

VERSION-41

(As amended vide SRO 253(I)/2019 dated 26th January, 2019)

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE**

Islamabad, the 9th June, 2007

**NOTIFICATION
(SALES TAX)**

S.R.O. 480(I)/2007.-In exercise of the powers conferred by section 71 of the Sales Tax Act, 1990, read with clauses (9) and (46) of section 2, sections 3 and 4, sub-section (2) of section 6¹ [, sub-section (3)]² [, section 7] section 7A, clause (b) of sub-section (1) of section 8, clause (a) of sub-section (2) of section 13, sub-sections (2A) and (3) of section 22, sections 23 and 60 thereof, the Federal Government is pleased to make the following rules, namely:

THE SALES TAX SPECIAL PROCEDURES RULES, 2007

1. Short title, application and commencement.-(1) These rules may be called the Sales Tax Special Procedures Rules, 2007.

- (2) They shall apply to such persons as are specified in the respective Chapter.
- (3) These shall come into force with effect from the 1st day of July, 2007.

**CHAPTER I
PRELIMINARY**

2. Definitions.-(1) In these Rules, unless there is anything repugnant in the subject or context,

- (i) “**Act**” means the Sales Tax Act, 1990;
- (ii) “**Annex**” means an Annex to these rules;
- (iii) “**NEPRA**” means the National Electric Power Regulatory Authority established under section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
- (iv) “**CNG station**” means any place or premises from where Compressed Natural Gas (CNG) is supplied to, or filled in cylinders or tankers;
- (v) “**Collectorate**” means the office of the Collector of Sales Tax having jurisdiction and includes the Large Taxpayers Unit (LTU) and the Regional Tax Office (RTO), where the offices of Income Tax, Sales Tax and Federal Excise are co-located, and the word ‘Collector’ shall be construed accordingly;
- (vi) “**Commission**”, in case of a car dealer, means the amount payable by the consumer to the dealer for the purpose of intermediating sale, booking, delivery or other related services or activities in respect of a vehicle and includes any other amount charged from a consumer or seller over and above the price of the vehicle;
- (vii) “**Consumer**”, in relation to Chapter III, means a person or his successor-in-interest who purchases or receives electric power for consumption and not for delivery or resale thereof to others and includes a person who owns or occupies a premises where electric power is supplied;

¹ Inserted vide SRO 61(I)/2018 dated 25th January, 2018

² In the preamble, after the figure “6”, the comma, word and figure “, section 7” were inserted vide SRO 525(I)/2008 dated 11th June, 2008

- (viii) **“Courier service”** means delivery of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles for consideration;
- (ix) **"distribution"**, in relation to Chapter III, means the ownership, operation, management or control of distribution facilities for the movement or delivery or sale to consumers of electric power but shall not include the ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person, owning, operating, managing and controlling those facilities or to tenants thereof shall not constitute distribution;
- (x) **"Fiscal Electronic Cash Register' or FECR"** means an electronic cash register with fiscal memory (black box), fiscal screw and seal, capable of simultaneously printing second copy (record copy) that contains all information in addition to that on the first paper roll (customer copy) and having two displays, one for operator and the other for customer;
- (xi) **“gas bill”** means the bill of charges issued by the gas transmission and distribution companies to their consumers pertaining to a tax period for natural gas supplied by them;
- (xii) **“generation”**, in relation to Chapter III, includes the ownership, operation, management or control of generation facilities for delivery or sale of electric power and not solely for consumption by the person owning, operating, managing and controlling those facilities;
- (xiii) **"HUBCO"** means the Hub Power Company Limited;
- (xiv) **“IPP”** means an Independent Power Producer established in private sector operating under a licence issued by the NEPRA for the purpose of generation, transmission, distribution and sale of electric power, and governed by various Implementation Agreements executed between the Islamic Republic of Pakistan and such Independent Power Producer and includes HUBCO and KAPCO;
- (xv) **“jeweller”** means any person engaged in the supply of ornaments as a manufacturer, wholesaler or retailer, but does not include a zargar;
- (xvi) **“JIMCO”** means joint installation of the oil marketing companies at Mehmood Kot, District Gujrat, Punjab;
- (xvii) **"KAPCO"** means the Kot Addu Power Company Limited;
- (xviii) **"KESC"** means the Karachi Electric Supply Corporation;
- (xix) **"natural gas"** means the gas obtained from bore-holes and wells whether unmixed or mixed with artificial gas consisting primarily of hydrocarbons whether gaseous or in liquid form which are not oils and includes liquefied petroleum gas (LPG) and compressed natural gas (CNG);
- (xx) **“OMC”** means the oil marketing company and includes Shell Pakistan Limited, Chevron Pakistan Limited and Pakistan State Oil (PSO);
- (xxi) **"private sector project"** means a facility for generation, transmission or distribution of electric power constructed, owned, managed or controlled by any one or more organizations or companies incorporated under the Companies Ordinance, 1984 (XLVIII of 1984);
- (xxii) **“product sharing”** means acquiring of a product by one OMC from another OMC on loan basis, without payment of price under an arrangement of returning the product of the same description by the former to the latter, within such time as may be agreed between them;
- (xxiii) **"public sector project"** means a facility for generation, transmission or distribution of electric power constructed, owned, managed or controlled by the Federal Government, a Provincial Government, a local authority or any body owned or controlled by any such

Government or authority;

³[(xxiii-a) “**stevedore**” means a person, company or commercial concern engaged in loading and unloading of cargo, including bulk cargo, from ships, whether mechanically or otherwise, and whether or not licensed by the respective port authorities;]

(xxiv) “**TCP**” means the Trading Corporation of Pakistan;

(xxv) “**taxable services**” means the services chargeable to sales tax under the respective Provincial law, and include all such services, utilities or facilities, by whatever name called, which are provided or rendered by a service provider to his clients or customers or members;

(xxvi) “**Terminal Operator**” means the company or person managing the affairs of joint installation (JIMCO) at Mehmood Kot, District Gujrat;

(xxvii) “**value of taxable services**” , in relation to hotels and courier services, means the gross amount charged or the consideration in money including all Federal and Provincial levies, if any, which a service provider receives from the clients or customers or members for providing or rendering taxable services, but excluding the amount of sales tax:

Provided that in case the consideration for providing a taxable service is in kind or is partly in kind and partly in money or the service provider and recipient or client are associated persons and the service is provided for no consideration or for a consideration which is lower than the open market value, the value of taxable service shall mean the open market value for providing the taxable service, excluding the amount of tax:

Provided further that value of taxable service in relation to clubs for the purpose of levy of sales tax shall not include consideration received on account of membership fees, refundable deposit or security unless the same is deducted or adjusted in full or in part as settlement or recovery of dues for services;

(xxviii) “**vehicles**” include all types of vehicles covered under Chapter 87 of the Pakistan Customs Tariff other than headings 87.12, 87.15 and 87.16 thereof, as are generally used for the transportation of persons or goods including three and two wheelers; and

⁴[(xviii-a) “**national or international chain of stores**” includes a chain of more than one retail outlets having the same brand name or trade name or trade mark or logo, engaged in the retail sale of goods and operating under a single or joint ownership or as a franchise or any other arrangement;]

(xxix) “**zargar**” means any person who is engaged in the making of ornaments or carrying out any related process on labour charge basis and is not involved in the sale of ornaments to ordinary consumers.

(2) The words and expressions used, but not defined herein, shall have the same meanings as are assigned to them in the Act.

(3) All provisions of any other rules made under the Act, in so far as they are not inconsistent with these rules shall, mutatis mutandis, apply to the registered persons operating under these rules.

CHAPTER II

SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY RETAILERS

⁵[3. **Application.**-The provisions of this Chapter shall apply to all persons who make supplies from retail outlets to end consumers, including ⁶[jewelers and] wholesalers-cum-retailers, whether registered or

3. In rule 2, in sub-rule (1), for clause (xxiii-a), the ne sub-rule and related entries thereto were substituted vide SRO 1107(I)/2008 dated 23rd October, 2008

4. Inserted vide SRO 608(I)/2014 dated 2nd July, 2014

5. Rules 3 to 10 were substituted vide SRO 608(I)/2014 dated 2nd July, 2013

not, who shall be deemed to be retailers in respect of such supplies for the purposes of this Chapter and also to persons making supplies of electric power to retailers:

Provided that the provisions of this Chapter shall not be applicable to the following registered persons, namely:-

- (i) vehicle dealers paying sales tax in the manner prescribed in Chapter VIII;
- (ii) registered retailers exclusively making supplies of goods specified in Chapter XIII, on which extra tax has already been paid in the manner prescribed therein.

4. Registration.-Notwithstanding anything contained in clause (b) of rule 4 of the Sales Tax Rules, 2006, retailers falling in any of the following categories shall be required to be registered as a retailer under the Act, in the manner specified in Chapter I of the Sales Tax Rules, 2006:-

- (a) a retailer operating as a unit of a national or international chain of stores;
- (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;
⁷[***]
- (d) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees six hundred thousand; and
- (e) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers:

Provided that the provisions of this Chapter shall remain applicable to retailers who do not obtain registration:

Provided further that the retailers operating as a unit of a franchise or any other arrangement of a national or multinational chain of stores, shall obtain a separate registration as distinct from their principal.

5. Retailers required to pay tax on standard rate.⁻⁸[(1) Retailers specified in rule 4 shall pay sales tax at the rates and in the manner as prescribed in sub-section (9A) of section 3 of the Act].

(2) Subject to rule 8, retailers specified in rule 4 shall be required to install and operate Fiscal Electronic Cash Registers (FECRs), and to issue invoices only therefrom to their customers.

(3) Retailers shall provide seamless and real-time access of their FECRs data to the Board and also allow on-site physical inspection as and when authorized by the Commissioner Inland Revenue having jurisdiction.

⁹[(4) While determining the taxable supplies made by jewelers, a jeweler shall be entitled to exclude the value of gold or silver used in the jewellery supplied, provided that such assessable value for the purpose of taxable supply is not less than ten percent of the actual sale price excluding the amount of tax]

6. Other retailers shall pay sales tax through electricity bills.-(1) Retailers not falling in the categories specified in sub-rule (1) of rule 5, shall be charged sales tax through their electricity bills by the persons making supplies of electric power, at the rates specified in sub-section (9) of section 3 of the Act, in the manner as specified hereunder, which shall be in addition to the tax charged on supply of electricity under sub-sections (1), (1A) and (5) of section 3 of the Act.

6. *Inserted vide SRO 85(I)/2015 dated 28th January, 2015*

7. *Clause (c) was Omitted vide SRO 738(I)/2015, dated 31st July, 2015*

8. *Sub-rule (1) was substituted vide SRO 583(I)/2016 dated 1st July, 2017*

9. *Inserted vide SRO 85(I)/2015 dated 28th January, 2015*

(2) Every person making supplies of electric power shall charge and collect sales tax at the rates specified in sub-section (9) of section 3 of the Act, from every retailer having a commercial electricity connection:

Provided that sales tax under sub-section (9) of section 3 of the Act shall not be charged in cases where the person making supplies of electric power receives a written order from the Commissioner of Inland Revenue to the effect that –

- (a) the consumer is not engaged in any retail business; or
- (b) the consumer is already registered and paying sales tax through monthly sales tax returns.
- (3) The amount of sales tax charged from retailers shall be shown separately in the electricity bill or invoice issued by the supplier of electric power.
- (4) The supplier of electric power shall collect and pay the amount of sales tax from retailers in the manner as prescribed in Chapter III.

7. Conditions and limitations.-(1) The amount of sales tax charged and collected through the electricity bill in terms of rule 6 shall not be adjustable by the supplier of electric power and shall be paid by him in full into the Treasury.

(2) The tax paid through electricity bill by a retailer as prescribed in rule 6, shall be construed as the discharge of final tax liability for the purpose of sales tax and he shall not be entitled for any input tax adjustment or refund therefrom.

8. Issuance of invoice or cash memo.-Every retailer operating under rule 5 shall issue serially numbered invoices or, as the case may be, cash memos in respect of each supply made by him, manually or through electronic cash register, and from such date as may be specified by the Board, the invoices shall be issued through Fiscal Electronic Cash Register.

9. Payment of sales tax and filing of return.-(1) Every retailer operating under rule 5 shall deposit the sales tax due along with his return on monthly basis in the manner prescribed in Chapter II of the Sales Tax Rules, 2006.

- (2) A retailer operating under rule 6 shall not be required to file monthly sales tax return.

10. Audit or scrutiny of record.-(1) A retailer operating under rule 5 shall be subject to audit as per normal procedure.

(2) Retailers operating under rule 6 shall not be subject to audit provided they are properly paying the sales tax as specified in sub-section (9) of section 3 of the Act through their electricity bills.]

CHAPTER III

SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF SALES TAX ON ELECTRIC POWER

11. Application.-The provisions of this Chapter shall apply for collection and payment of sales tax on electric power imported, generated, produced, transmitted and supplied by electricity generation, transmission and distribution companies licensed under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), including their distributors, dealers and agents, or by any other person dealing in importation, generation, production, transmission, distribution and supply of electric power.

12. Registration.-Every electricity generation, transmission and distribution company licensed by NEPRA, including a distributor, dealer and agent of such company, an Independent Power Producer, a Public Sector Project, Private Sector Project, or any other person dealing in importation, generation, production, transmission, distribution and supply of electric power shall, if not already registered, obtain registration in the manner prescribed in Chapter I of the Sales Tax Rules, 2006.

13. Levy and collection of sales tax.-(1) Every person, referred to in the preceding rule, who supplies electric power shall charge and collect sales tax at the rate specified in sub-section (1) of section 3 of the Act.

(2) Subject to sub-rule (3), sales tax on electric power shall be levied and collected at the following stages, namely:

- (a) in case of its importation, the responsibility to pay sales tax shall be of the importer, and the value thereof shall be the value as determined under section 25 or, as the case may be, section 25B of the Customs Act, 1969 (IV of 1969), including the amount of customs-duties and duty of excise duties levied thereon; and
- (b) in case of generation, transmission, distribution and supply of electric power by a public sector project like WAPDA a private sector project including an IPP, a Captive Power Unit or any other person, the responsibility to collect sales tax shall be of the person making the supply, and the value shall be the price of electric power including all charges, surcharges excluding the amount of late payment surcharge, rents, commissions and all duties and taxes whether local, Provincial or Federal, but excluding the amount of sales tax, as provided in clause (46) of section 2 of the Act¹⁰[:

Provided that in case of electric power supplied by WAPDA, the additional charge of Rs. 0.10 per kwh, collected on account of Neelum Jehlum Hydro Power Development Fund shall not be included in value for determination of sales tax payable.”]

(3) In case of an IPP, ¹¹[HUBCO, KAPCO or WAPDA Hydroelectric Power], the value of supply shall be the amount received by such IPP or, as the case may be, ¹²[HUBCO, KAPCO or WAPDA Hydroelectric Power], on account of Energy Purchase Price only and any amount in excess of Energy Purchase Price received on account of Capacity Purchase Price, Energy Price Premium, Excess Bonus, Supplemental Charges, etc., shall not be deemed as a component of the value of supply:

Provided that in case WAPDA or KESC disputes any amount, WAPDA or, as the case may be, KESC, shall issue a certificate showing such amount and the tax involved therein and such certificate shall be deemed to be a Credit Note for the IPP for the purposes of section 9 of the Act, and shall be accounted for in the return for the tax period in which such Credit Note is issued:

Provided further that in case an IPP, for the like reasons, receives any amount from WAPDA or KESC in respect of supply made during any previous tax period, tax on such amount shall be accounted for in the return for the period in which it is received.

14. Filing of returns and deposit of sales tax.-(1) In case of WAPDA and KESC, sales tax levied and collected under rule 13 during a tax period shall be deposited on accrual basis i.e. the amount of sales tax actually billed to the consumers or purchasers for the tax period.

(2) WAPDA and KESC shall submit the monthly return as prescribed under section 26 of the Act, by the 21st day of the month following the month in which the electric power bill or invoice has been raised. The tax due shall be deposited in the Government Treasury under the relevant head "B02341-Sales Tax" along with the prescribed return under Chapter II of the Sales Tax Rules, 2006.

(3) In case of an IPP, the due date for the purpose of filing monthly sales tax return and for payment of sales tax shall be the 25th day of the month following the month to which the sales tax invoice relates.

(4) Any person other than an IPP, WAPDA or KESC who supplies electric power shall file a

10. In rule 13, in sub-rule (2), in clause (b), for the full stop, at the end, a colon was substituted and thereafter the new proviso was added vide SRO 309(I)/2008 dated 24th March, 2008

11. For the words "HUBCO or KAPCO", the words and comma "HUBCO, KAPCO or WAPDA Hydroelectric Power" was substituted vide SRO 464(I)/2012 dated 04th May, 2012

12. For the words "HUBCO or KAPCO", the words and comma "HUBCO, KAPCO or WAPDA Hydroelectric Power" was substituted vide SRO 464(I)/2012 dated 04th May, 2012

monthly sales tax return under section 26 of the Act and Chapter II of the Sales Tax Rules, 2006, and deposit the amount of sales tax payable for the tax period by the due date.

15. Determination of sales tax liability in respect of WAPDA and KESC.-(1) Any person, except WAPDA and KESC, which supplies electric power, shall be entitled to claim admissible input tax adjustment in the manner specified in section 7 of the Act, read with sections 8 and 8B thereof.

(2) WAPDA and KESC shall be entitled to claim admissible input tax adjustment against sales tax paid on their taxable purchases made in the month immediately proceeding the tax period.

¹³[(3) The WAPDA shall henceforth be entitled to claim input tax paid by it on price differential of Low Sulphur Furnace Oil (LSFO) and High Sulphur Furnace Oil (HSFO) to PSO on behalf of KAPCO for generation of electricity by KAPCO, subject to the condition that PSO mentions this apportionment on the invoices issued to M/s KAPCO & WAPDA in each transaction and the same is verifiable from the accounts of both WAPDA and KAPCO.]

16. Input tax adjustment for registered consumers.-(1) In case of registered consumers, the electric power bill issued by electric power distribution company shall be treated as a tax invoice as defined in clause (40) of section 2 of the Act.

(2) The registered consumers shall be entitled to claim input tax adjustment against such invoice after the bill has been paid, as per the provisions of section 7, 8 and 8B of the Act provided the bill contains registration number and address of the business premises declared to the Collector by such consumer.

17. Record keeping and invoicing.-(1) Every person who supplies electric power shall maintain records as prescribed under section 22 of the Act or a notification issued there under.

(2) Every person who supplies or distributes electric power shall print in his bill or invoice, as the case may be, registration number of the consumer, if applicable, the rate and the amount of sales tax required to be charged by him under sub-section (1) of section 3 of the Act.

(3) Every person who supplies electric power and using computerized accounting system may issue a computer generated sales tax invoice and keep his record on the computer in the prescribed format.

18. Penalty.-(1) Non-issuance of electric power bill for a tax period or any inordinate delay in the issuance of such bill by the electric power transmission and distribution companies or by any registered person engaged in the supply of electric power shall be liable to penalties under the relevant provisions of the Act.

(2) If the tax is not paid within the due date or in the manner as provided under this Chapter, the registered person shall be liable to pay default surcharge and such other penalties prescribed in the Act.

CHAPTER IV SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF SALES TAX ON NATURAL GAS

19. Application.-The provisions of this Chapter shall apply for collection and payment of Sales Tax on Natural Gas including Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG) imported, produced, transmitted and supplied by gas well-head companies and gas transmission and distribution companies licensed under the Natural Gas Rules, 1960, including their distributors, dealers, sales agents, retailers or by any other person hereinafter called the "person" for the purposes of this Chapter and dealing in importation, production or distribution and supply of Natural Gas including Compressed Natural Gas and Liquefied Petroleum Gas.

20. Levy and collection of sales tax.-(1) Every person who supplies natural gas shall be liable to registration and shall charge and pay sales tax at the rate specified in sub-section (1) of section 3 of the Act.

13. In rule 15, after sub-rule (2), the new sub rule and related entries thereto were added vide SRO 168(10)/2009 9th February, 2009

(2) Sales tax on natural gas shall be levied and collected at the following stages and in the following manners, namely:

- (a) In case of its importation, the responsibility to pay sales tax shall be of the importer who shall pay in the manner prescribed in sub-section (1) of section 6 of the Act, and the value thereof shall be the value as determined under section 25 or 25B of the Customs Act, 1969 (IV of 1969), read with section 31A thereof, including the amount of customs-duties and Federal excise duties levied thereon;
- (b) In case of production and supply from the bore-holes and wells, the person responsible to charge and pay sales tax shall be the person making the supply at the bore-holes or the well-heads. The value for the purposes of levy of sales tax shall include price of natural gas, charges, rents, commissions and all duties and taxes, local, Provincial and Federal but excluding the amount of sales tax, as provided in clause (46) of section 2 of the Act¹⁴;

Provided that in case a bore-hole or well or gas field is run by a joint venture comprising separate registered persons, each shall charge and pay sales tax as aforesaid to the extent of his share of supplies;]

- (c) In case of supply of natural gas by a gas transmission and distribution company, the person responsible to charge, collect and deposit sales tax shall be the gas transmission and distribution company and the value for the purpose of tax shall be the total amount billed including price of natural gas, charges excluding the amount of late payment surcharge, rents, commissions and all duties and taxes, local, Provincial and Federal, but excluding the amount of sales tax as provided in clause (46) of section 2 of the Act:

¹⁵[***]

¹⁶[Provided ¹⁷[***] that CNG stations, if not already registered, shall obtain registration under Chapter I of the Sales Tax Rules, 2006, and shall also file quarterly sales tax return in the manner given in rule 7]

- (d) In case of supply of LPG, the person responsible to charge, collect and deposit sales tax shall be the person who is a manufacturer, dealer, distributor or a retailer of LPG and the value of LPG for the purposes of levy of sales tax shall include price of LPG, charges, rents, commissions and all duties and taxes, local, Provincial and Federal, but excluding the amount of sales tax as provided in clause (46) of section 2 of the Act.

(3) If the supplies are made free of charge or for some other consideration or a consideration which is lower than the billed or invoiced prices, the sales tax shall be charged as if it were supplied at open market price in terms of sub-clause (a) of clause (46) of section 2 of the Act.

21. Determination of tax liability.-While determining his tax liability, the person supplying or distributing natural gas shall be entitled for input tax credit for the tax paid on his purchases for making taxable supplies against output tax payable subject to the limitations and restrictions imposed under sections 7, 8 and 8B of the Act and the notifications issued there under¹⁸:

Provided that the gas distribution companies may deduct input tax paid by them on purchase of natural gas as is subsequently supplied by them in Azad Jammu and Kashmir from the output tax¹⁹:

Provided further that in case of a bore-hole or well or gas field is run by a joint venture, the

¹⁴ Colon was substituted for the semi-colon and there after the proviso was vide SRO 61(I)/2018 dated 25th January, 2018

¹⁵ First proviso was omitted vide SRO 608(I)/2014 dated 2nd July, 2014

¹⁶ In rule 20, in sub-rule (2), in clause (c), for the second proviso, the new provision was substituted vide SRO 315(I)/2008 dated 27th March, 2008

¹⁷ The word 'further' was omitted vide SRO 608(I)/2014 dated 2nd July, 2014

¹⁸ In rule 21, for the full stop, at the end, a colon was substituted and the proviso was added, vide SRO 525(I)/2008 dated 11th June, 2008

¹⁹ Colon was substituted for the full-stop and there after the proviso was vide SRO 61(I)/2018 dated 25th January, 2018

person acting as operator of the field may transfer the share of common input tax to other registered persons in the joint venture by issuing a credit transfer note, depending upon respective share of the transferees in the joint venture, showing the amount of sales tax involved with zero sales value and the same shall be admissible for the purpose of input tax adjustment by the registered person to whom issued. The common input tax of the operator shall be reduced by the amount involved in such notes as issued by him.]

22. Record keeping and invoicing.-(1) Every person supplying or distributing natural gas shall issue a serially numbered sales tax invoice for every supply made by him.

(2) The bill or invoice issued by the person supplying or distributing natural gas shall, inter alia, indicate the rate and amount of sales tax required to be charged by him under sub-section (1) of section 3 of the Act:

Provided that the monthly gas bill or invoice issued to a registered consumer shall also contain registration number of that consumer, and such bill or invoice shall be deemed to be tax invoice in terms of section 23 of the Act.

(3) The registered consumers shall be entitled to claim input tax adjustment against such invoice after the bill has been paid, as per the provisions of sections 7, 8 and 8B of the Act, subject to the condition that the bill contains registration number and address of the business premises declared to the Collector by such consumer.

(4) The registered persons supplying natural gas using computerized accounting system may, issue computer-generated sales tax invoices and keep their record on computer in the prescribed format.

(5) The registered person supplying natural gas shall maintain records as prescribed under section 22 of the Act, including record of daily stocks and sales, stating therein the quantity and value of the gas supplied and the amount of sales tax charged thereon, provided that the gas transmission and distribution companies shall not be required to maintain records of daily stocks and sales.

23. Filing of monthly return.-Every person supplying or distributing natural gas shall submit monthly return as prescribed in the Act. The tax due shall be deposited in the Government Treasury under the relevant head "B0234 1-Sales Tax" by the 15th day of the month following the month in which the gas has been supplied:

Provided that in case of gas supplied by gas companies to its consumers directly and charges are billed on a monthly basis, the date shall be the 15th day of the second month following the month in which supplies were made.

24. Penalty.-(1) Non-issuance of gas bill or invoice for a tax period or any inordinate delay in the issuance of such bill by the person engaged in supplying or distributing natural gas shall be liable to penalties under the relevant provisions of the Act.

(2) If the tax is not paid within the date due as provided under this Chapter, the registered person supplying or distributing natural gas shall be liable to pay default surcharge and such other penalties prescribed in the Act.

²⁰[CHAPTER IVA

SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF EXTRA TAX ON SUPPLIES OF ELECTRIC POWER AND NATURAL GAS CONSUMED BY UNREGISTERED AND INACTIVE PERSONS

18A. Application.-The provisions of this Chapter shall apply to the supplies of electric power and natural gas consumed by persons having industrial or commercial connections.

20. *New Chapter IVA was inserted vide SRO 510(I)/2013 dated 12th June, 2013*

18B. Mode and manner of collection.-(1) Every person supplying electric power or natural gas, shall charge and collect extra tax at the rate notified by the Federal Government, from every consumer having an industrial or commercial connection, where the bill for a month is in excess of rupees fifteen thousand, and the consumer either has not provided his sales tax registration number to the supplier or his name is not shown as active on the Active Taxpayers List (ATL) maintained by the Federal Board of Revenue.

(2) The amount of extra tax shall be shown separately in the bill or invoice for electric power or natural gas issued by the supplier.

(3) The supplier shall collect and pay the amount of extra tax in the manner prescribed in Chapters III and IV, as the case may be.

18C. Conditions and limitations.-(1) The amount of extra tax shall not be adjustable by the supplier or the consumer in their returns, and shall be paid in full by the supplier into the Treasury.

(2) Where a person claims that he has a sales tax registration number, the supplier of electric power or natural gas, as the case may be, shall require him to produce the sales tax registration certificate, and shall verify from the Active Taxpayers List maintained by the Federal Board of Revenue that the person is actually registered and is appearing as active thereon. The supplier shall also confirm that the name, address and other particulars appearing on the registration certificate or Active Taxpayers List, as the case may be, are the same as that of the electric power or natural gas connection.

(3) A person having multiple places of business shall ensure that all such places of business are properly declared and entered on his registration certificate and Active Taxpayers List.

(4) After a person produces sales tax registration certificate in his name, and he is verified as active on the Active Taxpayer List, the supplier shall incorporate the sales tax registration number in his billing system so that it is printed on future bills. Thereafter, the supplier shall stop charging and collecting the extra tax from such person.

(5) The supplier shall again start charging and collecting extra tax from the consumer from the month in which he is de-registered from sales tax or he does not remain active on the Active Taxpayers List.]

CHAPTER V

SPECIAL PROCEDURE FOR SUPPLY OF SUGAR TO TRADING CORPORATION OF PAKISTAN (TCP)

25. Application.-The provisions of this Chapter shall be applicable in case of supply of sugar by the registered manufacturers of sugar to the TCP for further supply or export thereof.

26. Manner of payment of tax.-(1) Upon successful grant of tender for purchase of sugar, TCP will only pay the value of supply of sugar to the sugar mills excluding the amount of sales tax against a Commercial Invoice issued by the mills.

(2) At the time of removal of sugar from the mill premises, the mill will issue a sales tax invoice in favor of TCP who will accordingly pay to the mill the amount of sales tax due on the quantity being removed from the sugar mill.

(3) In the event of removal of sugar by TCP for export purposes, the mill will issue a zero-rated tax invoice, against which no sales tax shall be payable.

27. Relevant tax period.-The mill will show the value of sugar sold to TCP and the tax chargeable thereon in the monthly tax return as well as in its supply register relating to the tax period in which the sales tax invoice has been issued by the mill in favor of TCP.

28. Monthly statement by TCP.-TCP shall submit a monthly statement to the Collector in the format set out at Annex-A, which shall be used by the Collector for cross verification of the supplies declared by the sugar mills as having been made to the TCP.

CHAPTER VI

SPECIAL PROCEDURE FOR PERSONS PROVIDING OR RENDERING SERVICES SUBJECT TO SALES TAX UNDER THE PROVINCIAL LAWS

29. Application.-The provisions of this Chapter shall apply for collection and payment of sales tax by the persons providing or rendering services chargeable to sales tax under the respective Provincial laws.

30. Registration.-Every service provider, providing or rendering taxable services to its customers or clients or members, if not already registered, shall obtain registration in the manner prescribed in Chapter I of the Sales Tax Rules, 2006.

31. Levy and collection of sales tax.-A service provider, providing or rendering taxable services to customers, clients or members shall charge, collect and pay sales tax at the rate ²¹[as provided in the respective Provincial Sales Tax Ordinances, 2000 or the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), as the case may be"]

32. Filing of return and deposit of sales tax.-(1) A service provider, providing or rendering taxable services shall file return in accordance with the procedure laid down in section 26 of the Act read with Chapter II of the Sales Tax Rules, 2006.

(2) The tax due shall be deposited in the designated branch of National Bank of Pakistan under the relevant head ³B02366-Sales Tax on Services collected on behalf of Provincial Governments', in the manner as provided in the aforesaid Chapter II.

(3) In case a service is provided or rendered over a period of time and bill is to be issued on completion of service, time of supply shall be the time when service is completed or the payment, or consideration in money, in respect thereof is received whichever is earlier.

33. Determination of tax liability.-While determining his tax liability, a service provider shall be entitled to claim input tax credit for the tax paid on account of taxable purchases or imports made and utilities like telephone (excluding mobile telephone), gas and electricity consumed in ²²[providing taxable services], against his output tax liability, subject to the conditions, limitations and restrictions prescribed under sections 7, 8 and 8B of the Act and the rules or notifications issued there-under; and subject to fulfillment of the conditions laid down under section 73 of the Act.

34. Invoicing.-(1) A service provider, providing or rendering taxable services shall issue serially numbered sales tax invoices to its customers or clients or members, for the services provided or rendered, containing all the particulars as prescribed under section 23 of the Act:

Provided that the customers or clients or members who have been extended credit facility by a service provider, may, for the taxable services provided or rendered during the month, be issued serially numbered sales tax invoices at the end of each month.

(2) A service provider using computerized accounting system may issue computer generated sales tax invoice containing all the prescribed entries.

35. Specific provisions.-The specific provisions relating to particular categories of service providers are contained in Part 1 to ²³[3] of this Chapter.

PART-1

ADVERTISEMENTS ON TELEVISION AND RADIO

21. In rule 31, for the words "of fifteen per cent of the value of taxable services provided or rendered by him", the words, brackets, commas, letters and figures "as provided in the respective Provincial Sales Tax Ordinances, 2000 or the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), as the case may be" were substituted vide SRO 862(I)/2008 dated 28th August, 2008

22. In rule 33, for the words "furtherance of taxable activity", the words "providing taxable services" were substituted, vide SRO 525(I)/2008 dated 11th June, 2008

23. In rule 35, for the figure "2", the figure "3" was substituted vide SRO 678(I)/2007 dated 6th July, 2007

36. Scope and value.²⁴[(1) In relation to advertisements, the expression “taxable services” means the services in respect of advertisements-

- (b) booked in Pakistan for broadcasting or telecasting on TV or radio stations based abroad, whether or not possessing landing rights in Pakistan; and
- (c) Transmitted on closed circuit T.V. or cable T.V. network]

(2) Value of taxable service for the purposes of levy of sales tax shall be the total consideration in money received or the gross amount charged by a service provider from his clients for broadcasting or telecasting of any advertisement on radio or television, including all Federal and Provincial levies but excluding the amount of sales tax.

37. Input tax adjustment by the client.-A registered person (client) whose advertisement is released on radio or television, and to whom the sales tax invoice is issued and routed through the advertising agency, can claim input tax adjustment for the amount of tax paid on account of release of advertisement on radio or television subject to the observance and fulfillment of following conditions, namely:-

- (a) Payments for all such advertisements are made by such registered person through Banking channels in such manner that payment against a particular invoice is easily verified;
- (b) all invoices issued by the service provider are in accordance with the specimen invoice set out at Annex-B; and

PART-2 CUSTOMS AGENTS AND SHIP-CHANDLERS

38. Scope and levy in relation to Customs agents.-(1) In relation to Customs agents, value of taxable service for the purposes of levy of sales tax shall be the total consideration or charges received by a Customs agent for providing and rendering the service, excluding the amount of sales tax. It shall not include considerations received on account of transportation charges, demurrage, warfare, customs-duties, excise duty, sales tax, provincial duties or taxes, toll taxes, municipal charges, port charges, handling charges, packing charges, labor payment and such other reimbursable expenses which a Customs agent pays on behalf of his clients against a proper receipt or invoice or bill.

(2) The sales tax registration number along with license number of the Customs agent shall be quoted on the Goods Declaration or the drawback or refund claim, as the case may be.

39. Scope and levy in relation to ship-chandlers.-In relation to ship-chandlers, value of taxable services for the purposes of levy of sales tax, shall be total consideration received or the gross amount charged by a ship-chandler for providing or rendering the taxable services, including all Federal and Provincial levies but excluding the amount of sales tax. It shall not include consideration received on other accounts such as transportation charges, toll taxes, municipal charges, port charges, handling charges, packing charges and labor charges, which a ship-chandler pays on behalf of his clients against a proper receipt or bill.

²⁵[PART.- 3

SERVICES PROVIDED BY STEVEDORES

39A. Tax liability of stevedores.²⁶[***]

²⁷[***]

²⁸[***]

24. In rule 36, for sub-rule (1), the new sub-rule and relating entries thereto were substituted vide SRO 315(I)/ 2008 dated 27th March, 2008

25. In Chapter VI, after rule 39, the sub-rule and thereafter relating entries were added vide SRO 678(I)/2007 dated 6th July, 2007

26. In rule 39A, the sub-rules (1), was omitted vide SRO 525(I)/2008 dated 11th June, 2008

27. In rule 39A, the sub-rules (2) was omitted vide SRO 525(I)/2008 dated 11th June, 2008

(4) A stevedore shall issue serially numbered sales tax invoice as required under section 23 of the Act.

(5) Every person registered as stevedore shall file monthly sales tax return in the manner as prescribed in Chapter II of the Sales Tax Rules, 2006.

(6) The cases or disputes relating to the stevedores operating under these rules shall be dealt with in the Large Taxpayers Unit, Karachi]

CHAPTER VII

SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF SALES TAX FROM THE OIL MARKETING COMPANIES (SHARING OF PRODUCT)

40. Application.—The provisions of this Chapter shall apply for the collection and payment of sales tax from the oil marketing companies (OMCs) against sharing of taxable petroleum products, herein after referred to as the product in this Chapter, whether imported or otherwise, which are stored at joint installation (JIMCO), located at Meh mood Kot, District Gujrat, by or on behalf of OMCs.

41. Sharing of product.—(1) The OMCs shall be entitled to share their products without payment of sales tax at JIMCO.

(2) No sales tax invoice shall be issued for the product shared between OMCs, provided that the OMCs shall not be barred from adhering to an internal invoicing system for the purpose of stock sharing.

(3) The OMC which has borrowed the product from another OMC shall return the product of the same description within the time agreed between them.

42. Register for stock sharing.—(1) Each OMC, benefiting from stock sharing facility under these rules, shall maintain, or cause to be maintained, a separate register for recording movements of stocks under sharing arrangements between OMCs.

(2) The stock sharing register, maintained under sub-rule (1), shall contain such information about credit and debit of the shared or returned stocks as is necessary to identify the movement of such stocks between the concerned OMCs.

(3) The Terminal Operator shall certify the bona fides of all the credit and debit entries made in the stock sharing register by 10th of the each month following the month to which the entries relate.

(4) The stock sharing register, duly certified by the Terminal Operator as aforesaid, shall be produced to the Sales Tax Department, as and when required for inspection, audit or any other authorized purpose.

43. Tax liability.—(1) The OMC which has given a product to another OMC on stock sharing basis shall be entitled to avail input tax adjustment as provided under the Act and the rules made there under.

(2) The OMC, which has taken a product from another OMC, shall pay sales tax on its subsequent supply or sale to the consumers, without claiming any input tax adjustment thereon.

(3) The OMC, to whom a product taken on stock sharing basis is returned, shall pay sales tax on its supply or sale to the buyer or consumer and input tax adjustment thereon shall be admissible, if not already availed.

44. Miscellaneous.—(1) The stock of a product moved for exchange under these rules shall not be required to be declared on the sales tax return unless finally supplied or sold on payment of sales tax.

(2) The OMC, which has taken any stock of a product on sharing basis under these rules, shall not normally charge the price, over and above the price which would have been fetched by such stock had it been supplied or sold by the lending OMC.

(3) No adjustment, refund or remission of sales tax shall be allowed under any circumstances on account of variation or difference of the sales price of the exchanged stocks.

CHAPTER VIII

SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF SALES TAX BY VEHICLE DEALERS

45. Registration.-(1) All vehicle dealers shall be required to be registered under the Act who are engaged or otherwise deal in the sale of locally manufactured vehicles and all types of imported vehicles, whether new or old or used, on the basis of commission or otherwise, whether or not such dealer is appointed or authorized by the manufacturer or importer of vehicles.

(2) All dealers shall within seven days of coming into force of this Chapter declare to the Collector of Sales Tax having jurisdiction, full particulars of his dealers and the Collector shall ensure that no such dealer of vehicles falling in his jurisdiction remains unregistered.

46. Booking of vehicles.-(1) No vehicle shall be booked by the concerned manufacturer or importer through a dealer unless the particulars of such dealer and the concerned buyer are clearly mentioned in the relevant booking documents.

(2) The aforesaid condition shall not apply in case of vehicles imported under Personal Baggage, Transfer of Residence or Gift Scheme.

47. Invoicing.-(1) Subject to sub-rule (2) each dealer shall issue a sales tax invoice in the name of the consumer or buyer, in case the manufacturer or dealer has issued invoice in the name of the dealer:

Provided that in case of motorcycles, the manufacturer shall supply the same to his dealer and the dealer shall issue invoice in the name of the buyer or consumer.

(2) Where the vehicle is invoiced directly to customer through a dealer, the dealer shall issue a delivery advice-cum-invoice as specified in the form set out at Annex-C indicating, inter alia, the amount and the sales tax, if any, charged thereon by the dealer over and above the price indicated in the invoice issued by the assembler, or as the case may be, the importer, directly in the name of the consumer. Such delivery advice-cum-invoice shall be handed over to the buyer at the time of delivery of the vehicle along with the invoice issued by the manufacturer or importer.

48. Declaration of commission.-(1) Each manufacturer or as the case may be, importer of vehicles shall declare to the Collector of Sales Tax having jurisdiction, the rates of commission payable to his dealers in case of each category, make and model of vehicle. Any change or alteration made therein shall be communicated to the Collector within seven days.

(2) Nothing in sub-rule (1) shall prohibit the Collector to ascertain or verify the accuracy of the declared rates or amounts of commissions and other information supplied under any of the provisions of this chapter.

49. Input tax adjustment.-Subject to such conditions, limitations and restrictions, as are imposed by sections 7, 8 and 8B of the Act and the rules or notifications issued hereunder and subject to fulfillment of the conditions laid down under section 73 of the Act, the dealers shall be entitled to input tax adjustment against their output tax liability.

50. Determination of tax liability.-(1) A dealer shall not be required to pay sales tax on such amounts of commission on which tax has been paid by the manufacturer or importer on whose behalf vehicles is sold by such dealer provided that in case any amount is received over and above such commission, the obligation to pay tax shall be of the dealer. Such amounts and commissions not previously charged to sales tax shall be declared in the value of taxable supplies in the return.

(2) In case of vehicles exchanged without involvement of any cash payment between the dealers exclusively for subsequent sale at their respective ends, tax shall be paid only at the time of their actual sale to the public.

51. Filing of return and payment of tax.-Each dealer shall file monthly sales tax return in the manner as provided in Chapter II of the Sales Tax Rules, 2006.

52. Records to be maintained.-Each dealer shall keep proper record of all purchases, sales and tax invoices including import documents and such other records as required to be maintained under section 22 of the Act.

53. Miscellaneous.-Where so requested by the Collector, the authority competent to register the vehicles shall furnish information about the vehicles on which sales tax has been paid under these rules.

²⁹[***]

³⁰[CHAPTER X

SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY

³¹[***] IMPORTERS

³²[**58A. Application.**-The provisions of this Chapter shall apply to imports of all taxable goods as are chargeable to tax under section 3 of the Act or any notification issued there under.

58B. Payment of sales tax on account of minimum value addition.-(1) The sales tax on account of minimum value addition (hereinafter referred to as value addition tax in this Chapter), shall be levied and collected at import stage on goods as specified aforesaid at the rate of ³³[three] per cent of the value of goods in addition to the tax chargeable under section 3 of the Act or a notification issued there under:

³⁴[Provided that the value addition tax shall not be charged on,

- (i) The goods as are imported by a manufacturer for in-house consumption; ³⁵[***]
- (ii) the POL products, imported by an Oil Marketing Company for sale in the country, whose prices are regulated under a special pricing arrangement by the Government of Pakistan or by a regulatory authority working under the Government of Pakistan ³⁶[; ³⁷[***]]]

³⁸[(iii) registered service providers importing goods for their in-house business use or for furtherance of their taxable activity and not intended for further supply ³⁹[;]]

⁴⁰[(iv) LNG/RLNG; and

(v) second hand and worn clothing or footwear (PCT heading 6309.000)]

(2) The value addition tax paid at import stage shall form part of input tax, and the importer shall deduct the same from the output tax due for the tax period, subject to limitations and restrictions under the Act, for determining his net liability. The excess of input tax over output tax shall be carried forwarded to the next tax period as provided in section 10 of the Act.

⁴¹[**58C. Tax not to be refunded.**-(1) In no case, the refund of excess input tax over output tax, which is attributable to tax paid at import stage, shall be refunded to a registered person.

²⁹ Chapter IX was Omitted vide SRO 484(I)/2015, dated 30th June, 2015

³⁰ After rule 58, the new chapters and relating entries thereto were inserted vide SRO 678(I)/2007 dated 6th July, 2007

³¹ In Chapter X, in the heading, the word "COMMERCIAL" was omitted vide SRO 525(I)/2008 dated 11th June, 2008

³² For rules 58A, 58B, 58C, 58D and 58E, the new rules and relating entries thereto were substituted vide SRO 525(I)/2008 dated 11th June, 2008

³³ In rule 58B, in sub-rule (1), for the word "two", the word "three" was substituted vide SRO 482(I)/2011 dated 3rd June, 2011 effective from 4th June, 2011

³⁴ Substituted for the proviso vide SRO 135(I)/2012 dated 10th February, 2012

³⁵ The word "and" was omitted vide SRO 367(I)/2013 dated 8th May, 2013

³⁶ For the full stop, the semicolon and word "; and" was substituted vide SRO 367(I)/2013 dated 8th May, 2013

³⁷ The word 'and' was omitted vide SRO 775(I)/2018 dated 21st June, 2018

³⁸ Added vide SRO 367(I)/2013 dated 8th May, 2013

³⁹ Substituted for the full stop vide SRO 775(I)/2018 dated 21st June, 2018

⁴⁰ Added vide SRO 775(I)/2018 dated 21st June, 2018

(2) The registered person, if also dealing in goods other than imported goods, shall be entitled to file refund claim of excess carried forward input tax for a period as provided in section 10 or in a notification issued there under by the Board after deducting the amount attributable to the tax paid at import stage i.e. sum of amounts paid during the claim period and brought forward to claim period. Such deducted amount may be carried forward to subsequent tax period.]

58D. Treatment of existing stocks of commercial importer.—The closing stocks of imported goods held by commercial importers on 30th June 2008 on which additional sales tax at two per cent was paid at import stage shall be disposed of under the provisions of this Chapter as in force before 1st July, 2008. The differential amount payable, in case tax charged was higher than that paid at import stage, shall be paid on the monthly return as arrears of tax.

58E. Filing of return and audit.—(1) The importers paying value addition tax under this Chapter shall file monthly return as provided in Chapter II of the Sales Tax Rules, 2006.

⁴²[***]

CHAPTER XI

SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY STEEL-MELTERS, RE-ROLLERS AND SHIP BREAKERS

⁴³[**58F. Application.**—The provisions of this Chapter shall apply to

(a) steel melting units, steel re-rolling units, composite units of melting and re-rolling and composite units having complete facility of melting, re-rolling and MS cold drawing, whether operating on electric power, natural gas or any other source of energy and regardless of the type of electricity connection;

⁴⁴[⁴⁵(aa) importers of re-meltable iron and steel scrap falling under PCT Headings 7204.3000, 7204.4100 and 7204.4990, and of waste and scrap of compressor falling under PCT heading 7204.4940]

⁴⁶[(ab) local suppliers of re-meltable iron and steel scrap]

(b) suppliers of electric power and natural gas to the units specified in clause (a);

(c) furnaces or steel mills operated by sugar mills or other persons using self-generated electricity from bagasse or other means;

(d) Pakistan Steel Mills, Karachi, Peoples Steel Mills, Karachi and Heavy Mechanical Complex; and

(e) ship breakers.

58G. Registration.—Every person specified in rule 58F shall if not already registered, obtain registration in the manner prescribed in Chapter I of the Sales Tax Rules, 2006.]

58H Payment of tax.—(1) Every steel-melter, steel re-roller⁴⁷ [composite unit of melting, re-rolling and MS cold drawing] and composite unit of steel melting and re-rolling (having a single electricity meter),⁴⁸[excluding units operated by sugar mills or other persons using self-generated electricity] shall pay sales tax at the rate of ⁴⁹[⁵⁰[⁵¹[⁵²[thirteen]]]] rupees per unit of electricity consumed for the production

41. For rule 58C the new rule and relating entries thereto were substituted vide SRO 862(I)/2008 dated 28th August, 2008

42. In rule 58E, sub-rule (2) was omitted vide SRO 592(I)/2012 dated 1st June, 2012 effective from 2nd June, 2012

43. Substituted for for rules 58F and 58G vide SRO 421(I)/2014 dated 4th June, 2014

44. New Clause was added vide SRO 1028(I)/2014 dated 14th November, 2014

45. Clause (aa) was Substituted vide SRO 484(I)/2015, dated 30th June, 2015

46. New Clause was added vide SRO 484(I)/2015, dated 30th June, 2015

47. Inserted vide SRO 243(I)/2013 dated 26th March, 2013

48. Inserted vide SRO 421(I)/2014 dated 4th June, 2014

49. Substituted for the word "four" vide SRO 421(I)/2014 dated 4th June, 2014

of steel billets, ingots and mild steel (MS) products excluding stainless steel, which will be considered as their final discharge of sales tax liability ⁵³[:]

⁵⁴[Provided that the rates of sales tax on the basis of electricity consumption prescribed in sub-rules (1) and (2) shall only be applicable to units consuming electric power supplied by public sector electricity distribution companies ⁵⁵[and M/s K-Electric Limited].]

(2) Payment of tax by steel-melters, re-rollers⁵⁶ [, composite unit of melting, re-rolling and MS cold drawing] and composite units of melting and re-rolling shall be made through electricity bills along with electricity charges:

Provided that in case the due amount of sales tax mentioned in sub-rule (1) is not mentioned in the electricity bill issued to any steel-melter or re-roller⁵⁷ [, composite unit of melting, re-rolling and MS cold drawing] or composite unit of melting and re-rolling, the said melter or re-roller or composite unit shall deposit the due amount of tax for the relevant tax period at the rate of ⁵⁸⁵⁹⁶⁰⁶¹[thirteen]]]] rupees per unit of electricity consumed excluding the amount of sales tax already paid on the electricity bill related to the said tax period through his monthly sales tax return ⁶²⁶³⁶⁴[:]

Provided further that payment of sales tax at the rate of ⁶⁵[thirteen] Rupees per unit of electricity shall be the final discharge of liability of steel re-rolling units and composite units of melting and re-rolling including their pre-heating sections operated through fuels other than electricity.]

***]

⁶⁶[(2A) Adjustable sales tax at the rate of Rs. 5,600 per metric ton shall be levied and collected on import of re-meltable iron and steel scrap falling under PCT headings 7204.3000, 7204.4100 and 7204.4990, ⁶⁷[from those discharging sales tax liability under sub-rule (1) of Rule 58H and Rupees ⁶⁸[ten] thousand four hundred per metric tonne from other importers] whereas non-adjustable sales tax Rs. 5,600/- per metric ton shall be levied and collected on import of waste and scrap of compressors falling under PCT heading 7204.4940:

Provided that further local supplies of such imported waste and scrap of compressor shall not be subject to sales tax ⁶⁹[:]

Provided further that the steel melters discharging their liability under sub-rules (1) and (2) shall submit paid electricity bills of last three months at the time of filing of Goods Declarations.]

-
- 50 Substituted for the word "Seven" vide SRO 484(I)/2015 dated 30th June, 2015
51 Substituted for the word "nine" vide SRO 583(I)/2017 dated 1st July, 2017
52 Substituted for "ten and a half" vide SRO 775(I)/2018 dated 21st June, 2018
53 Substituted for the full-stop vide SRO 421(I)/2014 dated 4th June, 2014
54 Added vide SRO 421(I)/2014 dated 4th June, 2014
55 Inserted vide SRO 576(I)/2014 dated 26th June, 2014
56. Inserted vide SRO 243(I)/2013 dated 26th March, 2013
57. Inserted vide SRO 243(I)/2013 dated 26th March, 2013
58. Substituted for the word "four" vide SRO 576(I)/2014 dated 26th June, 2014
59 Substituted for the word "Seven" vide SRO 484(I)/2015 dated 30th June, 2015
60 Substituted for the word "nine" vide SRO 583(I)/2017 dated 1st July, 2017
61 Substituted for "ten and a half" vide SRO 775(I)/2018 dated 21st June, 2018
62. For full stop, a colon was substituted and thereafter the new proviso was added vide SRO 1486(I)/2012 dated 24th December, 2012
63 For the colon at the end, a full stop was substituted and thereafter the second proviso was omitted vide SRO 484(I)/2015 dated 30th June, 2015
64 For the full stop, a colon was substituted and thereafter the proviso was added vide SRO 583(I)/2017 dated 1st July, 2017
65 Substituted for "ten and a half" vide SRO 775(I)/2018 dated 21st June, 2018
66 Sub-rules (2A), (2B) & (2C) were inserted vide SRO 484(I)/2015 dated 30th June, 2015
67 Inserted vide SRO 583(I)/2017 dated 1st July, 2017
68 Substituted for "eight" vide SRO 775(I)/2018 dated 21st June, 2018
69 For the full stop, a colon was substituted and thereafter the proviso was added vide SRO 583(I)/2017 dated 1st July, 2017

(2B) Local supplies of re-meltable iron and steel scrap shall be charged to sales tax at the rate of Rs. ⁷⁰[⁷¹[10,400]] per metric ton.

(2C) Steel melters may obtain adjustment of the sales tax paid on imported re-meltable iron and steel scrap, against the sales tax payable through their electricity bills, in the manner prescribed by the Board through a general order.]

(3) In case of default in payment of sales tax by the due date mentioned on the electricity bill, besides other legal action by the concerned RTO or LTU, the concerned electric supply company shall disconnect the electricity connection of the unit ⁷²[and further, it shall be deemed that the person has opted out of this special procedure and sales tax shall become payable under sub-section (1) of section 3 of the Act].

⁷³[(3A) The Commissioner of Inland Revenue may, if he considers it expedient in the interest of revenue, collect sales tax directly from steel-melters and re-rollers at the rates prescribed in sub-rule (1) or sub-rule (2), as the case may be. In case of such direct collection of sales tax, the Commissioner shall issue adjustment certificate to the electricity distribution company, which shall adjust the amount of sales tax so paid in the electricity bills of the registered person.]

⁷⁴[⁷⁵(4) Ship breakers, in lieu of sales tax payable against their local supplies of re-rollable scrap and other materials obtained from ship breaking, shall pay sales tax at the time of import at the rate of ⁷⁶[nine] thousand five hundred Rupees per metric tonne of such supplies determined at eighty percent, in case of oil tankers and gas carriers and at 72.5% for other vessels, of the total LDT of the ship imported for breaking.]

(5) The Customs Collectorate shall clear the goods declaration of ship for breaking on payment of sales tax along with other Government dues.]

(6) Pakistan Steel Mills, Karachi, Heavy Mechanical Complex, Taxila and Peoples Steel Mills, Karachi shall pay sales tax on their products under sub-section (1) of section 3 of the Act read with section 7 and section 8B thereof.

(7) Steel-melters and re-rollers, except Pakistan Steel Mills, Heavy Mechanical Complex and Peoples Steel Mills, paying sales tax on fixed rates through electricity bills shall not be entitled to any input tax adjustment ⁷⁷[except as provided in ⁷⁸[sub-rule (2C)]]].

58Ha. Steel-melters and re-rollers operating on self-generation basis.-(1) Subject to permission by the Chief Commissioner, the facility to pay sales tax liabilities on the basis of gas bill shall be allowed to the registered persons who have requisite permission, for producing electricity with the help of gas generators, from the gas distribution companies or Oil and Gas Regulatory Authority or any other Government authority authorized to grant such permission.

(2) Steel-melters ⁷⁹[and re-rolling mills] producing electricity with the help of gas generators shall discharge their sales tax liability on the basis of the gas bill for the relevant month as per the following formula: –

Sales tax payable = [HM³ (or hundred cubic meter) x Rs. ⁸⁰[⁸¹[⁸²[3,088]]] less sales tax paid on

70 Substituted for the figure “5,600” vide SRO 583(I)/2017 dated 1st July, 2017

71 Substituted for “8,400” vide SRO 775(I)/2018 dated 21st June, 2018

72. Inserted vide SRO 421(I)/2014 dated 4th June, 2014

73. New sub-rule (3A) was inserted vide SRO 421(I)/2014 dated 4th June, 2014

74. Substituted vide SRO 243(I)/2013 dated 26th March, 2013

75 Sub-rule (4) was substituted vide SRO 583(I)/2017 dated 1st July, 2017

76 Substituted for “eight” vide SRO 775(I)/2018 dated 21st June, 2018

77. The expression “except as provided in second proviso to sub-rule(2)” was inserted vide SRO 1486(I)/2012 dated 24th December, 2012

78 Substituted for the expression “second proviso to sub-rule (2)” vide SRO 484(I)/2015 dated 30th June, 2015

79. Words, “and re-rolling mills” were inserted vide SRO 1486(I)/2012 dated 24th December, 2012

80. Substituted for the figure “1,663” vide SRO 484(I)/2015 dated 30th June, 2015

81 Substituted for the figure “2,138” vide SRO 583(I)/2017 dated 1st July, 2017

gas bill ⁸³[:

Provided that adjustment shall be allowed as provided in second proviso to sub-rule (2) of rule 58H.]

(3) ⁸⁴[Steel melters and re-rolling] mills operating on self-generated electricity shall discharge their tax liability on monthly basis, in the following manner:--

Sales tax payable = mill size (in inches) x Rs. ⁸⁵[⁸⁶[⁸⁷[10,400]]]

Provided that if a ⁸⁸[steel melters and re-rolling] mill operating on self-generation basis remains closed for seven or more days consecutively during a tax period, the registered person shall inform through telephone or fax to the respective Commissioner and the representative of the association prior to the closure of the mill. A survey report shall accordingly be prepared by the monitoring committee comprising of one or more inland revenue officers nominated by the concerned Commissioner and representatives of Pakistan Steel Re-Rolling Mills Association and the tax liability of the said mill shall be determined on the basis of above formula for the number of days the mill remains in operation during the month.

⁸⁹[58Hb. Steel mills operated by sugar mills or other persons using self-generated electricity.-(1) Sugar mills or any other persons operating steel melting or steel re-rolling mills using self-generated electricity produced from baggasse or other means except those specified in rule 58Ha, shall pay sales tax on the steel products manufactured by them at the rate specified in sub-section (1) of section 3 of the Act, and shall observe all the applicable provisions of the Act.

(2) Such sugar mills or other persons shall-

- (a) declare to the Commissioner having jurisdiction their installed transformer capacity for steel melting and re-rolling, which would be subject to verification; and
- (b) install a tamper proof electricity meter on the transformer used for steel melting or re-rolling, along with a check meter outside the mills premises, on the recommendations and under supervision of one representative each from the RTO or LTU having jurisdiction and the electricity distribution company operating in the area.

(3) In case of failure to comply with the requirements of sub-rule (2) within thirty days of the commencement of this rule or prior to commencement of operations of a new unit, besides any other legal action, the respective RTO or LTU shall invoke the provisions of section 40B of the Act to monitor production, supplies and stocks so that sales tax payable on the steel products being manufactured and supplied may be properly assessed and recovered.]

⁹⁰[**58I. Invoices and returns.**-(1) Sales tax invoices shall be issued by the registered persons for the products or category specified in column (2) of Table-1 below, at the rates mentioned against each in column (3) of the said Table, namely:

S. No.	Invoices Issued by and for or to	Amount of sales tax to be mentioned on the invoices
(1)	(2)	(3)

82. Substituted for "2,494" vide SRO 775(I)/2018 dated 21st June, 2018

83. For full stop, colon was substituted and thereafter the proviso was added vide SRO 1486(I)/2012 dated 24th December, 2012

84. For the words "Re-rolling", the words "Steel melters and re-rolling" were substituted vide SRO 1486(I)/2012 dated 24th December, 2012

85. Substituted for the figure "45,458" vide SRO 484(I)/2015 dated 30th June, 2015

86. Substituted for the figure "58,446" vide SRO 583(I)/2017 dated 1st July, 2017

87. Substituted for "68,187" vide SRO 775(I)/2018 dated 21st June, 2018

88. For the words "re-rolling", the words "steel melters and re-rolling" were substituted vide SRO 1486(I)/2012 dated 24th December, 2012

89. Inserted vide SRO 421(I)/2014 dated 4th June, 2014

90. Substituted for rules 58I and 58J vide SRO 421(I)/2014 dated 4th June, 2014

1.	By steel melters or composite units of melting, re-rolling and MS cold drawing to registered re-rollers	Rs. ⁹¹ [⁹² [⁹³ [11,247]]]] per metric ton
2.	By steel re-rollers, using ingots or billets of steel melters or composite units of melting, re-rolling and MS cold drawing, to registered persons	Rs. ⁹⁴ [⁹⁵ [⁹⁶ [12,937]]]] per metric ton
3.	By re-rollers, using billets of Pakistan Steel Mills or Peoples Steel Mills or Heavy Mechanical Complex or imported billets, to registered persons	Rs. 8,092 per metric ton
4.	By re-rollers, using ship-plates and re-rollable scrap as raw material, to registered persons	Rs. ⁹⁷ [⁹⁸ [⁹⁹ [11,190]]]] per metric ton
5.	By re-rollers, to unregistered persons	Rs. ¹⁰⁰ [¹⁰¹ [¹⁰² [1,690]]]] per metric ton
¹⁰³ [***	

(2) Every steel melter, steel re-roller or composite unit of steel melting and re-rolling paying sales tax along with electricity bills under these rules shall submit a copy of the electricity bill showing payment of the tax due duly authenticated by the concerned association along with a copy of his relevant sales tax return to the Commissioner having jurisdiction. Every other such manufacturer liable to pay sales tax under these rules shall submit to the Commissioner having jurisdiction a copy of the Computerized Payment Receipt (CPR) showing the payment of tax due along with a copy of his sales tax return.

(3) The due date for filing of return for persons paying sales tax under these rules along with electricity bills or on the basis of gas bills shall be the 28th day of the month following the tax period to which the electricity bill relates.

58J. Records.- Every person paying sales tax under these rules shall be required to maintain records specified under section 22 of the Act.]

58K. Values of steel products.— The items specified in column (2) of the Table below shall be assessed for the purpose of sales tax on the values fixed in column (4) thereof: –

TABLE

S. No.	Description	HS Code	Value
(1)	(2)	(3)	(4)
1	Billets supplied by Pakistan Steel	Respective heading	Rs. ¹⁰⁴ [47,600]/ PMT
2.	Mills, Heavy Mechanical Complex and Peoples Steel Mills	-do-	US\$ ¹⁰⁵ [514]/PMT

⁹¹ Substituted for the figure "6,447" vide SRO 484(I)/2015 dated 30th June, 2015

⁹² Substituted for the figure "8,047" vide SRO 583(I)/2017 dated 1st July, 2017

⁹³ Substituted for "9,247" vide SRO 775(I)/2018 dated 21st June, 2018

⁹⁴ Substituted for the figure "7,357" vide SRO 484(I)/2015 dated 30th June, 2015

⁹⁵ Substituted for the figure "9,217" vide SRO 583(I)/2017 dated 1st July, 2017

⁹⁶ Substituted for "10,612" vide SRO 775(I)/2018 dated 21st June, 2018

⁹⁷ Substituted for the figure "7,610" vide SRO 484(I)/2015 dated 30th June, 2015

⁹⁸ Substituted for the figure "9,170" vide SRO 583(I)/2017 dated 1st July, 2017

⁹⁹ Substituted for "9,865" vide SRO 775(I)/2018 dated 21st June, 2018

¹⁰⁰ Substituted for the figure "910" vide SRO 484(I)/2015 dated 30th June, 2015

¹⁰¹ Substituted for the figure "1,170" vide SRO 583(I)/2017 dated 1st July, 2017

¹⁰² Substituted for "1,365" vide SRO 775(I)/2018 dated 21st June, 2018

¹⁰³ S. Nos. 6 and 7 and entries relating thereto were omitted vide SRO 583(I)/2017 dated 1st July, 2017

¹⁰⁴ Substituted for the figure "54,264" vide SRO 801(I)/2012 dated 30th June, 2012 effective from 1st July, 2012

¹⁰⁵ Substituted for the figure "550" vide SRO 608(I)/2014 dated 2nd July, 2014. Earlier for the figure '514' the figure '550' was substituted vide SRO 421(I)/2014 dated 4th June, 2014

3.	Re-roll able scrap supplied by ship Breakers	-do-	Rs. ¹⁰⁶ [¹⁰⁷ [¹⁰⁸ [50,883]]]/PMT
¹⁰⁹ [4.	Imported re-rollable scrap	72.04	¹¹⁰ [Rupees 52,000 PMT]]]

58L. Responsibility of All Pakistan Steel Melters and All Pakistan Steel Re-rollers Associations.-

The All Pakistan Steel Melters Association and All Pakistan Steel Re-rollers' Association shall be responsible to ensure that the steel-melters and re-rollers pay sales tax in the manner specified in these rules and in case of non-compliance, the association shall actively assist the concerned Commissioner for enforcement and recovery of sales tax due alongwith default surcharge calculated thereon, besides any other proceedings that may be initiated against the defaulting steel-melter or steel re-roller under the Act. All Pakistan Steel Melters Association and All Pakistan Steel Re-rolling Mills Association shall be authorized to authenticate the paid electricity bills of steel-melters and steel re-rollers paying sales tax under these rules. The associations shall be responsible to maintain unit-wise record of sales tax paid by all steel-melters and re-rollers on monthly basis. Every case of default in payment of sales tax shall be reported by the President of the concerned association to the concerned Commissioner or any other officer nominated by the Board within seven days after the due date for payment of electricity bill.

58M. Monitoring committee.-A monitoring committee comprising of officers of Inland Revenue, representatives of concerned associations and any other person as may be nominated by the Board shall be constituted through a general order to monitor the collection of sales tax under these rules on monthly basis.

58MA. Option to pay sales tax on ad valorem basis.-(1) The steel-melters and re-rollers may opt to pay sales tax on ad valorem basis at the rate specified in sub-section (1) of section 3 of the Act after deduction of input tax paid on their inputs subject to limits and conditions as specified under the Act or notifications issued thereunder. Such melters and re-rollers shall discharge their liability in the manner as indicated below, namely;

¹¹¹[(a) by the ¹¹²[15th of July] each year, such registered persons shall submit in writing to the Commissioner having jurisdiction their irrevocable option to pay sales tax on ad valorem basis for the ¹¹³[***] financial year, and the option so exercised shall remain in force till the end of such financial year; and

(b) the Commissioner shall coordinate with the electricity distribution companies to ensure that sales tax is charged from such registered person in his electricity bill on the rate specified in sub-section (1) of section 3 of the Act, which shall be adjustable against output tax payable on taxable supplies made by such person, subject to the applicable provisions of the Act and rules made thereunder.]

(2) The records maintained by registered persons opting to pay sales tax under this rule shall be subjected to periodical audits.

58MB. Treatment for units engaged in exports.-Subject to permission of Commissioner concerned, the option to exclude the sales tax amount as specified in sub-rule (1) of rule 58H from the electricity bill shall be available to steel units exporting more than fifty percent of their production.

58MC. Treatment for composite units.-Steel-melters and re-rollers who also supply stainless steel products or products other than billets, ingots and re-rolled MS products shall follow standard sales tax

¹⁰⁶ Substituted for the figure "39,412" vide SRO 484(I)/2015 dated 30th June, 2015

¹⁰⁷ Substituted for the figure "47,059" vide SRO 583(I)/2017 dated 1st July, 2017

¹⁰⁸ Substituted for "50,000" vide SRO 775(I)/2018 dated 21st June, 2018

¹⁰⁹ Inserted vide SRO 583(I)/2017 dated 1st July, 2017

¹¹⁰ Substituted for "US\$ 480 PMT" vide SRO 775(I)/2018 dated 21st June, 2018

¹¹¹ Substituted for clauses (a) and (b) vide SRO 421(I)/2014 dated 4th June, 2014

¹¹² Substituted for the expression "25th of June" vide SRO 583(I)/2017 dated 1st July, 2017

¹¹³ The word "coming" shall be omitted vide SRO 583(I)/2017 dated 1st July, 2017

procedure. The fixed taxes and values prescribed under this Chapter shall not be applicable to supplies of such registered persons.]

CHAPTER XII

¹¹⁴[SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX

BY WHOLESALE-CUM-RETAIL OUTLETS]

¹¹⁵[**58N. Application.**-The provisions of this Chapter shall apply to such chains of wholesale-cum-retail outlets, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of consumers and who maintain their records electronically.

¹¹⁶[***]

¹¹⁷[***]

58Q. Supplies to diplomats and diplomatic missions and refund of tax collected.-(1) In case the supplies are made by the wholesaler-cum-retailers to diplomats and diplomatic missions, the same shall be charged to sales tax at zero rate provided an exemption certificate issued by Ministry of Foreign Affairs is provided mentioning the description and quantity of goods to be purchased.

(2) The invoice issued against zero-rated supplies as aforesaid shall mention the reference number and date of the exemption certificate.

(3) In case the supplies to a diplomat or diplomatic mission have been charged to sales tax at a rate other than zero, the wholesaler-cum retailer may refund the amount charged after preparation of a credit note mentioning the particulars of the invoice and the exemption certificate.

¹¹⁸[***]

¹¹⁹[**58RA. Miscellaneous.**-(1) The wholesaler-cum-retailer operating under this Chapter shall issue a sales tax invoice for the goods subject to extra tax under Chapter XIII, if supplied to a registered person, for the purpose of claiming input tax adjustment by the buyer.

(2) The provisions of section 73 of the Act shall not affect the admissibility of input tax adjustment where the wholesaler-cum-retailer receives consideration in cash against the supplies made by him.]

¹²⁰[CHAPTER XIII

SPECIAL PROCEDURE FOR PAYMENT OF EXTRA SALES

TAX ON SPECIFIED ¹²¹[GOODS]

¹²²[**58S. Application.**-The provisions of this Chapter shall apply to supplies of the goods specified in the following Table, hereinafter referred to in this Chapter as the specified goods", namely:-

114. In Chapter XII, for the heading "SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY MANUFACTURERS OF BISCUITS, CONFECTIONERY AND SNACKS", the heading "SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY WHOLESALE-CUM-RETAIL OUTLETS" were substituted vide SRO 525(I)/2008 dated 11th June, 2008

115. For rules 58N, 58O, 58P, 58Q, and 58R, the new rules and relating entries thereto were substituted vide SRO 525(I)/2008 dated 11th June, 2008

116. Rule 58O was omitted vide SRO 608(I)/2014 dated 2nd July, 2014

117. Rule 58P was omitted vide SRO 608(I)/2014 dated 2nd July, 2014

118. Rule 58R was omitted vide SRO 608(I)/2014 dated 2nd July, 2014

119. Added vide SRO 484(I)/2015 dated 30th June, 2015

120. After rule 58R, the new Chapter and relating entries thereto were inserted vide SRO 525(I)/2008 dated 11th June, 2008

121. Substituted for the words "ELECTRIC HOME APPLIANCES" vide SRO 896(I)/2013 dated 4th October, 2013

122. Substituted vide SRO 896(I)/2013 dated 4th October, 2013. At the time of substitution Rule 58S was as reproduced below:-
"58S. **Application.**- The provisions of this Chapter shall apply to the supplies of electric home appliances namely, television sets, refrigerators, freezers, air conditioners, electric ovens, microwave ovens, washing machines, spin dryers,

TABLE

S. No.	Specified Goods
1	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, fans, electric irons, washing machines and telephone sets.
2	Household gas appliances, including cooking range, ovens, geysers and gas heaters.
¹²³ ***	***]
4	Auto-parts and accessories.
5	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids and maintenance products.
6	Tyres and tubes.
7	Storage batteries.
8	Arms and Ammunitions.
9	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing.
10	Tiles.
11	Biscuits, confectionary, chocolates, toffees and candies,]

58T. Mode, manner and rate applicable for payment of extra amount of tax.-(1) Extra amount of sales tax at the rate of ¹²⁴[2] % of value of supplies shall be levied and collected on the supplies of all specified ¹²⁵***] goods by manufacturers and importers in addition to the tax payable under sub-sections (1) and (2) of section 3 of the Act, as the case may be ¹²⁶[:

¹²⁷[Provided that extra tax under this rule shall not apply on supplies of lubricating oils made to registered oil market companies (OMCs) and to lubricating oil marketing companies registered with OGRA and those made by OMCs and by lubricating oil marketing companies registered with OGRA to registered manufacturers for in-house consumption.]

¹²⁸[(2) Extra amount of sales tax so charged and collected by the above listed registered person shall be declared in the monthly return against relevant supplies and shall be deposited without any adjustment against the same.]

(3) The supplier of specified electric goods shall mention the extra amount of sales tax charged under this chapter separately on the sales tax invoice to be issued by them.

(4) The said registered persons shall charge the said extra sales tax even if they have paid any tax relating to value addition at import stage.

(5) The specified ¹²⁹***] goods on which extra sales tax has been paid in the aforesaid manner shall be exempt from payment of sales tax on subsequent supplies including those as made by a retailer.

(6) The retailers operating under Chapter II shall be entitled to deduct value of supplies subject to extra tax under this Chapter from their turnover for the purpose of payment of sales tax under the said Chapter. However, they shall pay sales tax at a rate specified in Chapter II which is based on their total turnover.

and DVD/ CD players of all types, hereinafter referred to as specified electric goods in this Chapter.”
¹²³ Omitted vide SRO 775(I)/2018 dated 21st June, 2018. At the time of omission it appeared as under:-

3	Foam or spring mattresses and other foam products for household use.
---	--

¹²⁴ Substituted for “0.75%” vide SRO 896(I)/2013 dated 4th October, 2013

¹²⁵ The word “electric” was deleted vide SRO 896(I)/2013 dated 4th October, 2013

¹²⁶ For full stop, a colon was substituted and thereafter the proviso was inserted vide SRO 583(I)/2017 dated 1st July, 2017

¹²⁷ Substituted vide SRO 61(I)/2018 dated 25th January, 2018. The substituted proviso was as under

“Provided that extra tax under this rule shall not apply on supplies of lubricating oils made to registered oil marketing companies (OMCs) and those made by OMCs to registered manufacturers for in-house consumption.”

¹²⁸ Substituted vide SRO 484(I)/2015 dated 30th June, 2015

¹²⁹ The word “electric” was deleted vide SRO 896(I)/2013 dated 4th October, 2013

(7) If a registered person, other than a retailer, who buys the specified ¹³⁰[***] goods on payment of extra sales tax under this Chapter, also deals in sale and purchase of other goods, he shall discharge his liability in respect of such other goods under sub-section (1) of section 3 and other relevant provisions of the Act and shall also be entitled to input tax adjustment only in respect of taxable supplies of such other goods.

(8) A registered person who is engaged exclusively in purchase and sale of specified ¹³¹[***] goods and purchases the same on payment of extra sales tax, shall file quarterly sales tax return, in the manner prescribed in rule 7.]

¹³²[CHAPTER XIV

SPECIAL PROCEDURE FOR THE GOODS SPECIFIED IN

S. NO. 12 OF THE FIFTH SCHEDULE TO THE ACT

¹³³[58U.] **Application.**-The provisions of this Chapter shall apply to manufacturers of goods specified against S. No. 12 of the Fifth Schedule of the Act.

¹³⁴[58V.] **Conditions and limitations for availing zero-rating facility.**-(1) Zero-rating of goods specified against S. No. 12 of the Fifth Schedule to the Act shall be subject to determination of input-output ratios of the manufacturer by the Input-Output Co-efficient Organization (hereinafter referred to as "IOCO"), if not already determined under an earlier concessionary notification issued for such goods.

(2) For zero-rating of the import and local procurement of raw materials, packing materials, subcomponents, components, sub-assemblies and assemblies required for the manufacture of goods specified in S. No. 12 of the Fifth Schedule to the Act, the following conditions and procedures shall be observed, namely:-

- (a) a registered manufacturer of the goods specified against S. No. 12 of the Fifth Schedule, having suitable in-house facilities (hereinafter referred to as "the applicant"), shall submit an application to the Commissioner Inland Revenue having jurisdiction along with the complete list of his annual requirement of inputs he intends to import or purchase for the manufacture of such goods, in the format prescribed in **Annex-F** to these Rules;
- (b) the Commissioner may approve the declaration of input-output ratio of the applicant in the format prescribed as **Annex-G** to these Rules, without physical verification in case the input-output ratio of the applicant has already been determined by IOCO under an earlier notification issued for such goods or the declared input-output ratio and input requirements are in accordance with prevailing industry averages;
- (c) in case the Commissioner is not satisfied with the declared input-output ratios because of their being *prima facie* not in accordance with prevailing industry averages and the input-output ratios of the applicant have not already been determined by IOCO, he may, after provisionally allowing quantity required for six months, make a reference to IOCO for final determination thereof. After receipt of report from IOCO the Commissioner shall then determine the annual quantitative entitlement of inputs and grant final approval for zero-rated purchases or imports. In case of non-receipt of report from IOCO within four months of the application being forwarded by the Commissioner, he may provisionally allow another six months quantity to the applicant, provided he is satisfied from the records that the previously imported or purchased inputs are being properly consumed in the manufacture of goods specified against S. No. 12 of the Fifth Schedule to the Act;

130. The word "electric" was deleted vide SRO 896(I)/2013 dated 4th October, 2013

131. The word "electric" was deleted vide SRO 896(I)/2013 dated 4th October, 2013

132. The new 'Chapter XIV' was inserted vide SRO 608(I)/2014 dated 2nd July, 2014

133. Rule 59 was re-numbered as 58U vide SRO 188(I)/2015 dated 5th March, 2015

134. Rule 60 was re-numbered as 58V vide SRO 188(I)/2015 dated 5th March, 2015

- (d) in case of input goods to be imported by the applicant, the authorized officer of Inland Revenue shall furnish all relevant information online to the Pakistan Customs Computerized System as per **Annex-H** to these Rules against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969);
- (e) where a registered person supplies input goods to the applicant in terms of an approval granted under clause (b) or (c) as the case may be, he shall issue a zero-rated invoice mentioning the approval number of the buyer besides all the particulars as required under section 23 of the Act;
- (f) the applicant will be entitled to claim refund of input tax paid on utilities and other inputs which are purchased by him on payment of sales tax, in terms of section 10 of the Act read with relevant provisions of the Sales Tax Rules, 2006;
- (g) the applicant shall maintain complete records of the inputs imported or purchased and the goods manufactured therefrom;
- (h) the input goods allowed under clause (b) or (c), as the case may be, shall be imported or purchased before the expiry date of the approval, and shall be consumed within twelve months of the date of their import or purchase;
- (i) the applicant shall inform the concerned Commissioner Inland Revenue in writing about the consumption of the imported or purchased input goods within ninety days of their consumption. The indemnity bond shall be released on receipt of written confirmation regarding consumption of goods by the applicant;
- (j) in case the input goods are not consumed within the period allowed in the approval, the applicant shall pay the amount of sales tax involved, or may seek extension from the Commissioner Inland Revenue under intimation to the Collector of Customs;
- (k) the concerned Commissioner Inland Revenue, whenever he deems necessary but not more than once in a calendar year, may get the records of the manufacturer audited. In case it is found that the inputs have not been properly accounted for or consumed in the manufacture and supply of goods as prescribed, the Commissioner may initiate proceedings for recovery of the sales tax involved on the unaccounted inputs besides penal action under the relevant provisions of the Act; and
- (l) under circumstances of exceptional nature and for reasons to be recorded in writing, the concerned Commissioner may relax any of the conditions, if he is satisfied that such condition is detrimental to the *bona fide* purposes of manufacturer's business, subject to such surety or guarantee he may deem appropriate to secure the sales tax and to ensure proper accountal and utilization of the imported or locally procured goods.]

135 [CHAPTER XV

135. *Chapter-XV was substituted vide SRO 253(I)/2009 dated 26th February, 2009. At the time of Substitution Chapter-XV was as under:-*

“i [CHAPTER XV

SPECIAL PROCEDURE FOR SALES TAX ON COTTONSEED OIL EXPELLED BY OIL EXPELLING MILLS AND COMPOSITE UNITS OF GINNING AND EXPELLING

i New Chapter was added vide SRO 188(I)/2015 dated 5th March, 2015

58W. Application.-The provisions of this Chapter shall apply to the persons engaged in supply of cottonseed as well as composite units of cotton ginning and expelling of oil from cottonseed.

58X. Scope and levy of tax.- [The sales tax payable on supply of cottonseed oil shall be collected at the time of supply of cottonseed on the basis of quantity of cottonseed supplied], or consumed in-house for expelling of oil by composite cotton ginning units.

ii Substituted vide SRO 484(I)/2015 dated 30th June, 2015

58Y. Mode, manner and rate applicable for payment of sales tax.-(1) The amount of sales tax chargeable under rule 58X shall be levied and collected at the rate of Rs. 6 per 40 kg at the time of supply of cottonseed by cotton ginners

SPECIAL PROCEDURE FOR SALES TAX ON COTTONSEED OIL EXPELLED BY OIL EXPELLING MILLS AND COMPOSITE UNITS OF GINNING AND EXPELLING

58W. Application.-The provisions of this Chapter shall apply in respect of sales tax payable on cottonseed oil and payment of the same by the persons engaged in supply of cottonseed as well as composite units of cotton ginning and expelling of oil from cottonseed.

58X. Scope and levy of tax.-The sales tax payable on supply of cottonseed oil under the Federal Government's Notification No. S.R.O. 213(I)/2013 dated the 15th March, 2013 shall be collected at the time of supply of cottonseed on the basis of quantity of cottonseed supplied or consumed in-house for expelling of oil by composite cotton ginning units.

58Y. Mode, manner and rate applicable for payment of sales tax.-(1) The amount of sales tax chargeable under this Chapter shall be levied and collected at the time of supply of cottonseed by cotton ginners for in-house consumption, or to any other registered or unregistered person for the purpose of oil extraction or expelling, at the rate of-

- (a) Rs. 7 per 40 kg of cottonseed for the period starting from 1st July, 2018 and ending on the 30th June, 2019 (both days inclusive); and
- (b) Rs. 8 per 40 kg of cottonseed for the period starting from the 1st July, 2019.
- (2) All cotton ginners, if not already registered or required to be registered, shall obtain sales tax registration for the purpose of these rules.
- (3) The amount of sales tax so charged and collected by the cotton ginners shall be declared in the monthly returns and shall be deposited as such without any input tax adjustment.
- (4) The suppliers of cottonseed shall mention sales tax charged under this Chapter separately on the sales tax invoice to be issued by them.
- (5) The oil expelling units using the cottonseed on which sales tax has been charged and collected in the aforesaid manner shall be exempt from payment of sales tax on the supplies of oil cake produced from such cottonseed.

for in-house consumption, or to any other registered or unregistered person for the purpose of oil extraction or expelling.

- (2) All cotton ginners, if not already registered or required to be registered, shall obtain sales tax registration for the purpose of these rules.
- (3) The amount of sales tax so charged and collected by the cotton ginners shall be declared in the monthly returns and shall be deposited as such without any input tax adjustment.
- (4) The suppliers of cottonseed shall mention sales tax charged under this Chapter separately on the sales tax invoice to be issued by them.
- (5) The oil expelling units using the cottonseed on which sales tax has been charged and collected in the aforesaid manner shall be exempted from payment of sales tax on the supplies of oil cake produced from such cottonseed.

- (6) The ginner shall submit a certificate to the Commissioner having jurisdiction by the 15th day of the month following the tax period for the quantity of cottonseed supplied to the growers for sowing purpose.

58Z. Monthly statement.-Each ginning unit including a composite ginning unit, shall submit to the Commissioner of Inland Revenue having jurisdiction, monthly statement of production and supply of ginned cotton, cottonseed and cottonseed oil in the format set out in Annex-I, by the 15th day of the month following the tax period.

58ZA. Notice to be given by the ginning unit.-A ginning unit, or as the case may be, a composite ginning unit shall, at the time of commencement of ginning activity and at the time of closure thereof, inform the Commissioner of Inland Revenue having jurisdiction within three days of such commencement or closure, as the case may be.

58ZB. Final statement to be furnished by the ginning unit.-(1) Each ginning unit including a composite ginning unit shall, within fifteen days of the cessation of the ginning activity, furnish to the Commissioner of Inland Revenue having jurisdiction, a statement regarding production and supply of ginned cotton, cottonseed, cottonseed oil, oil cake and oil dirt, in the format set out in Annex-J.

- (2) Where the cotton ginner or the composite cotton ginning unit fails to furnish any statement or certificate as required under this Chapter, he shall be liable for penal action as provided under serial No. 17 of the Table in section 33 of the Sales Tax Act, 1990."

(6) The ginner shall submit a certificate to the Commissioner having jurisdiction by the 15th day of the month following the tax period for the quantity of cottonseed supplied to the growers for sowing purpose.

58Z. Monthly statement.-Each ginning unit including a composite ginning unit shall submit to the Commissioner of Inland Revenue having jurisdiction monthly statement of production and supply of ginned cotton, cottonseed and cottonseed oil in the format set out in Annex-I by the 15th day of the month following the tax period.

58ZA. Notice to be given by the ginning unit.-A ginning unit or, as the case may be, a composite ginning unit shall, at the time of commencement of ginning activity and at the time of closure thereof, inform the Commissioner of Inland Revenue having jurisdiction within three days of such commencement or closure, as the case may be.

58ZB. Final statement to be furnished by the ginning unit.-(1) Each ginning unit including a composite ginning unit shall, within fifteen days of the cessation of the ginning activity, furnish to the Commissioner of Inland Revenue having jurisdiction a statement regarding production and supply of ginned cotton, cottonseed, cottonseed oil, oil cake and oil dirt in the format set out in Annex-J.

(2) Where the cotton ginner or the composite cotton ginning unit fails to furnish any statement or certificate as required under this Chapter, he shall be liable for penal action as provided for under serial No. 17 of the Table in section 33 of the Sales Tax Act, 1990.]

¹³⁶[Chapter XVI

SPECIAL PROCEDURE FOR PAYMENT OF SALES TAX BY THE MARBLE INDUSTRY

58ZC. Application.-The provisions of this Chapter shall apply to-

- (a) marble and granite manufacturing and polishing units, hereinafter referred to as marble and granite manufacturer, operating on electric power regardless of the type of electricity connection; and
- (b) units having valid registration with All Pakistan Marble Industries Association (APMIA).

58ZD. Payment of tax.-(1) Every manufacturer specified in rule 58ZC shall pay sales tax at the rate of one rupee and twenty five paisa per unit of electricity consumed as a final discharge of his net sales tax liability to the extent of marble and granite manufacturing, grinding and polishing process.

(2) The electricity distribution companies shall charge and collect sales tax at the rate specified in sub-rule (1) above, from the manufacturers specified therein, in addition to sales tax payable at standard rate and any other tax leviable under Sales Tax Act, 1990, including extra tax and further tax chargeable under sub-section (1A) of section 3.

(3) The electricity distribution company shall deposit the sales tax as specified in sub-rule (1) without any adjustment against the same along with their relevant monthly sales tax return.

(4) The Regional Tax Office in whose jurisdiction such manufacturing units fall shall provide a list of these units to the concerned electricity distribution company for charging sales tax on electricity consumption basis as specified above.

(5) In case the due amount of sales tax mentioned in sub-rule (1) is not mentioned in the electricity bill issued to any marble or granite manufacturer, he shall deposit the due amount of tax for the relevant tax period at the rate of one rupees and twenty five paisa per unit of electricity consumed through his monthly sales tax return.

(6) No input tax adjustment shall be allowed to the marble and granite manufacturer paying sales tax at the rate specified in sub-rule (1). Such marble industry shall be required to issue sales tax

invoice showing the total amount which shall be deemed to be inclusive of sales tax, however, such invoice shall not be admissible for input tax adjustment at any subsequent stage by any person.

(7) Every marble and granite manufacturer paying sales tax under these rules shall, if registered, be required to maintain records specified under section 22 of the Act, and file monthly return.

58ZE. Responsibility of All Pakistan Marble Industries Association.-The All Pakistan Marble Industries Association shall be responsible to ensure that the marble industries pay sales tax in the manner specified in these rules, and in case of non-compliance, the Association shall actively assist the concerned Commissioner for enforcement and recovery of sales tax due along with default surcharge calculated thereon, besides any other proceedings that may be initiated against the defaulting unit of marble industry under the Act. All Pakistan Marble Industries Association shall be authorized to authenticate the paid electricity bills of marble industries paying sales tax under these rules.

58ZF. Treatment for units engaged in exports.-subject to permission of Commissioner concerned, the option to exclude sales tax amount as specified in sub-rule (1) of rule 58ZD from the electricity bill shall be available to marble and granite manufacturer exporting more than fifty percent of his supplies.]

59. Repeal.-The Sales Tax Special Procedure Rules, 2006 are hereby repealed.

[C. No. 3(3)/ST-L&P/07(Pt)]

(Musarrat Jabeen)
Additional Secretary

ANNEX-A
[See rule 28]

Monthly Statement by Trading Corporation of Pakistan

S. T. Registration no.

S. No.	Name of sugar mill	Total Qty purchased (Kgs.)	Total value (excluding sales tax) (Rs.)	Sugar exported	
				Qty (Kgs.)	Value (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)

Sugar supplied in local market		Sales tax involved (Rs)	Date of payment of	
Qty (Kgs.)	Value (Rs.)		Price/Value (Rs.)	Sales tax (Rs.)
(7)	(8)	(9)	(10)	(11)

Signature of Authorized Person

NAME OF THE COMPANY

M/s _____ Name and

Address _____

Phone No.: _____ Fax: No.:

Invoice No.
Date of Issue:

(Name & address of client)
Through M/s.

(Name & address of advertising agency)

Agency Code: _____

[TV Channel]

Advertiser:

M/s. _____

(Name of client)

Clients Sales Tax Reg. No. _____

Consumer Product _____

CENTERE	POSITION	QTY	DURATION	RATE	AMOUNT
---------	----------	-----	----------	------	--------

GROSS AMOUNT: RS _____

ADD 15% Sales Tax Rs. _____

Total Rs. _____

LESS 15% Agency Commission

(Rs _____)

Net Payable

Rs _____

1. Kindly make payment of this invoice by crossed cheque [Payers Account only] in favour of M/s.
2. . % late payment surcharge will be levied if the invoice is not paid by _____

FOR M/s _____

ANNEX-C
[S ee rule 47(2)]

DELIVERY ADVICE-C U M -INVOICE

S.No.

S. Tax Reg.#

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of the Dealer

NTN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Collector _____

PART 'A'	
(Customer' Particulars)	

Manufacturer invoice number	

Sales order No	
Customer Name	
Address	
Customer phone#	
PART 'B'	
(vehicle particulars)	
ENGINE NO:	
COLOUR	

Manufacturer invoice	
Date	
NTN No.	
NIC No.	
Customer S.Tax Reg#	
Description	
CHASIS NO.	
Registration No. (if applicable)	
(Number plate)	

PART 'C'

(INVOICING PORTION)

- (i) Manufacturer's or importer's invoice price Rs. _____
- (ii) Amount, if any, charged over and above the manufacturer or importer's invoice Rs. _____
- (iii) Sales Tax charged on the amount mentioned in No. (ii) Rs. _____

We this day have taken the delivery of the above vehicle (through name of the dealer) detail of which is specified above together with the following items in perfect running condition to our satisfaction

(A) spare Wheel ☐ (B) Tool kit ☐ (C) Warranty Book ☐

Authorized Signature (Dealer)

Authorized Receiver Signature

Name _____

Name _____

Title _____

Date _____

Date _____

N I C _____

ANNEX-D
[SEE rule56]

MONTHLY STATEMENT TO BE FURNISHED BY A GINNER

Name of Registered Person _____

S. T. Registration No. _____

(Weight in Kgs)

S. No.	Description of goods	Opening balance at the start of month	Total Qty produced during the month	Total Qty. supplied during the month	Closing balance at the end of the month
(1)	(2)	(3)	(4)	(5)	(6)

Additional Statement to be furnished by a Composite Ginning Unit

(Weight in kgs)

Qty of cottonseed received in the oil mill section	Qty of cottonseed used for extraction of oil	Qty of Oil produced from Cottonseed
(1)	(2)	(3)

Name and Signature of Authorized Representative

Annex-E
[See rule 58]

FINAL STATEMENT BY A GINNER

Name of Registered Person _____

S. T. Registration No. _____

Raw cotton (phutti) purchased (in maunds)	Ginned cotton Produced		Ginned cotton supplied		Cottonseed produced (in kgs)	Cottonseed supplied (in kgs)	
	No. of Bales	Weight (in kgs)	No. of bales	weight (in kgs)		In-house Consumption	Supplied To others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Oil cake produced (in kgs)	Oil dirt produced (in kgs)	Oil extracted (in kgs)	Oil supplied (in kgs)	Sales tax paid on supply of oil (Rs in '000)
(9)	(10)	(11)	(12)	(13)

Name and Signature of Authorized Representative

¹³⁷[Annex - F

[See clause (a) of sub-rule (2) of rule 60]

Name of the Manufacturer: _____

Sales Tax Registration No: _____

N.T.N. No: _____

Address: _____

Application date: _____

S. No.	Description of goods to be manufactured	PCT Heading	Description of raw materials, components, sub-components, assemblies, sub-assemblies and packing materials	PCT Heading	Input- output ratio	Quantity
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Authorized Signature: _____

Annex-G*[See clause (b) of sub-rule (2) of rule 60]*

Approval No. _____

Name of the Manufacturer: _____

Sales Tax Registration No: _____

N.T.N. No: _____

Expiry date of approval: _____

S. No.	Description of goods to be manufactured	PCT Heading	Description of raw materials, components, sub-components, assemblies, sub-assemblies and packing materials	PCT Heading	Quantity allowed
(1)	(2)	(3)	(4)	(5)	(6)

Authorized Signature of Sales Tax Officer: _____

Annex-H*[See clause (d) of sub-rule (2) of rule 60]*

Name of the Manufacturer: _____

Sales Tax Registration No: _____

N.T.N. No: _____

Address: _____

S. No.	Description of input goods to be imported	PCT Heading	Quantity	Value
(1)	(2)	(3)	(4)	(5)

Authorized Signature: _____

¹³⁸**[ANNEX-I****[See rule 58Z]****MONTHLY STATEMENT FOR GINNERS**

Name and address _____

Registration No. _____

Tax Period (Month) _____

Purchases (Phutti in Maunds) _____

Production: Cottonseed: _____ Production: Cottonseed: _____ bales

S. No.	Name & Address of Buyer of Cottonseed or In-House	Sales Tax Invoice No. and date	Quantity of Cottonseed (Kgs)	Value (Rs)	Sales Tax Payable @ Rs. _____ per 40 Kg	Amount of Sales Tax Paid
--------	---	--------------------------------	------------------------------	------------	---	--------------------------

	Consumption					
(1)	(2)	(3)	(4)	(5)	(6)	(7)

ANNEX-J

[See sub-rule (1) of rule 58ZB]

FINAL STATEMENT FOR GINNERS

Name and address _____

Registration No. _____

Season / Year: _____

Phutti purchased (Maunds)	
Cotton Lint produced (Bales)	
Cottonseed produced (Kgs)	
Cottonseed supplied (Kgs)	
Sales Tax Payable @ Rs. _____ per 40 kg	
Amount of Sales Tax Paid	
Cottonseed Oil produced (Kgs)	
Oil Cake produced (Kgs)	
Oil Dirt produced (Kgs)]	