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| PAKISTAN SALES TAX REGIME | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
| BUYER TYPE | TAX RATE IN %age | FOR REGISTRED RETAILERS | | | FOR UN-REGISTERED RETAILERS | | | FOR END CONSUMERS | | |
|  |  | STANDARD | ADDITIONAL | EXTRA TAX | STANDARD | ADDITIONAL | EXTRA TAX | STANDARD | ADDITIONAL | EXTRA TAX |
| GOODS AT STANDARD RATE | 17% | 17% | 0% | 0% | 17% | 3% | 0% | 17% | 0% | 0% |
| GOODS AT REDUCED RATE | 8% | 8% | 0% | 0% | 8% | 0% | 0% | 8% | 0% | 0% |
| TAX BASED ON MRP | 17% OF RETAIL PRICE | PKR 17 | PRR 0 | PKR 0 | PKR 17 | PRR 0 | PKR 0 | PKR 17 | PRR 0 | PKR 0 |
| TAX EXEMPT GOODS | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| FIXED VALUE TAX | VARIABLE | PKR 20 | PKR 0 | PKR 0 | PKR 20 | PKR 5 | PKR 0 | PKR 20 | PKR 10 | PKR 0 |
| CONFECTIONRY | EXTRA 2% OF RATE | 17% | 0% | 2% | 17% | 3% | 2% | 17% | 0% | 2% |
|  |  | IS AUTHORIZED TO DO RE-SALE | | | IS AUTHORIZED TO DO RE-SALE | | | IS NOT AUTHORIZED TO DO RE-SALE | | |

1. REGISTERED RETAILER MEANS AN ENTITY REGISTERED WITH FBR.
2. UN-REGISTERED RETAILER CANNOT CHARGE ADDITIONAL TAX TO ANY-ONE (IN ANY CASE POSSIBLE)
3. TAX BASED ON MRP MEANS THAT IF ONE PRODUCT' RETAIL PRICE IS 100 THEN TAX WOULD BE 17 PKR, SO PRICE INCLUDING TAX WOULD BE 117, WHERE AS THE COST PRICE OF THAT PRODUCT CAN BE 90 PKR BUT THE TAX IS FIXED SO IT IS 90 + 17 = 107 PKR, VALUE OF TAX CANNOT BE REDUCED OR INCREASED OF SUCH PRODUCTS, HOWEVER EXTRA TAX MAY-BE CHARGED BASED ON CUSTOMER TYPE & REGIME.
4. MOST OF TAX REGIME IN PAKISTAN IS BASED ON INPUT TAX – OUTPUT TAX BASIS UNLIKE OTHER COUNTRIES IT IS NOT ESSENTIALY BASED ON VAT.
5. IN PAKISTAN IF SOME WHOLESELLER GIVES AWAY ANY GOOD FOR FREE TO ANY-CUSTOMER, WHICH FALLS IN TAX BASED ON MRP REGIME, THE WHOLESELLER OR RETAILER IS BOUND TO COLLECT TAX AND PAY IT TO GOVERNMENT IN ANY KIND OF SITUATION (i.e. HE CAN RIGHT-OFF HIS MONEY BUT CANNOT DO THIS FOR TAX) THIS REGIME IS SOMETIMES CALLED 3RD SCHEDULE.