

Section	Subsection	Clause	<b>Amendment of Sales Tax Act, 1990.-</b> In the Sales Tax Act, 1990,-	Finance Act 2018-19 update NEW / inserted Deletion or Omitted Substituted
In the Sales Tax Act, 1990 the following further amendments shall be made, namely:-				

3	1A		<b>Scope of tax.</b> Subject to the provision of sub section (6) of section 8 or any notification issued thereunder, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of <del>two</del> three percent of the value In addition to the rate specified in sub sections (1), (1B), (2), (5), (6) and section 4 provided that the Federal Govt. may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.
Restore the power of Federal Government instead of Board with the approval of Federal Minister in charges.			
			Section 3 (Scope of tax) Section 3(2)(b) Section 3(3A) Section 3(5) Section 4(Zero rating) Section 4(c) Section 7(Determination of tax liability) Section 7(3) Section 7(4) Section 7A(1) Section 7A(2) Section 8(Tax credit not allowed) Section 8(1)(b)
8			Tax Credit not allowed
	1		Notwithstanding anything contained in this Act, a registered person shall not be entitled to reclaim or deduct input tax paid on
		(m)	import of scrap of compressors falling under PCT heading 7204.4940
11B			Assessment giving effect to an order
	1		Except where sub-section (2) applies, where in consequence of, or to give effect to, any finding or direction in any order made under Chapter-VIII by the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court an order of assessment of tax is to be issued to any registered person, the Commissioner or an officer of Inland Revenue empowered in this behalf shall issue the order within one year from the end of the financial year in which the order of the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court, as the case may be, was served on the Commissioner or officer of Inland Revenue.

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	<b>2</b>		<p>Where, by an order made under Chapter-VIII by the Appellate Tribunal, High Court or Supreme Court, an order of assessment is <del>set aside</del> <b>remanded</b> wholly or partly and the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is directed to pass a new order of assessment, the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, shall pass the new order within one year from the end of the financial year in which the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is served with the order:</p> <p>Provided that limitation under this sub-section shall not apply, if an appeal or reference has been preferred against the order passed by Appellate Tribunal or a High Court.</p>
13			Exemption
	1		Notwithstanding the provisions of sub-section (1)
		(a)	<p><del>the Board with the approval of the Federal Minister in charge may, pursuant to the approval of the Economic Coordination Committee of Cabinet</del> Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral, multilateral agreements and matters relating to international financial institutions or foreign government-owned financial institutions] by notification in the official Gazette, exempt any taxable supplies made or import or supply of any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein;</p>
25			Access to record, documents, etc.,
	2		<p>The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained under sub-section (1), may, once in a year, conduct audit:</p> <p>Provided that in case the Commissioner has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of Inland Revenue, not below the rank of Assistant Commissioner, to conduct an inquiry or investigation under section 38:</p> <p>Provided further that nothing in this sub-section, shall bar the officer of Inland Revenue from conducting audit of the records of the registered person if the same were earlier audited by the office of the Auditor-General of Pakistan:</p> <p><b>Provided also that audit under this section shall be conducted only once in every</b></p>

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			<b>three years.</b>
30A			Directorate General, (Intelligence and Investigation) Inland Revenue -
	1		<del>The Directorate General (Intelligence and Investigation) Inland Revenue 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.</del>  The Directorate General (Intelligence and Investigation) Inland Revenue 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, <b>appoint</b> post.
	2		The Board may, by notification in the official Gazette-
		(a)	specify the functions and jurisdiction of the Directorate General and its officers; and
		(b)	confer the powers of authorities specified in section 30 upon the Directorate General and its officers.
34			Default Surcharge
	1	(a)	the person liable to pay any amount of tax or charge or the amount of refund erroneously made, shall pay default surcharge at the rate of KIBOR plus <del>three</del> <b>twelve</b> per cent per annum, of the amount of tax due or the amount of refund erroneously made; and
40B			Posting of Inland Revenue Officer.-
			Subject to such conditions and restrictions as deemed fit to impose, the Board, <del>or Chief Commissioner</del> may post Officer of Inland Revenue to the premises of registered person or class of such persons to monitor production, sale of taxable goods and the stock position:  <del>Provided that if a Commissioner, on the basis of material evidence, has reason to believe that a registered person is involved in evasion of sales tax or tax fraud, he may, by recording the reason in writing, post an Inland Revenue to the premises of such registered person to monitor production or sale of taxable goods and the stocks position.</del>  <del>Explanation.— For the removal of doubt, it is declared that the powers of the Board, Chief Commissioner and Commissioner under this section are independent of the provisions of section 40.</del>
47A			Alternative dispute resolution
	1		Notwithstanding any other provision of this Act or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to- a. The liability of tax against the aggrieved person, or admissibility of refunds, as the case may be; b. The extent of waiver of default surcharge and penalty; or c. any other specific relief required to resolve the dispute,

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			<p><del>who has filed an appeal which is pending before an Appellate Authority,</del> may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law is involved having effect on other cases. <del>except where prosecution proceedings have been initiated or where interpretation of question of law having effect on identical other cases is involved.</del></p>	
	2		<p>The Board after examination of the application of an aggrieved person appoint a Committee <del>shall</del>, within sixty days of receipt of such application in the Board, comprising:</p> <ul style="list-style-type: none"> <li>i. an officer of Inland Revenue not below the rank of a Commissioner;</li> <li>ii. a person to be nominated by the taxpayer from a panel notified by the Board comprising: <ul style="list-style-type: none"> <li>a. senior chartered accountants and senior advocates having experience in the field of taxation; and</li> <li>b. reputable businessmen as nominated by Chambers of Commerce and Industry;</li> </ul> </li> <li>iii. a retired Judge not below the rank of District and Sessions Judge, to be nominated through consensus by the members appointed under (i) and (ii) above.</li> </ul> <p><del>appoint a committee consisting of an officer of Inland Revenue not below the rank of Commissioner and two persons from a panel comprising of retired High Court judges, retired District and Session Judges, Chartered or Cost Accountants, Advocates, Income Tax Practitioners or reputable taxpayers for the resolution of the hardship or dispute.</del></p>	
	3		<p>The aggrieved person, or the Commissioner, or both, as the case may be, <del>and the Board, as the case may be</del>, shall withdraw the appeal pending before any Court of Law or an Appellate Authority, after constitution of the Committee by the Board under sub-section (2) <del>the appellate authority</del>.</p>	
	4		<p>The committee shall not commence the proceeding under sub-section (2)(5) unless the order of withdrawal by the Court of Law or an <del>from the</del> appellate authority is communicated to the Board:</p> <p>Provided that if the order of withdrawal is not communicated within seventy-five days of the appointment of the committee, the said committee shall be dissolved and <del>provision of</del> this section shall not apply.</p>	
	5		<p>The committee appointed under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute by majority, within one hundred and twenty days of its appointment:</p>	

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			Provided that in computing the aforesaid period of one hundred and twenty days, the period, if any, for communicating the order of withdrawal under sub-section <del>(3)</del> (4) shall be excluded.
	6		<del>The decision of the committee made under sub-section (5) shall be binding on the Board and the aggrieved person.</del> The recovery of tax payable by a taxpayer in connection with any dispute for which a Committee has been appointed under sub-section (2) shall be deemed to have been stayed on withdrawal of appeal upto the date of decision by the Committee.
	<del>6</del> 7		The decision of the committee made under sub-section (5) shall be binding on the Board and the aggrieved person.
	<del>7</del> 8		If the committee fails to decide <del>the dispute</del> within the period of one hundred and twenty days under sub-section (5), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the Court of Law or the appellate authority, which issued the order of withdrawal under sub-section <del>(3)</del> (4) and the appeal shall be treated to be pending before such a Court of Law or the appellate authority as if the appeal had never been withdrawn.
	<del>8</del> 9		The Board shall communicate the order of dissolution to the Court of Law or the appellate authority <del>mentioned in sub-section (1)</del> and the Commissioner.
	<del>9</del> 10		The aggrieved person, on receipt of the order of dissolution, shall communicate it to the Court of Law or the Appellate Authority which shall decide the appeal within six months of the communication of said order. <del>may make the payment of sales tax and other taxes as decided by the committee under sub-section (5) and all decisions, orders and judgments made or passed shall stand modified to that extent and all proceedings under this Act or the rules made thereunder by any authority shall abate.</del>
	11		The aggrieved person may make the payment of sales tax and other taxes as decided by the committee under sub-section (5) and all decisions, orders and judgments made or passed shall stand modified to that extent.
	12		The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).
	<del>10</del> 13		The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.

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48			Recovery of arrears of tax
	1		Provided that the Commissioner Inland Revenue or any officer of Inland Revenue shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that <del>twenty five</del> ten per cent of the amount of tax due has been paid by the taxpayer.
58			Liability for payment of tax in the case of private companies or business enterprises
			Notwithstanding anything contained in the <del>Companies Ordinance 1984, (XLVII of 1984)</del> Companies Act, 2017(XIX of 2017), where any private company or business enterprise is wound up and any tax chargeable on the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was a [owner of, or partner in, or director of,] the company [or business enterprise] during the relevant period shall, jointly and severally with such persons, be liable for the payment of such tax.
			Restore the power of Federal Government instead of Board with the approval of Federal Minister in charges.
			Section 60 (Power to deliver certain goods without payment of tax) Section 65 (Exemption of tax not levied or short levied as a result of general practice) Section 71(1) (Special procedure)
74A			Validation
	1		All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, <del>2017</del> 2018 shall be deemed to have been validly issued and notified in exercise of those powers.
	2		Notwithstanding any omission, irregularity or deficiency in the establishment of or conferment of powers and functions on the Directorate General (Intelligence and Investigation), Inland Revenue and authorities specified in section 30A, all orders passed, notices issued and actions taken, before commencement of the Finance Act, 2018, in exercise or purported exercise of the powers and functions of the officers of Inland Revenue under this Act by the Director General (Intelligence and Investigation), Inland Revenue or the authorities specified in section 30A shall be deemed to have been validly passed, issued and taken under this Act.