

Rules	Sub-rule	Clause	The Sindh Sales Tax Rules, 2011
			AMENDMENT MADE BY SRB-3-4-22-2019 dated 1st July, 2019
			NEW / inserted Deletion or Omitted Substituted
31A			Special Procedure for collection and payment of sales tax on the services provided or rendered by insurance agents -
	(1)		The provisions of this rule shall apply in relation to the services provided or rendered by an "insurance agent", including an insurance broker, as defined in clause (53A) of section 2 of the Act.
	(2)		Every insurance agent or broker shall be registered under section 24 or 24A or 24B of the Act, read with the provisions of the rules in Chapter-II of these rules; Provided that the insurance agent or broker providing or rendering the services, entirely and exclusively, as an insurance agent or broker of an insurance company incorporated in Pakistan which is also duly registered under sections 24 or 24A or 24B of the Act, shall not be required to register subject to the condition that such an insurance company deducts and withholds the shole of the amount of Sindh sales tax payable on the services of such insurance agent or broker and deposits the said amount in Sindh Government's head of account "B-02384" in the prescribed manner.
	(3)		The value of the services provided or rendered by an insurance agent or broker shall be the gross amount of consideration, including the commission or fee or remuneration or any other sum, paid or payable to such an insurance agent or broker by the insurer appointing the insurance agent or broker. Provided that the liability to pay the tax shall be on the person carrying on the business of insurance (i.e the recipient of services of the insurance agent or broker); Provided further that in case the insurance agent or broker receives consideration, including the commission or fee or remuneration, from a person or an insurer not resident in Pakistan, such a consideration shall be treated as the tax inclusive value and the amount of tax shall be worked out on the basis of the tax fraction formula given in clause (93A) of section 2 of the Act. Explanation: The terminology "insurer", as used in this rule, shall have the same meaning as given in clause (xxxi) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000) and the terminology "registered insurer", as used in this rule, shall mean the insurer registered under sections 24, 24A or 24B of the Act read with the provisions of the rules in Chapter-II of these rules.
	(4)		Every person or insurer, receiving or procuring the services of an insurance agent or broker, shall deposit the amount of tax, on the services of the insurance agent or broker, in the prescribed manner, by the 15th day of every month following the tax period to which it relates and shall also file the return (in Form SST- 03) within 3 days from the due date for payment of tax:

			<p>Provided that the insurance agent or broker receiving consideration, including commission or fee or remuneration or any other sum, from a person or an insurer not resident in Pakistan shall himself deposit the amount of tax involved on the services provided or rendered by him as an insurance agent or broker of the person or insurer not resident in Pakistan, in the prescribed manner, by the 15th day of the month following the tax period in which he receives the amount of consideration in his business bank account through banking channel and shall also file his return in the prescribed manner, within 3 days from the due date for payment of tax.</p>
	(5)		<p>The insurance agent or broker providing or rendering services to a registered insurer, duly incorporated in Pakistan, shall not be required to issue invoices as prescribed in sub-rule (1) of rule 29 of these rules. However, the registered insurer, while submitting his tax return (in Form SST-03), shall indicate the amount of tax deducted or withheld by him in relation to the services provided or rendered by such insurance agents or brokers in Row No. 14A of the tax return and also under the column "ST Withheld as WH Agent" in Annex-A of that return. In such a case, the registered insurer may, in Annex-A of the return, group all such insurance agents or brokers in one line with a dummy NTN as 9999998-1.</p>
	(6)		<p>Besides the record prescribed under section 26 of the Act, read with sub-rules (2) and (2A) of rule 29 of these rules, the registered insurer incorporated in Pakistan shall also keep the record of the CNICs and NTNs of the insurance agents or insurance brokers providing or rendering the services of insurance agents or brokers to such an insurer."</p>