

SRO 500-2013 Rescinding various sales tax and FED Notifications

12th June 2013.

In exercise of the powers conferred by clause (b) of sub-section (2) of section 3, section 4, clause (a) of sub-section (2) of section 13 and section 34A of the Sales Tax Act, 1990, sub-section (1) of section 12A of the Central Excises Act, 1944 (I of 1944) and clause (c) of sub-section (1) of section 3 and section 16 of the Federal Excise Act, 2005, the Federal Government is pleased to rescind the following Notifications, namely:-

(i) No. S.R.O. 646(I)/2005, dated the 30th June, 2005;

Zero percent sales tax on supply thereof to M/s Pakistan PTA Limited, Port Qasim, having sale tax registration no. 1200280600164, by the manufacturer M/s BOC Pakistan Ltd., sales tax registration no. 0206280400228.

| | | |
|----------|-----------------|-----------|
| Hydrogen | PTC Heading No. | 2804.1000 |
| Nitrogen | | 2804.3000 |
| Helium | | 2804.2990 |

(ii) No. S.R.O. 172(I)/2006, dated the 24th February, 2006;

(iii) No. S.R.O. 863(I)/2007, dated the 24th August, 2007;

zero per cent on raw materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of goods specified in column (2) of the Table below subject to the following conditions, namely:-

| S.No | Description of goods to be manufactured | Heading or sub-heading numbers |
|------|---|--------------------------------|
| (1) | (2) | (3) |
| 1. | Colors in sets | 3213.1000 |
| 2. | Writing, drawing and making inks | 3215.9010 and 3215.9090 |
| 3. | Erasers | 4016.9210 and 4016.9290 |
| 4. | Exercise books | 4820.2000 |
| 5. | Pencils sharpener | 8214.1000 |
| 6. | Geometry box | 9017.2000 |
| 7. | Pens, ball pens, markers and porous tipped pens | 96.08 |
| 8. | Pencils including color pencils | 96.09 |
| 9. | Milk including flavored milk | 04.01 and 0402.9900 |
| 10. | Yogurt | 0403.1000 |
| 11. | Cheese | 0406.1010 |
| 12. | Butter | 0405.1000 |
| 13. | Cream | 04.01 and 04.02 |
| 14. | Desi ghee | 0405.9000 |
| 15. | Whey | 04.04 |
| 16. | Milk and cream, concentrated and added sugar or other sweetening matter | 0402.1000 |
| 17. | Preparations for infant use put up for retail sale | 1901.1000 |
| 18. | Fat filled milk | 1901.9090 |

(iv) No. S.R.O. 160(I)/2010, dated the 10th March, 2010;

Exempt whole of the amount of default surcharge and penalties payable by a registered person located in districts of Hangu, Bannu, Tank, Kohat, Chitral, Charsadda, Peshawar, Dera Ismael Khan, Batagram, Lakki Marwat, Sawabi and Mardan against whom an amount of sales tax or federal excise duty is outstanding on account of any audit observation, audit report, show cause notice or any adjudication order or who has failed to pay any amount of sales tax or federal excise duty or claimed inadmissible input tax adjustment or refund or drawback due to any reason, subject to the condition that the outstanding principal amount of sales tax or federal excise duty is paid by or before the 30th June, 2010:

Provided that exemption of default surcharge and penalties under this notification shall not be applicable to cement, sugar, beverages and cigarette sectors

(v) No. S.R.O. 161(I)/2010, dated the 10th March, 2010;

The fiscal relief package to rehabilitate the economic life in NWFP, FATA/PATA announced by the Federal Government on 07.01.2010, incentives relating to sales tax and federal excise.

(vi) No. S.R.O. 162(I)/2010, dated the 10th March, 2010;

The fiscal relief package to rehabilitate the economic life in NWFP, FATA/PATA announced by the Federal Government on 07.01.2010, incentives relating to sales tax and federal excise.

(vii) No. S.R.O. 163(I)/2010, dated the 10th March, 2010;

Amendment in SRO 509(1)/2007 dated 9th June 2007.

In the said Notification, in the Table, in column (1), against serial number 66, in column (3), for the figure "3206.4990", the figure "3206.4900" shall be substituted.

(viii) No. S.R.O. 164(I)/2010, dated the 10th March, 2010;

The fiscal relief package to rehabilitate the economic life in NWFP, FATA/PATA announced by the Federal Government on 07.01.2010, incentives relating to sales tax and federal excise.

(ix) No. S.R.O. 117(I)/2011, dated the 10th February, 2011;

Relief Under Prime Minister's Package to areas not covered under ST Act 1990 for goods if supplied to a person in area where ST act is applicable.

- (x) No. S.R.O. 180(I)/2011, dated the 5th March, 2011;
supersession of its Notification No. S.R.O. 165(I)/2010, dated the 10th March, 2010, the Federal Government is pleased to specify that sales tax shall be charged at the lower rate of fifty per cent of the rate leviable under sub-section (1) of the said section on the supplies made of goods, other than cement, sugar, beverages and cigarettes, by the registered persons located in districts of Hangu, Bannu, Tank, Kohat, Chitral, Charsadda, Peshawar, Dera Ismael Khan, Batagram, Lakki Marwat, Sawabi, Nowshera and Mardan.

This notification shall take effect on and from the 10th March, 2010

- (xi) No. S.R.O. 200(I)/2011, dated the 14th March, 2011; and
(xii) No. S.R.O. 201(I)/2011, dated the 14th March, 2011;

SRO 501-2013 To exempt goods that were earlier zero-rated under SRO 549(1) 2008

In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt the whole of sales tax on the import and supplies of the goods mentioned in column (2) of the Table below, namely:-

| TABLE | |
|--------------|-------------|
| S.No | Description |
| (1) | (2) |

1. Uncooked poultry meat (PCT Heading 02.07).
2. Milk and cream (PCT headings 04.01 and 04.02).
3. Flavored Milk (PCT Headings 0402.9900 and 22.02).
4. Yogurt (PCT Heading 0403.1000).
5. Whey (PCT Heading 04.04).
6. Butter (PCT Heading 0405.1000).
7. Desi ghee (PCT Heading 0405.9000).
8. Cheese (PCT Heading 0406.1010).
9. Processed cheese not grated or powdered (PCT Heading 0406.3000).
10. Cotton seed (PCT heading 1207.2000).
11. Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal (PCT Heading 1601.0000).
12. Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish (PCT Headings 1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020, 1604.2090, 1604.3000).
13. Preparations for infant use, put up for retail sale (PCT Heading 1901.1000).
14. Fat filled milk (PCT Heading 1901.9090).
15. Soyabean meal (PCT Heading 2304.0000).

16. Oil cake and other solid residues, whether or not ground or in the form of pellets (PCT heading 2306.1000)
17. Colours in sets (Poster colours) (PCT Heading 3213.1000).
18. Writing, drawing and marking inks (PCT Headings 3215.9010 and 3215.9090).
19. Erasers (PCT Headings 4016.9210 and 4016.9290).
20. Exercise books (PCT Heading 4820.2000).
21. Directly reduced iron (PCT heading 72.03).
22. Pencil sharpeners (PCT Heading 8214.1000).
23. Energy saver lamps (PCT heading 8539.3910).
24. Sewing machines of the household type (PCT Headings 8452.1010 and 8452.1090).
25. Purpose built taxis, whether in CBU or CKD condition (PCT Headings 8703.3226 and 8703.3227) which are built on girder chassis and having following features, namely:-
 - (a) Attack resistance central division along with payment tray;
 - (b) Wheelchair compartment with folding ramp; and
 - (c) Taximeter and two-way radio system.
26. Bicycles (PCT Heading 87.12).
27. Wheelchairs (PCT headings 8713.1000 and 8713.9000).
28. Vessels for breaking up (PCT heading 89.08)
29. Other drawing, marking out or mathematical calculating instruments (geometry box) (PCT Heading 9017.2000).
30. Pens and ball pens (PCT Heading 96.08).
31. Pencils including colour pencils (PCT Heading 96.09).
32. Compost (non-chemical fertilizer) produced and supplied locally
33. Construction materials to Gawadar Export Processing Zone's investors and to Export Processing Zone Gawadar for development of Zone's infrastructure.

2. This Notification shall take effect on and from the 13th day of June, 2013.

SRO 502-2013 To delete items from SRO 549(1) 2008 as these items are now exempt under SRO 501(1) 2013

SRO 503-2013

Amendments shall be made in its Notification No. S.R.O. 993(I)/2006, dated the 21st September, 2006, namely:-

In the aforesaid Notification, in the Table, against serial number 1 in column (1), clause (iv) in column (3) shall be omitted.

~~SRO 993(I)/2006~~

~~Allow composite repayment cum drawback of sales tax and federal excise duty to the registered person on the export from Pakistan of vegetable ghee and cooking oil at the rates mentioned against each in column (3) of the Table below subject to the conditions specified in paragraph 2.~~

| TABLE | | |
|--------------|-----------------------|------------------------------------|
| S.No | Description | Repyament cum drawback rate |
| (1) | (2) | (3) |
| 1 | Vegetable ghee | Rs. 5.99 per kg |

SRO 504-2013 To exclude finish articles, goods and made-ups from the purview of SRO 1125(1) 2011

Amendment in SRO 1125(I)/2011 dated 31st December, 2011

In the aforesaid Notification, in the Table, in column (1),-

(a) against serial numbers 1, 2, 3, 6 and 7, for the entries relating thereto in columns (2) and (3) the following shall be substituted; namely:-

| S.No | Description of goods | PCT Heading No. |
|------|--|--|
| (1) | (2) | (3) |
| 01. | Leathers and articles thereof, excluding finished articles of leather and artificial leather Leather and articles thereof including artificial leather Footwear | Chapter 41 and heading 64.06 41.01 to 41.15, 64.03, 64.04, 6405.1000, 6405.2000 and other respective headings |
| 02. | Textile and articles thereof, excluding (a) finished articles of textiles and textile made-ups; (b) mono-filament of more than 67 decitex; (c) sun shading; (d) fishing net of nylon or other material; (e) rope of polyethylene or nylon; and (f) tyre cord fabric Textile and articles thereof excluding monofilament, sun shading, nylon fishing net, other fishing net, rope of polyethylene and rope of nylon, tyre cord fabric | Chapters 50, 51, 52, 53, 54 (excluding 5407.2000), 55, 56 (excluding 56.08 and 56.09), 57(excluding made ups), 58, 59 (excluding 59.05, 59.10) and 60 Chapter 50 to Chapter 63 and other respective headings excluding 5407.2000, 5608.1100, 5608.1900, 5608.9000. |
| 03. | Carpets, excluding those in finished condition Carpets | Chapter 57 (excluding made ups) 57.01 to 57.05 |
| 06. | Sports goods, excluding those in finished condition Sports goods | Respective headings excluding finished goods. 9504.2000, 9506 and other respective headings |
| 07. | Surgical goods, excluding those in finished condition Surgical goods | Respective headings excluding finished goods". Respective headings |

- b. against serial number 56, in column (2), after the word "preparations" the word "excluding master batches" shall be added; and

| | | |
|----|---|-----------|
| 56 | Other coloring matter and other preparations —excluding master batches | 3206.4900 |
|----|---|-----------|

- c. serial number 68 and the entries relating thereto in columns (2) and (3) shall be omitted;

| | | |
|---------------|---------------------------|----------------------|
| 68 | Shoe adhesives | 3506.9110 |
|---------------|---------------------------|----------------------|

SRO 505-2013 To expand scope of WHST by making all WHA responsible to withhold whole of sales tax on purchases from unregistered persons

In exercise of the powers conferred by sub-section (6) and sub-section (7) of section 3 and sub-section (4) of section 7 of the Sales Tax Act, 1990, read with section 71 thereof, the Federal Government is pleased to direct that the following further amendments shall be made in the Sales Tax Special Procedure (Withholding) Rules, 2007, namely:-

In the aforesaid Rules, in rule 2, in sub-rule (3), the comma, words, letters, figure and brackets ", having Free Tax Number (FTN) and falling under clauses (a), (b) or (c) of sub-rule (2) of rule 1" shall be omitted.

RULE 2 - SUB-RULE 3

A with holding Agent, ~~having Free Tax Number (FTN) and falling under clause (a), (b) or (c) of sub-rule (2) of rule 1~~, shall on purchase of taxable goods from unregistered persons, deduct sales tax at the applicable rate of the value of taxable supplies made to him from the payment due to the supplier and unless otherwise specified in the contract between the buyer and the supplier, the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply.

SRO 506-2013 To amend sales tax rules 2006 to change clauses related to place of registration

In exercise of the powers conferred by sub-section (1) of section 4 and section 40 of the Federal Excise Act, 2005, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8, clause (b) of sub-section (1) of section 8, clause (ii) of sub-section (2) of section 8B, sections 9, 10, 14, 21 and 28, clause (c) of sub-section (1) of section 22, first proviso to sub-section (1) of section 23, section 26, section 33, sub-section (6) of section 47A, sections 48, 50A, 52, 52A and 66 thereof, the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Sales Tax Rules, 2006, namely:-

In the aforesaid Rules, —

(1) in rule 5, in sub-rule (1), for clauses (a), (b), (c) and the provisos there under the following shall be substituted, namely:-

(a) in case of a corporate or non-corporate person, having a single manufacturing unit or business premises, the Regional Tax Office or Large Taxpayers Unit, as the case may be, in whose jurisdiction the manufacturing unit or business premises is actually located; or

(b) in case of a corporate or non-corporate person, having multiple manufacturing units or business premises, the Board may decide the place of registration of such persons:

~~(a) in case of a corporate person, that is, a listed public limited company or an unlisted public limited company or a private limited company, the area where the registered office is located;~~

~~(b) in case of a person not incorporated, the area where the business is actually carried on; and~~

~~(c) in case of a person not incorporated, having a single manufacturing unit, whose business premises and manufacturing unit are located in different areas, shall apply for registration in the Collectorate of the area in whose jurisdiction his manufacturing unit is located;~~

Provided that existing registrations which fall in category of clause (a) shall stand transferred and in case of those falling in category of clause (b) the Board may decide the place of registration of such person.”; and

~~Provided further that a corporate person shall have the option to apply for transfer of registration to the Collectorate having jurisdiction where the place of business is located.~~

(2) Chapter VIIA and the rules there under shall be omitted;

2. This Notification shall take effect on and from the 1st day of July, 2013.

SRO 509-2013 To levy extra tax @ 5% on non-registered Industrial and commercial connections where monthly bills exceed 15,000 per month

In exercise of the powers conferred by sub-section (5) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to levy extra tax at the rate of five percent of the total billed amount excluding the amount of federal taxes, in addition to the tax payable under sub-section (1) of section 3 of the Act,

On supplies of electric power and natural gas to persons having Industrial or commercial connections, and Whose bill in any month exceeds rupees fifteen thousand, but Who have either not obtained sales tax registration number or are not on the Active Taxpayers List maintained by the Federal Board of Revenue, Subject to the mode, manner, conditions and limitations prescribed in the rules.

SRO 510-2013 Amend in ST Special Procedure Rules, 2007 to prescribe the rules for chargeability of extra tax levied under SRO 509(1) 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 6, 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 further amendments in the Sales Tax Special Procedure Rules, 2007, namely-

In the said Rules, after Chapter IV, the following new Chapter shall be inserted, namely:-

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.

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."