bound
b. shall be bound
c. Can be bound
d. None
- _____ been used for the movement, carriage or transportation of such cigarettes.
- a. unlawfully b. Hiddenly
c. Illegally d. none
127. For the purpose of this section, 'conveyance' shall include all of its _____
- a. fixtures b. fittings
c. accessories d. All of these
128. The cigarettes seized for the reasons of counterfeiting shall be liable to outright confiscation and shall be destroyed in the manner prescribed in sub- section (10) of _____
- a. section 29.
b. section 39.
c. section 19.
d. section 119.
129. In case of cigarettes seized on account of evasion of duty, the owner shall be given an option to pay penalties and fines as provided under section 19 and meet other obligations as provided under other relevant provisions of the Act and rules made there under, for release of such cigarettes in lieu of confiscation provided that if such release is not claimed or availed, no reduction or abatement in respect of amounts of duty, _____ shall be admissible in case such cigarettes are auctioned
- a. penalties b. fine
c. penalties and fine d. None
130. In case confiscated cigarettes are rendered unfit for human consumption or become otherwise unfit for sale, the _____ may allow destruction of such cigarettes in such manner as he may deem appropriate.
- a. Commissioner b. Collector
c. Collector d. None
131. Where any conveyance is seized which is liable to _____ the

SEARCHES, ARRESTS AND SEIZURES

125. All searches or arrests made under this Act or any rules made there under and all arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 _____
- a. (VII of 1898). b. (VI of 1898).
c. (V of 1898) d. (IV of 1898).
126. The counterfeited cigarettes or cigarettes which have been manufactured _____ or on which duty has not been paid as required under this Act and rules made there under, shall be liable to seizure besides the conveyance which has

- adjudicating authority may, subject to such conditions as may be prescribed, order its release pending adjudication of the case
- a. confiscation b. Destruction
c. Sale d. None
132. On furnishing a guarantee by the owner of the seized conveyance, from a scheduled bank valid for at least _____
- a. Half year b. 2 year
c. one year d. None
133. In respect of cases pending before the Special Judge, release of conveyance under shall not be allowed without prior permission of the _____
- a. Collector b. Special Judge
c. Commissioner d. All of these
- c. General (Intelligence & Investigation)
d. None
136. The Directorate General _____ shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette.
- a. External Audit b. Annual Audit
c. Internal Audit d. None
137. The Directorate General of Training & Research shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette. Substituted vide Finance Act, _____
- a. 2001 b. 2003
c. 2005 d. 2007
138. The Board may, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, empower by name or designation, _____
- a. Any Additional Collector of Federal Excise or Deputy Collector of Federal Excise to exercise any of the powers of a Collector of Federal Excise;
b. Any Deputy Collector of Federal Excise or Assistant Collector of Federal Excise to exercise any of the powers of an Additional Collector of Federal Excise;
c. Any Assistant Collector of Federal Excise to exercise any of the powers of a Deputy Collector of Federal Excise; and
d. All of the Above

POWERS, ADJUDICATION AND APPEALS

134. For the purposes of this Act and rules made there under, the Board may, by notification in the official Gazette, appoint, in relation to any area or jurisdiction specified in the notification, any person to be _____
- a. a Collector of Federal Excise
b. a Collector of Federal Excise (Appeals)
c. an Additional Collector of Federal Excise
d. All of these
135. Notwithstanding the other designations of the officers of Federal Excise used in this Act or the rules made there under the Directorate _____ shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and other officers with any other designation as the Board may appoint by notification in the official Gazette.
- a. General (Intelligence)
b. General (Investigation)
139. Unless the Board in any case otherwise directs, the Collector may, with the prior approval of the _____, authorize any officer

- subordinate to him to exercise within any specified area, any of the powers of the Collector or of any other officer of Federal Excise under this Act.
- a. Collector b. Board
c. Both a& b d. All of these
140. The officer to whom any powers of any senior officer are delegated _____ further delegate such powers.
- a. shall b. can
c. shall not d. None
141. An officer appointed under this Act 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 or functions conferred or imposed upon any officer _____ to him.
- a. subordinate b. Senior
c. Equal in Rank d. None
142. Notwithstanding anything contained in this Act or the rules made there under, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties by any _____ as it deems fit.
- a. official
b. Provincial Officer
c. person
d. Federal Excise Officer
143. 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 _____ days shall be excluded for the computation of these periods.
- a. 30 b. 40
c. 50 d. 60
144. Board shall _____ powers to regulate the system of adjudication including transfer of cases and extension of time limit in exceptional circumstances.
- a. have
b. have not
c. Don't have Concern
d. have
145. The time for adjudication in all the cases pending as on _____ June, 2006, shall be deemed always to have been extended up to 31st December, 2006, from the date on which the time limit prescribed under sub-section (3), expires.
- a. 20th b. 24th
c. 25th d. 30th
146. Wherever confiscation is adjudged under this Act or the rules made there under, the officer adjudging it may give the _____ of the conveyance an option to pay in lieu of confiscation such fine as the officer thinks fit.
- a. owner b. Seller
c. Liaison d. None
147. Any person other than Federal Excise officer aggrieved by any decision or order passed under this Act or the rules made there under by a Federal Excise Officer up to the rank of Additional Collector of Federal Excise, other than a decision or order or notice given or action taken for recovery of the arrears of duty under this Act or rules made there under may within _____ days of receipt of such decision or order prefer appeal there from to the Collector (Appeals).
- a. 15 b. 20
c. 30 d. 45
148. _____ Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against.

- a. The Collector
b. The Commissioner
c. The Assistant Collector
d. All of these
149. Order shall be passed not later than _____ days from the date of filing of appeal or within such extended period, not exceeding "sixty" days.
a. 100 b. 120
c. 150 d. 180
150. Collector (Appeals) may, for reasons to be recorded in writing, extend Provided further that any period during which the proceeding are adjourned on account of stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding _____ days shall be excluded for the computation of these period.
a. 20 b. 25
c. 30 d. None
151. In deciding an appeal, the Collector (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for _____ consideration.
a. sui moto b. Dejure
c. de novo d. none
152. Any person or Federal Excise officer aggrieved by any of the following orders may within _____ days of the receipt of such orders file appeal to the Appellate Tribunal against such orders.
a. 20 b. 30
c. 50 d. 60
153. Appellate Tribunal shall decide the appeal filed under this sub-section within _____ months of its filing of appeal.
a. 6 b. 7
c. 8 d. 9
154. The Appellate Tribunal may admit, hear and dispose of the appeal in accordance with procedure laid down in section _____ of Custom
- Act, 1969 (IV of 1969) and rules made there under.
a. 191A, 194B, 194C
b. 194A, 194B, 193C
c. 194A, 199B, 194C
d. 194A, 194B, 194C
155. Officer of lower rank than the Collector, and the reference or appeal is pending before appeal forum or the Court, such reference or appeal shall be deemed to have been filed and shall be taken to have been always so filed by the _____
a. Collector b. Commissioner
c. Board d. All
156. The Board or the Collector within his jurisdiction, may _____ call for and examine the records of any proceedings under this Act for the purpose of satisfying itself or, as the case may be, himself as to the legality or propriety of any decision or order passed by a subordinate officer and may pass such order as it or he may think fit.
a. sui moto b. Dejure
c. de novo d. none
157. No order confiscating goods of greater value or enhancing any fine, or imposing or _____ any penalty, or requiring payment of any duty not levied or short-levied shall be passed unless the person affected thereby has been given an opportunity of showing cause against it and of being heard in person or through a counsel or other person duly authorized by him.
a. evaluating b. enhancing
c. Diminishing d. None
158. No record of any proceedings relating to any decision or order passed by any Federal Excise Officer shall be called for or examined after the expiry of _____ from the date of such decision or order.

- a. 6 Months b. 8 Months
c. One Year d. two years
159. The Federal Government, the Board or any Federal Excise Officer may rectify any mistake which is apparent from the record in any order passed by it or him under any of the provisions of this Act or the rules made there under, on its or his own motion or on an application made by a person affected by the order within _____ of the passing of such order provided that no such rectification which has the effect of enhancing any penalty or fine or requiring the payment of a greater amount of duty shall be made unless the person affected by the proposed rectification has been given an opportunity of being heard.
a. three years b. Two years
c. Four years d. None
160. Where in any appeal, the decision or order appealed against relates to any duty demanded or penalty imposed under this Act, the person desirous of appealing against such decision or order shall, pending the appeal, deposit the duty demanded or the penalty imposed provided that the _____ may in any particular case dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the interest of revenue.
a. Appellate Tribunal
b. Collector (Appeals)
c. Appellate Tribunal or Collector (Appeals)
d. None
161. The order for such dispensation shall cease to have effect on the expiration of a period of _____ following the date on which order for dispensation was passed or until the order of dispensation is withdrawn earlier or the case is finally decided earlier by the Appellate Tribunal or Collector (Appeals)
- a. 3 months b. 4 months
c. 5 months d. 6 months
162. The Appellate Tribunal or Collector (Appeals) may direct that, pending decision on the appeal, the duty demanded or penalty imposed, alongwith the default surcharge payable under this Act, be paid by the appellant in suitable installments spread over a period not exceeding _____ months from the date of such direction.
a. 2 b. 6
c. 8 d. None
163. Provided that where a person has, at the time of filing appeal, deposited _____ of the liability covered under the decision or order appealed against, he shall not be required to separately seek stay against recovery and stay in such a case shall commence from the date of payment of such fifteen per cent amount and shall remain valid till the expiry of a period of six months or till the decision of the appeal.
a. 10% b. 12%
c. 15% d. 20%
164. The Board may, after examination of the application of a registered person, appoint a committee within _____ days of receipt of such application in the Board, consisting of an officer of Federal excise not below the rank of an Additional Collector and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge, chartered or cost accountants, _____ advocates, representatives of trade bodies or associations, or any other reputable taxpayers, for the resolution of dispute.
a. 2 months b. 4 months
c. six months d. None
165. Person to conduct an audit and shall make recommendations within ninety days of its constitution in

SUPPLEMENTAL PROVISIONS

169. The Board may make rules to carry into effect the purposes of any or all the provisions of this Act including charging fee for processing of _____ and for preparation of copies thereof.
- a. returns, b. claims
c. other documents d. All
170. In making rules under this section the Board may provide that any person committing a breach of _____ rule/s shall, without prejudice to any other action that may be taken against him under this Act, be liable to such penalty as may be prescribed under the rules and that any article in respect of which any such breach is committed shall be confiscated or destroyed.
- a. Any b. All
c. Specific d. None
171. The Board may in respect of cigarettes make rules or issue instructions for the purpose of affixing _____ stamps and banderoles and any instructions issued in this behalf shall have the force of rules issued under this Act.
- a. Trade Mark b. Warranty
c. duty d. None
172. No suit shall be brought in any civil court to set aside or modify any order passed, or any _____ of any duty, under this Act.
- a. assessment b. levy
c. collection d. All
173. No suit prosecution or other legal proceeding shall lie against the Federal Government or against any officer of the Government in respect of any order passed in good faith or any act in good faith done or ordered to be done under _____
- a. Law b. Court
c. Board d. this Act
174. 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 there under without the prior approval of the _____.
- a. Board b. Collector
c. Act d. None
175. All officers and persons employed in the execution of this Act and the rules made there under shall observe and follow the orders, directions and instructions of the Board provided that no such order, direction or instruction shall be given by the Board so as to interfere with the discretion of an officer in deciding the issues or matters brought before him for adjudication under this Act or rules made there.
176. If any difficulty or situation arises in giving effect to or applying 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 for such actions to be taken by an _____ or any other person as it considers necessary or expedient for the purpose of removing the difficulty or tackling such situation and every such officer or person shall be bound to comply with such instructions or directions in such manner as may be specified therein.
- a. Board b. Collector
c. Act d. None
177. An officer of federal excise not below the rank of Assistant Collector may, on payment of _____ rupees, issue an attested duplicate of any federal excise document as is available with the department or has been filed under this Act or rules made there under to a relevant registered person applying for the same.
- a. one hundred b. two hundred
c. Three hundred
d. Four hundred
178. Where any time or period has been specified under any of the provisions of this Act or rules made there under within which any application is to be made or any act or thing is to be done, the Board may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate provided that the Board may subject to such limitations or conditions as may be specified therein empower any _____ to exercise the powers under this subsection in any case or class of cases.
- a. Collector
b. other officer of Federal excise
c. Either a or b
d. All
179. No refund of any amount of duty accrued for any reason under this Act or rules made there under shall be allowed unless claimed within _____ year of its accrual.
- a. one b. Two
c. Three d. None
180. In a case where a registered person did not avail adjustment of duty admissible at the relevant time, the Collector may allow such person to avail the adjustment at any subsequent time provided that claim for such adjustment is made within a period of _____ from the date on which it was admissible.
- a. 4 year b. 3 year
c. 2 year d. one year
181. In a case where claim for refund or adjustment has accrued in consequence of any decision or judgment of any Federal Excise Officer, the Tribunal or Court, the period of _____ for the purpose of this section, shall be computed from

- the date of such decision or judgment
- 6 Months
 - 8 Months
 - one year
 - 2 Years
182. Where a refund due under _____ is not made within the time specified in this behalf, there shall be paid to the claimant, in addition the 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 the time specified as aforesaid, to the day preceding the day of payment of refund.
- section 41
 - section 43
 - section 44
 - None
183. Where there is a reason to believe that a person has claimed the refund which is not admissible to him, he _____ be entitled to additional amount unless the investigation of his claim is completed.
- shall not
 - shall
 - May or May not
 - None
184. A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by the Federal Excise Officer 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 _____ data, he shall allow access to such officer to have access and use of any machine or which such data is kept and shall facilitate such officer to retrieve whole or part of such data in such manner and to such extent as may be required by him.
- electronic
 - Manual
 - Documentation
 - None
185. Subject to such conditions and restrictions, as deemed fit to specify, the _____ may, post officer of Federal Excise to the premises of registered person or class of such persons to monitor production, removal or sale of goods and the stock position or the maintenance of records.
- Collector
 - Board
 - Judge
 - None
186. Collector, on the basis of material evidence, has reason to believe that a registered person is involved in evasion of duty, he may by recording the reason in writing post an officer of Federal Excise to the premises of such registered person to monitor production, removal or _____ of goods and the stocks position or maintenance of records.
- Purchase
 - Sale
 - Ownership
 - None
187. The Board may, by notification in the official Gazette, for the purpose to monitor _____ of any goods, specify the manner and procedure for appointment and posting of technical staff and installation, operation, maintenance of close circuit T.V system anywhere in the factory premises.
- production
 - manufacture
 - Both a & b
 - None
188. The Federal Excise Officer authorized by the Board by designation may, _____ in a year, after giving advance notice in writing, conduct audit of the records and documents of any person registered under this Act.
- Thrice
 - twice
 - once
 - None
189. In case the Collector has information or sufficient evidence showing that such registered person is involved in fraud or evasion of duty, he may authorize a Federal Excise Officer, not below the rank of Assistant Collector, to conduct audit at _____ time in a year Inserted

- vide Finance Act, 2009. Inserted vide Finance Act, 2008.
- a. One b. two
c. Three d. any
190. Penalties prescribed in section 19, if a registered person wishes to deposit the amount of duty not paid, short paid or the amount of duty evaded along with default surcharge voluntarily, whenever it comes to his notice, before commencement of audit, _____ penalty shall be recovered from him.
- a. Full b. Half
c. Quarter d. no
191. A registered person wishes to deposit the amount of duty not paid, short paid or amount of duty evaded along with default surcharge during or after the audit but before the conclusion of original adjudication proceedings, he may deposit such amount along with _____ of the amount of penalty prescribed under this Act or the rules made there under and in such case, further proceedings in the case shall abate.
- a. 15% b. 20%
c. 25% d. 30%
192. The _____ may appoint a Chartered Accountant or a Cost and Management Accountant or a firm of such accountants to conduct audit of a person liable to pay duties under this Act in such manner and subject to such conditions it may specify
- a. Board b. Collector
c. Special Judge d. None
193. Any adjudication order or decision made or any summons or notice issued under this Act shall be served,
- a. by tendering the adjudication order, decision, summons or notice or sending it by registered post or courier service to the person for whom it is intended; or
- b. if the adjudication order, decision, summons or notice cannot be served in any manner provided in clause a., by affixing it on the notice board of the concerned Federal Excise Office
- c. Any of a or b
d. Both a & b
194. The Central Excises Act, 1944 (I of 1944) shall stand repealed with effect from the date notified under sub-section (3) of section _____.
- a. 1 b. 2
c. 3 d. 4
195. Unless otherwise directed by the Federal Government, in case of area where the repealed Act was extended through an order by a Governor of the Province or otherwise through an order by any other authority, the application of the repealed Act will _____ till this Act is made applicable in that area.
196. For the purpose of _____ of tax, penalty or any other 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.
- a. Imposition b. Collection
c. Penalty d. recovery
197. In case of _____ of Dutiable 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.
- a. Continuation b. termination
c. Both a & b d. None
198. If the Duty 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 _____ of business.
- a Owner b Director
c transferee d none
199. 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 All of these
200. Every person (hereinafter referred to as a "liquidator") shall, within _____ days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the Commissioner
- a 10 b 12
c 15 d 17
201. A trustee for a bankrupt shall, within _____ months of being notified under sub-section (1), notify the liquidator, Commissioner, in writing, of the amount which appears to the Collector 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.
- a 1 b 3
c 5 d None
202. A _____ shall not, without leave of the Collector, Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).
- a liquidator b. trustee
c. owner d. All of these
203. 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 _____ and other documents and for preparation of copies thereof.
- a. return b. claims
c. Both a & b d. None
204. 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 _____ at reasonable price.
- a. public b. Department
c. Market d. None
205. The Board may prescribe the use of _____ 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
- a computerized b Manual
c Either a OR b d. None
206. 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 _____ of authorization and for security of the information transmitted or received through the computerized system
- a authorization b. suspension
c. cancellation d. All of these
207. Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all _____ purposes, be deemed to have been furnished by and received from such registered person
- a. official and legal b. official
c. legal d. None

208. The business information gathered through computerized system shall be _____ to be used only for official and legal purposes no unauthorized person shall claim for any access to such information.
- Public
 - Legal
 - Proper
 - confidential
209. No suit shall be brought in any Civil Court to _____ any order passed any assessment made, any tax levied, any Penalty imposed or collection of any tax made under this Act.
- modify
 - Change
 - Alter
 - All of these
210. A registered person required to appear before the Appellate Tribunal or an officer of Inland Revenue in connection with any proceedings under this Act may, in _____, authorize any person¹ [having such qualification as may be prescribed] to represent him or appear on his behalf.
- Oral
 - Verbally
 - Writing
 - All of these
211. 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 _____ and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14
- Chapter IV
 - Chapter V
 - Chapter VI
 - Chapter VII
212. A person registered under section _____ may authorize an e-intermediary to electronically file return or any other documents
- 10
 - 12
 - 13
 - 14
213. 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 the _____ person
- depositing
 - Actual
 - registered
 - None
214. 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 _____ jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess.
- shall be
 - shalln't be
 - In Some Cases
 - All of these
215. If a registered person is declared bankrupt, the Duty liability under this Act shall pass on to the estate in bankruptcy if it _____ to operate the business.
- Discontinue
 - Continue
 - In Some Cases Continue Or Discontinue
 - None
216. If tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenciture in the operations of the estate in bankruptcy and shall be paid _____ the claims preferred by other creditors are settled.
- After
 - At the Time of payment of
 - before
 - None
217. Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Custom And excise who _____ the assessment or adjudication or

- passed such order or decision or by his successor in office
- checked
 - Approved
 - Made
 - All of these
218. For the purpose of this Act and subject to sub-sections (2) and (3), the expression "representative" in respect of a registered person, means _____
- 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;
 - 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;
 - where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust
 - All of these
219. where the person is a Provincial Government, in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government
- local authority
 - Provincial Govt.
 - Federal Govt
 - None
220. No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the _____ of being heard.
- Deputy Commissioner
 - Assistant Commissioner
 - Commissioner
 - Chief Commissioner
221. Subject to section 58 and sub-section 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
- 10
 - 8
 - 5
 - 4
222. The tax paid on goods purchased by a person who is subsequently required to be registered under section _____ due to new liabilities or levies or gets voluntary registration under this Act or the rules made there under, shall be treated as input tax
- 14
 - 16
 - 18
 - 20
223. where a person imports goods, the Duty on goods paid by him thereon during a period of _____ days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or unconsumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration
- 60
 - 90
 - 120
 - 150
224. 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 are capable of being identified, _____ 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 apply to

- such tax, as they apply for the purposes of that Act.
- a. five Fourth b. Three Fourth
c. Seven Fifth d. seven-eighth
225. Board may, on sufficient cause being shown, in any case extend any period by a further period of _____
- a. six months
b. Nine monts
c. one year
d. one And half year
226. 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
b. prohibiting the repayment of tax as drawback on any such goods or class of goods
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.
d. All of these
e. Any Of a b c
227. 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 _____ than the amount that should have actually been charged.
- a. less b. equal
c. More d. None
228. No refund of Duty claimed to have been paid or over paid through inadvertence error or misconstruction or refund on account of input adjustment not claimed within the relevant tax period, shall be allowed, unless the claim is made within _____ of the date of Payment
- a. 3 years b. Two years
c. one year d. None
229. In a case where the refund has become due on account of any decision or judgment of any officer of 5Inland Revenue or court or the Tribunal, the period of _____ shall be reckoned from the date of judgment or decision of such officer, court or Tribunal.
- a. one year b. Two Years
c. Three d. Four
230. The application or claim filed under this section shall be disposed of within a period not exceeding _____ days from the date of filing of such application or claim.
- a. 30 b. 60
c. 90 d. 120
231. Where a refund due under section 10 is not made within the time specified in this behalf, there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to KIBOR per _____ of the amount of refund due, from the date following the expiry of the time specified as aforesaid, to the day preceding the day of payment of refund.
- a. annum b. Month
c. Week d. None
232. 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 _____ responsible for the act done by his agent
- a. shalln't be b. shall be
c. Can be d. may be
233. An officer of 5Inland Revenue not below the rank of Assistant

- Commissioner may, on payment of _____ Rupees issue an attested duplicate of any Inland Revenue 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
- a 1000 b. 500
c 300 d 100
234. 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, _____ shall be deemed to be validly made under this Act
- a 1997 b. 1998
c 1999 c. None
235. Payment of the amount for a transaction exceeding value of _____ 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.
- a 30 b 50
c 70 d 90
236. Payment in case of a transaction on credit is so transferred within _____ days of issuance of the tax invoice.
- a 30 b 60
c 90 d 180
237. Online transfer of payment from the business account of buyer to the business account of supplier as well as payments through _____ 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.
- a. credit card b. Bank Draft
c. Money Order d. None
238. The First Schedule of Sales Tax Act is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from March 28, _____
- a 1994 b. 1995
c. 1997 d. 1999
239. The Second Schedule is omitted vide Finance Supplementary (Amendment) Act, 1997, with effect from _____
- a. March 28, 1994
b. March 28, 1997
c. March 28, 1998
d. March 28, 1999
240. 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.
241. Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act 1969, (IV of 1969), the supplies from duty free shops shall be treated as _____ for the purpose of levy of sales tax
- a. Export b. Import
c. Either a or b d. None
242. Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section _____ of the Income Tax Ordinance 2001
- a. 120 b. 130
c. 136 d. 150
243. "Chief Commissioner" means a person appointed as the chief Commissioner Inland Revenue under section _____
- a. 30 b. 130 c. 230 d. 330
244. Commissioner' means the Commissioner of Inland Revenue appointed under section _____
- a. 20 b. 40
c. 230 d. 30

245. The expression "KIBOR" means _____ prevalent on the first day of each quarter of the financial year.
- Khyber Inter-Bank offered rate
 - Karachi Inter-Bank Offset rate
 - Karachi Inter-Bank offered rate
 - Karachi Inter-Bank offered Revenue
246. _____ means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify.
- 'Local Sales Tax Office'
 - FBR
 - Inland Revenue
 - All of these
247. "Officer of Inland Revenue" means an officer appointed under section _____
- 239
 - 130
 - 330
 - 30
248. 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 _____ days shall be excluded from the computation of the period specified in the first prov so.
- 20
 - 25
 - 30
 - 40
249. Sumons Are sent to any defaulter Under code of civil procedure.
- 1908
 - 1910
 - 1912
 - 1914
250. The validity of any notice issued under this Act or the validity any service of a notice under this Act _____ be called into question after the notice has been complied with in any manner.
- Shall not
 - Shall
 - may not
 - None

ANSWER

- 1.b 2.b 3.a 4.c 5.c 6.a 7.c 8.d 9.a 10.a 11.c 12.a 13.b 14.a 15.c 16.d 17.a 18.d 19.d 20.d 21.b 22.c 23.b 24.a 25.c 26.a 27.a 28.b 29.b 30.d 31.a 32.c 33.d 34.b 35.c 36.c 37.c 38.a 39.c 40.d 41.a 42.a 43.d 44.b 45.a 46.c 47.a 48.a 49.b 50.d 51.a 52.d 53.b 54.a 55.a 56.c 57.b 58.d 59.c 60.d 61.a 62.b 63.c 64.c 65.c 66.c 67.a 68.b 69.a 70.d 71.b 72.d 73.a 74.c 75.d 76.d 77.c 78.b 79.b 80.d 81.a 82.c 83.b 84.a 85.b 86.a 87.d 88.c 89.c 90.d 91.b 92.a 93.c 94.d 95.b 96.d 97.a 98.c 99.b 100.a 101.a 102.c 103.b 104.d 105.b 106.a 107.c 108.b 109.c 110.d 111.c 112.a 113.b 114.c 115.a 116.c 117.a 118.c 119.a 120.b 121.b 122.c 123.a 124.b 125.c 126.a 127.d 128.c 129.c 130.b 131.a 132.c 133.b 134.d 135.c 136.c 137.d 138.d 139.b 140.c 141.a 142.d 143.a 144.a 145.d 146.a 147.c 148.a 149.b 150.c 151.c 152.d 153.a 154.d 155.a 156.a 157.b 158.d 159.a 160.c 161.d 162.b 163.c 164.c 165.c 166.c 167.d 168.b 169.d 170.a 171.c 172.d 173.d 174.a 175. 176.d 177.a 178.c 179.a 180.d 181.c 182.c 183.a 184.a 185.b 186.b 187.c 188.c 189.d 190.d 191.c 192.a 193.d 194.a 195.c 196.d 197.c 198.c 199.d 200.c 201.b 202.a 203.c 204.a 205.a 206.d 207.a 208.d 209.d 210.c 211.b 212.d 213.c 214.a 215.b 216.c 217.c 218.d 219.b 220.c 221.c 222.a 223.b 224.d 225.d 226.e 227.a 228.c 229.a 230.c 231.a 232.b 233.d 234.c 235.b 236.d 237.a 238.c 239.b 240. 241.b 242.b 243.a 244.d 245.c 246.a 247.d 248.c 249.a 250.a