

Section	Subsection	Clause	The Finance (Supplementary) Act, 2021 - dated 17-01-2022 NEW / inserted <del>Omitted and deleted</del> substituted

**Amendments of the Sales Tax Act, 1990.-**

In the Sales Tax Act, 1990, the following further amendments shall be made, namely:-

2			Definition
	5AB		<p>“cottage industry” means a manufacturing concern, which fulfils each of following conditions, namely:-</p> <p>(a) does not have an industrial gas or electricity connection;</p> <p>(b) is located in a residential area;</p> <p>(c) does not have a total labour force of more than ten workers; and</p> <p>(d) annual turnover from all supplies does not exceed <del>ten</del> <b>eight</b> million rupees;</p>
	43A		<p>“Tier-1 retailer” means a retailer falling in any one or more of the following categories, namely:-</p> <p>(g) a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001(XLIX of 2001) during the immediately preceding twelve consecutive months has exceeded the threshold as may be specified by the Board through notification in the official Gazette; and”;</p>
3			Scope of tax.-
	(2)		Notwithstanding the provisions of sub-section (1): -
		(a)	<p>taxable supplies and import of goods specified in the Third Schedule shall be charged to tax at the rate of seventeen per cent of the retail price or in case such supplies or imports are also specified in the Eighth Schedule, at the rates specified therein and the retail price thereof, along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer , or the importer, in case of imported goods, on each article, packet, container, package, cover or label, as the case may be::</p> <p>Provided that the <del>Federal Government</del> Board, may, by notification in the official Gazette, exclude any taxable supply or import from the said Schedule or include any taxable supply or import therein;</p>

Section	Subsection	Clause	The Finance (Supplementary) Act, 2021 - dated 17-01-2022 NEW / inserted <del>Omitted and deleted</del> substituted

23			Tax Invoices.-
	(1)		A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars, in Urdu or English language, namely: -
		(b)	<p>name, address and registration, number of the recipient and NIC or NTN of the unregistered person, as the case may be, excluding supplies made by a retailer where the transaction value inclusive of sales tax amount does not exceed rupees one hundred thousand, if sale is being made to an ordinary consumer.</p> <p>Explanation. - For the purpose of this clause, ordinary consumer means a person who is buying the goods for his own consumption and not for the purpose of re-sale or processing:</p> <p>Provided that the condition of NIC or NTN shall be effective from 1st August, 2019;</p> <p>Provided further that the condition of NIC shall not apply in the case of payment through debit or credit card or digital mode;" and</p>
		(g)	<p>value inclusive of tax:</p> <p>Provided that the Board may, by notification in the official Gazette, specify such modified invoices for different persons or classes of persons;</p> <p>Provided further that not more than one tax invoice shall be issued for a taxable supply:</p> <p><del>Provided also that if it is subsequently proved that CNIC provided by the purchaser was not correct, liability of tax or penalty shall not arise against the seller, in case of sale made in good faith.</del></p>
30CA			Directorate General of Digital Invoicing and Analysis.--The Directorate General of Digital Invoicing and Analysis shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.";

Section	Subsection	Clause	The Finance (Supplementary) Act, 2021 - dated 17-01-2022 NEW / inserted <del>Omitted and deleted</del> substituted

33				
Offences and penalties.				
	Offences	Penalties	Section of the Act to which offence has reference	
	(1)	(2)	(3)	
23	Any person who manufactures, possesses, transports, distributes, stores or sells <u>cigarette packs</u> specified goods with counterfeited tax stamps, banderoles, stickers, labels or barcodes or without tax stamps, banderoles, stickers, labels or barcodes	<p>(i) Such <u>cigarette stock</u> specified goods shall be liable to outright confiscation <u>and destruction</u>. Any person committing the offence shall pay a penalty of twenty-five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to three years, or with additional fine which may extend to an amount equal to the loss of tax involved, or with both.</p> <p>(ii) In case of transport of <u>cigarettes</u> specified goods with counterfeited tax stamps, banderoles, stickers, labels or barcodes, or without tax stamps, banderoles, stickers, labels or barcodes, permanent seizure of the vehicle used for transportation of non-conforming or counterfeit <u>cigarette packs</u> specified goods; and</p> <p>(iii) In case of repeat sale of <u>cigarettes</u> specified goods without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale be sealed for a period not exceeding fifteen days.</p>	40C(2)	

Section	Subsection	Clause	The Finance (Supplementary) Act, 2021 - dated 17-01-2022 NEW / inserted <del>Omitted and deleted</del> substituted

33				Offences and penalties.			
		Offences		Penalties		Section of the Act to which offence has reference	
		(1)		(2)		(3)	
24		Any person, who is integrated for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, conducts such transactions in a manner so as to avoid monitoring, tracking, reporting or recording of such transactions, or issues an invoice which does not carry the prescribed invoice number or barcode or bears duplicate invoice number or counterfeit barcode, or any person who abets commissioning of such offence.		Such person shall pay a penalty of five hundred thousand rupees or two hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to two years, or with additional fine which may extend to two million rupees, or with both.  Any person who abets commissioning of such offence, shall be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to one year, or with additional fine which may extend to two hundred thousand rupees, or with both.  Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed."; and		40C(2)	
25A				Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed."; and			