

Section	Subsection	Clause	Finance Supplementary (Second Amendment) Bill, 2019 NEW / inserted Omitted and deleted <u>substituted</u> Amendment on approval
			It shall come into force at once except unless otherwise provided in any of the provisions of this Act.

			Amendment of the Sales Tax Act, 1990
			In the Sales Tax Act, 1990, the following further amendments shall be made, namely:-
2			Definition
	11A		"FBR Refund Settlement Company (Private) Limited" means the company with this name as incorporated under the Companies Ordinance, 1984, for the purpose of settlement of sales tax and income tax refund claim including payment by way of issuing refund bonds under section 67A,
		67A	Payment of refund through promissory notes.
	(1)		Notwithstanding anything contained in section 67, the sales tax refunds payable under this Act may be paid through sales tax refund bonds to be issued by FBR Refund Settlement Company (Private) Limited, in book-entry form through an establishment licensed by the Securities Exchange Commission of Pakistan as a central depository under the Securities Act, 2015, in lieu of payment to be made through issuance of cheques or bank debit advice. promissory notes, instead of paying sales tax refunds through cheques or electronic advice to State Bank of Pakistan, in the mode and manner and carrying such features as laid down in the Tenth Schedule to this Act.
	(2)		The Board shall issue a promissory note to FBR Refund Settlement Company Private Limited, hereinafter referred to as the company, incorporating the details of refund claimants and the amount of refund determined as payable to each for issuance of sales tax refund bonds, hereinafter referred to as the bonds, of the same amount. The refund under sub-section (1) shall be paid in the aforesaid manner to the claimants who opt for payment in such manner."; and
	(3)		The bonds shall be issued in values in multiples of one hundred thousand rupees.
	(4)		The bonds so issued shall have a maturity period of three years and shall bear annual simple profit at ten per cent.
	(5)		The bonds shall be traded freely in the country's secondary markets.
	(6)		The bonds shall be approved security for calculating the statutory liquidity reserve.
	(7)		The bonds shall be accepted by the banks as collateral.
	(8)		There shall be no compulsory deduction of Zakat against the bonds and sahib-e-nisab may pay Zakat voluntarily according to Shariah.
	(9)		After period of maturity, the company shall return the promissory note to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

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	(10)		The bonds shall be redeemable in the manner as in the preceding sub-section before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.
	(11)		The refund under sub-section (1) shall be paid in the aforesaid manner to the claimants who opt for payment in such manner.
	(12)		The Federal Government may notify procedure to regulate the issuance, redemption and other matters relating to the bonds, as may be required.

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The Sixth Schedule [(see section 13(1))]			
TABLE - 1 (IMPORTS OR SUPPLIES)			
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	
110	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad for the period ended on the 30 th June 2023:--		
117	Appliances for colostomy Appliances and items required for Ostomy procedures as specified in the Chapter 99 of the First Schedule to the Customs Act, 1969, subject to same conditions as specified therein		3006.9100
118	Colostomy and urostomy bags		3926.9050
150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:-- Conditions: (a) the importer is registered under the Act on or after the first day of July, 2019; and (b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan.		Chapters 84 and 85

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TABLE - 3 (IMPORTS OR SUPPLIES)

Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969(IV of 1969)
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The plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be exempt from the whole of sales tax, subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

ANNEXURE

S.No	Description	PCT heading	Conditions
(1)	(2)	(3)	(4)
7	<p>1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell ete. This exemption in relation to renewable energy shall remain in force upto the 30th June, 2023.</p> <p>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p> <p>Explanation.- The expression "projects for power generation" means any project for generation of electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption.</p>	Respective Headings	-do-
14A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal ete. , as imported on or before the 30 th June, 2023.		

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NINTH SCHEDULE

[See sub-section (3B) of section 3]

TABLE

(1)	(2)	(3)	(4)	(5)
S.No	Description / Specification of Goods	Sales tax on Import (payable by Importer at the time of import)	Sales tax on supply (payable at the time of registration of IMEI number by CMOs)	Sales tax on supply (payable at time of supply by CMOs)
2	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:--			
	A. Not exceeding US\$ 30	Rs. 150	Rs. 150	-
	B. Exceeding US\$ 30 but not exceeding US\$ 100	Rs. 1,470	Rs. 1,470	
	C. Exceeding US\$ 100 but not exceeding US\$ 200	Rs. 1,870	Rs. 1,870	
	D. Exceeding US\$ 200 but not exceeding US\$ 350	Rs. 1,930	Rs. 1,930	
	E. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 6,000	Rs. 6,000	
	F. Exceeding US\$ 500	Rs. 10,300	Rs. 10,300	

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~~"THE TENTH SCHEDULE"~~

~~[See section 67A]~~

1			Application
			This Schedule applies to the sales tax refund promissory notes to be issued in lieu of payable refunds as provided in section 67A.
2			Definitions.—
			In this Schedule, unless there is anything repugnant in the subject or context,—
	(1)		"note" or 'promissory note' means sales tax refund promissory note; and
	(2)		"promissory note office" or "note office" means an office established in the Board for issuance, registration, transfer, re-issuance, redemption and handling other matters in relation to the notes.
3			Issuance and printing
	(1)		The promissory notes shall be issued by the Note Office in lieu of sales tax refunds as found admissible under the Sales Tax Act, 1990, to the refund claimants.
	(2)		The notes shall be printed by Pakistan Security Printing Corporation with security features and in the form as the Board may determine.
4			Features of promissory notes.—
	(1)		The maturity period of the promissory notes shall be three years from the date of issuance.
	(2)		The promissory notes shall be issued in multiples of one hundred thousand Rupees.
	(3)		The promissory notes shall bear annual simple profit at ten per cent and shall be redeemable after the period of maturity.
	(4)		The promissory notes shall be redeemable before maturity only at the option of the Board along with simple profit payable at the time of redemption.
	(5)		The promissory notes shall be traded freely in the country's secondary markets.
	(6)		The promissory notes shall be approved security for calculating the statutory liquidity reserve.
	(7)		The promissory notes shall be accepted by the banks as collateral.
	(8)		There shall be no compulsory deduction of Zakat against the promissory notes and sahib-e-nisab may pay Zakat voluntarily according to Shariah.

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5			Transfer of notes
			The notes shall be transferable only in the manner provided hereunder:-
	(a)		It shall be transferable by endorsement and delivery like a promissory note payable to order;
	(b)		no endorsement of a note shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed on the back of the note itself;
	(c)		no writing on a note shall be valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the note;
	(d)		The note office may decline to accept a note endorsed in blank for any purpose unless the endorsement in blank is converted into that in full before presentation;
6			Payment on redemption.-
	(1)		When a note becomes due for payment, it shall be presented at the note office by the holder.
	(2)		On redemption, the profit on the notes shall be paid along with the face value, in the form of a crossed cheque drawn on the State Bank of Pakistan.
	(3)		The cheque shall be signed by the in charge of note office and another signatory as appointed by the Board.
	(4)		The principal amount along with the profit shall be debited to the revenue account "B02368 Sales Tax Refund".
7			Procedure when a note is lost etc.-
	(1)		The procedure to be followed for the issue of a duplicate note in place of a note which is claimed to have been lost, stolen, destroyed, mutilated or defaced either wholly or in part, shall, mutatis mutandis, be the same as laid out in respect of the promissory note in the Public Debt Rules, 1946.
	(2)		In case of an executant being unable to write, the procedure as provided in the Public Debt Rules, 1946, shall be followed."