

Sales Tax Act, 1990

The

Sales Tax Act, 1990

(Act No. III of 1951 as Amended  
by Act VII of 1990)

As amended up to 30" June, 2025

The amendments made through

Finance Act, 2025  
have been shown in Red

# Sales Tax Act, 1990

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# Sales Tax Act, 1990

## The Sales Tax Act, 1990

[Act No. III of 1951 as Amended by Act VII of 1990]

An Act to consolidate and amend the law relating to the levy of a tax on the sale'[, importation, exportation, production, manufacture or consumption] of goods

WHEREAS it is expedient to consolidate and amend the law relating to the levy of a tax on the sale °[, importation, exportation, Production, manufacture or consumption] of goods;

It is hereby enacted as follows:-

### 4[Chapter-I

#### PRELIMINARY

1. Short title, extent and commencement.— (1) This Act may be called the Sales Tax °[...] Act, 1990.

(2) It extends to the whole of Pakistan.

6[(3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.]

7(2. Definitions.— In this Act, unless there is anything repugnant in the subject or context,—

8[“(1) “abettor” means a person who intentionally abets or connives in tax fraud as defined in clause (37) of section 2 or in the commission of any offence warranting prosecution under this Act, and includes a person who,—

(a) prepares, or causes to be prepared with authorization of the registered person, invoices for false claim of input tax adjustment; or

! For Statements of Objects and Reasons see Gazette of Pakistan, dated the 30" March 1951, Pt. V. pp 36 and 37.

? Substituted for the words “or consumption of goods” by the Finance Act, 1960.

3 Substituted for the words “or consumption of goods” by the Finance Act, 1960.

4 Chapter I to X substituted for Chapters I to XVI by the Finance Act, 1990.

5 Brackets and word “(Amendment)” omitted by the Finance Act, 1991.

© Came into force by Notification No. S.R.O. 1100(1)/90, dated 28-10-1990 w.e,f 1st November, 1990.

7 Section 2 Substituted by the Finance Act, 1996.

8 Clause (1) substituted by Finance Act, 2025.



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(b) allows use of bank account held or operated by him for abetting tax fraud or other offence warranting prosecution under this Act or unauthorisedly or illegally maintains or operates business bank account in other registered person's name.";

°(1A) "active taxpayer" means a registered person who does not fall in any of the following categories, namely:-

(a) who is blacklisted or whose registration is suspended °[\*\*\*] in terms of section 21;

(b) fails to file the return under section 26 by the due date for two consecutive tax periods;

(c) who fails to file an Income Tax return under section 114 or statement under section 115, of the Income Tax Ordinance, 2001(XLIX of 2001), by the due date; and-

(d) who fails to file '[quarterly] or an annual withholding tax statement under section 165 of the Income Tax Ordinance, 2001;

(1B) "Appellate Tribunal" means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance, 2001 (XLIX of 2001);]

(2) "appropriate officer" means an [officer of Inland Revenue] authorised by the Board by notification in the official Gazette to perform certain functions under this Act;

3[(2A) "arrears", in relation to a person, means, on any day, the sales tax due and payable by the person under this Act before that day but which has not yet been paid; ]

'41(3) "associates or associated persons" shall have the same meaning as defined in section 85 of the Income Tax Ordinance, 2001(XLIX of 2001);]

9 The existing clause (1) and (1A) renumbered as clause (1A) and (1B), respectively by Finance Act,2023

10 The words "or is blocked" omitted by Finance Act, 2020.

! The word substituted by Finance Act, 2020.

" Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

'3 Clause (2A) substituted by Finance Act, 2008. Earlier it was inserted by Tax Laws (Amendments) Ordinance 1999. Originally it was inserted by Finance Act, 1991.

14 Clause (3) substituted by Finance Act, 2024.

## Sales Tax Act, 1990

SIA) "association of persons" includes a firm, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company;]

'S((3AA) "banking company" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes anybody corporate which transacts the business of banking in Pakistan;]

'(4) "Board" shall have the same meaning as defined under clause (8) of section 2 of the Income Tax Ordinance, 2001 (XLIX of 2001);]

'I"(4A) "Cargo Tracking System" means a digital system notified by the Board for electronic monitoring and tracking of goods transported within or across the territory of Pakistan, for the purpose of tax enforcement, compliance and prevention of tax evasion;";]

1(4AA)] "Chief Commissioner" means a person appointed as the chief Commissioner Inland Revenue under section 30;]

[(4AAA)] "Commissioner (Appeals)" means Commissioner of Inland Revenue (Appeals) appointed under section 30;]

201(5) "Commissioner" means the Commissioner of Inland Revenue appointed under section 30;]

211(5A) "common taxpayer identification number" means the registration number or any other number allocated to a registered person;]

221(5AA) "company" means —

(a) a company as defined in the Companies Ordinance, 1984 (XL VII of 1984);

(b) a body corporate formed by or under any law in force in Pakistan;  
(c) amodaraba;

(d) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;

5 Clause (3A) inserted by Finance Act, 2008.

16 Clause (3A) re-numbered as (3A.A). Earlier it was inserted by Finance Act, 2004.

17 Clause (4) substituted by Finance Act, 2024. Earlier it was substituted by Finance Act, 2008.

18 Clause (4A) inserted by Finance Act, 2025.

° The existing clause (4A) and (4AA) renumbered as clause (4AA) and (4AAA), respectively by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23

2 Clause (5) inserted by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary

was made Through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette Extraordinary Part Lat pages 229 to 259.

2 Clause (5A) inserted by Finance Act, 2006. Earlier clause (5A) was omitted by Finance Act, 2004, Earlier it was inserted by Finance Ordinance, 1999.

2 Clause (SAA) inserted by Finance Act, 2008.

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(e) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law for the time being in force; or

(f) a foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of the Income Tax Ordinance 2001 (XLIX of 2001);

231(5AAA)] “computerized system” means any comprehensive information technology system to be used by the Board or any other office as may be notified by the Board, for carrying out the purposes of this Act;]

-4((5AB) “cottage industry” means a manufacturing concern, which fulfils each of following conditions, namely:—

(a) does not have an industrial gas or electricity connection;  
(b) is located in a residential area;  
(c) does not have a total labour force of more than ten workers; and

(d) annual turnover from all supplies does not exceed \*\*[eight] million rupees; ]

6((S5ABA) “courier” means any entity engaged in the delivery of goods and collection of cash on behalf of a seller including logistic and ride-hailing services;”;)]

26((SAC)“CREST” means the computerized program for analyzing and cross matching of sales tax returns, also referred to as COMPUTERISED RISK-BASED EVALUATION of SALES TAX;]

(6) “Customs Act’ means the Customs Act, 1969 (IV of 1969), and where appropriate all rules and notifications made under that Act;  
271(6A) “defaulter” means a person and, in the case of company or firm, every director, or partner of the company, or as the case may be, of the firm, of which he is a director or partner or a proprietor and includes guarantors or successors, who fail to pay the arrears;]

°(6B) “default surcharge” means the default surcharge levied under section 34;]

use (SAA) re-numbered as (SAAA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006. 24 Clause (SAB) substituted by Finance Act, 2019.

25 Word “eight” substituted by Finance (Supplementary) Act, 2022.

26 Clause (SABA) inserted by Finance Act, 2025.

2 CREST SAC inserted by Finance Act, 2013.

2 Clause (6A) inserted by Tax Laws (Amendments) Ordinance, 1999.

° Clause (6B) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2005.



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(7) "distributor" means a person appointed by a manufacturer, importer or any other person for a specified area to purchase goods from him for further supply and includes a person who in addition to being a distributor is also engaged in supply of goods as a wholesaler or a retailer;

(8) "document" includes any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium for the storage of such data;

(9) "due date" in relation to the furnishing of a return °[under section 26], 'E ?L...] PL....] means the '[15]" day of the month following the end of the tax period, or such other date as the [Board] may, by notification in the official Gazette, specify [and different dates may be specified for furnishing of different parts or annexures of the return];

'(9A)] "e-intermediary" means a person appointed as e-intermediary under section 52A for filing of electronic returns and such other documents as may be prescribed by the Board from time to time, on behalf of a person registered under section 14;]

(9B) "e-bility" means a digital transport document generated through the Cargo Tracking System as prescribed by the Board, to accompany goods during their movement.;"

20(9C) "e-commerce" means sale or purchase of goods conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders either through websites, mobile applications or online marketplace having digital ordering features by using mobile phones, automated computer-to-computer ordering system or any similar device,;"

(10) "establishment" means an undertaking, firm or company, whether incorporated or not, an association of persons or an individual;

(11) "exempt supply" means a supply which is exempt from tax under section 13;

1 The words and figure inserted by Finance Act, 1998.

1" 'The words and figure inserted by Tax Laws Amendment Ordinance, 2000, dated 24"\*\* May, 2000.

2 Comma and words etc. , sub-section (6) of section 26A" omitted by Finance Act, 2004.

3 The expression "and section 26AA omitted by Finance, Act, 2016.

+ Substituted for "20" by Finance Act, 1998

15 Substituted for "Federal Government" by Finance Act, 2008

16 Expression inserted through Finance Act, 2016

17 Clause (9A) inserted by Finance Act, 2006. Earlier clause (9A) was omitted by Finance Act, 2004. Original (Amendments) Ordinance, 2001.

18 Clause (9AA) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated Feb 2001  
Clause (9B) inserted by Finance Act, 2025

2 Clause (9C) inserted by Finance Act, 2025

Sales Tax Act, 1990

211A) "FBR Refund Settlement Company "[10a] Limited" means the company with this name as incorporated under the \*[Companies Act, 2017 (XIX of 2017)], for the purpose of settlement of sales tax and income tax refund claims including payment by way of issuing refund bonds under section 67A';]

247'0(11B) "firm" means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;]

(12) "goods" include \*[\*\*\*] every kind of movable property other than actionable claims, money, stocks, shares and securities;

26("12A) "green industry" in relation to the entry at serial number 150 of the Table-1 of the Sixth Schedule, means-

(a) anew industrial undertaking which is-

(i) setup on land which not previously been utilised for any commercial, industrial or manufacturing activity and is free from constraints imposed by any prior work;

(ii) built without demolishing revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant;

(iii) not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;

(iv) using any process or technology that has not earlier been used in Pakistan and is so approved by the Engineering Development Board; and

(b) is approved by the Commissioner on an application made in the prescribed form and manner, accompanied by the prescribed documents and, such other documents as may be required by the Commissioner:

Provided that this definition shall be applicable from the 1\* July, 2019 and onwards." |

(13) "importer" means any person who \*[ ... ] imports any goods into Pakistan;

21 Existing clause re-numbered as clause (1B) and new clause (1A) inserted by Finance Supplementary  
2 The word (Pvt) omitted by Finance Act, 2019.

23 Words substituted vide Finance Act, 2019

> Clause (1 1A) inserted by Finance Act, 2008.

25 Expression omitted by Finance Act, 2023

2°New clause 12A inserted through Tax Laws (Amendment) Act, 2020 dated 30-3-2020.

27 Word "lawfully" omitted by Finance Act, 2008

(14)

(a)

(b)

(c)

(d)

(e)

34((14A)

Sales Tax Act, 1990

“input tax”, in relation to a registered person, means —  
tax levied under this Act on supply of goods to the person;  
tax levied under this Act on the import of goods by the person;

in relation to goods or services acquired by the person, tax levied  
under the Federal Excise Act, 2005 in sales tax mode as a duty of  
excise on the manufacture or production of the goods, or the  
rendering or providing of the services; 7°[°° ]

a, ] \*[Provincial Sales Tax levied on services rendered or  
provided to the person \*7[excluding those services as specified by the  
Board through notification in the official Gazette subject to such  
conditions, restrictions and limitations as mentioned therein]; and]

levied under the Sales Tax Act, 1990 as adapted in the State of Azad  
Jammu and Kashmir, on the supply of goods received by the person;]

the expression “KZJBOR” means Karachi Inter-Bank Offered Rate

prevalent on the first day of each quarter of the financial year;]

\*[(15)

“Local Inland Revenue Office” means the office of Superintendent

of Inland Revenue or such other office as the Board may, by notification in the  
official Gazette, specify;]

36(“(15A) “licensed integrator” means any person licensed by the Board to  
provide electronic invoicing system for integration of registered persons in the  
prescribed manner; ]

(16)

(a)

“manufacture” or “produce” includes —

any process in which an article singly or in combination with other  
articles, materials, components, is either converted into another  
distinct article or product or is so changed, transformed or reshaped  
that it becomes capable of being put to use differently or distinctly

and includes any process incidental or ancillary to the completion of a manufactured product;

28 Clause (14) substituted by Finance Act, 2008.

2° Word "and" added at the end of clause through Finance, Act, 2016.

Wore

'and" omitted through Tax Laws (Amendment) Ordinance, 2016.

>! Expression omitted through Finance, Act, 2016.

» Expression re-inserted through Tax Laws (Amendment) Ordinance, 2016 having affect from 01\* day of July, 2016..

°3 Expression inserted by Finance Ac

°4 Clause (14A) inserted by Finance

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°5 Clause (15) substituted by Finance Act, 2010 we.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

36 New clause inserted by Finance Act, 2024.

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(b) process of printing, publishing, lithography and engraving; and

(c) process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner;

(17) "manufacturer" or "producer" means a person who engages, whether exclusively or not, in the production or manufacture of goods whether or not the raw material of which the goods are produced or manufactured are owned by him; and shall include —

(a) a person who by any process or operation assembles, mixes, cuts, dilutes, bottles, packages, repackages or prepares goods by any other manner;

(b) an assignee or trustee in bankruptcy, liquidator, executor, or curator or any manufacturer or producer and any person who disposes of his assets in any fiduciary capacity; and

(c) any person, firm or company which owns, holds, claims or uses any patent, proprietary, or other right to goods being manufactured, whether in his or its name, or on his or its behalf, as the case may be, whether or not such person, firm or company sells, distributes, consigns or otherwise disposes of the goods \*7[:]

38[Provided that for the purpose of refund under this Act, only such shall be treated as manufacturer-cum-exporter who owns or has his own manufacturing facility to manufacture or produce the goods exported or to be exported;]

3°18) "Officer of Inland Revenue" means an officer appointed under section 30;]

418A) "online marketplace" online marketplace" means online interfaces that facilitate, for a fee, the direct interaction between multiple buyers and multiple sellers via digital orders for supply of goods, with or without the platform taking economic ownership of the goods that are being sold;";

(19) "open market price" means the consideration in money which that supply or a similar supply would generally fetch in an open market;

41120) "output tax", in relation to a registered person, means —

57 Substituted for the semi-colon by Finance Ordinance, 2000

38 Proviso inserted by Finance Ordinance, 2000.

Clause (18) substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by F

promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan E

this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance I

of Pakistan Extraordinary Part I at pages 229 to 259.

\*° Clause (18A) substituted by Finance Act, 2025,

+1 Clause (20) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2007.



(a)  
(b)

“L©)

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tax levied under this Act on a supply of goods, made by the person;

tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services, by the person;

sales tax levied on the services rendered or provided by the person under Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);]

8(20A) “payment intermediary” means a banking company, any financial institution including a licensed foreign exchange company or payment gateway that facilitate the transfer of funds or payment instructions between two or more parties to enable, process, route, or settle payments with respect to goods in a financial transaction, without being the ultimate source or recipient of the

payment;”;

“(21)

(a)  
(b)

(c)  
(d)  
(e)  
(f)

(22)

45[(22A)

“person” means,—  
an individual;

a company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere;

the Federal Government;  
a Provincial Government;  
a local authority in Pakistan; or

a foreign government, a political subdivision of a foreign government, or public international organization;]

“prescribed” means prescribed by rules made under this Act;

“Provincial sales tax” means tax levied under, Provincial laws or

laws relating to Islamabad Capital Territory, which are declared by the Federal Government, through notification in the official Gazette to be Provincial Sales Tax for the purpose of input tax;]

42 Clause

43 Clause

44 Clause

45 Clause

(c) substituted by Finance Act, 2020.

20A) inserted by Finance Act, 2025.

21) substituted by Finance Act, 2008.

2A) inserted by Finance Act, 2008.

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(23) "registered office" means the office or other place of business specified by the registered person in the application made by him for registration under this Act or through any subsequent application to the \*[Commissioner];

(24) "registration number" means the number allocated to the registered person for the purpose of this Act;

47[(25) "registered person" means a person who is registered or is liable to be registered under this Act "8[...] shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;]

Provided that a person liable to be registered but not registered under this Act "8[...] shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;]

(27) "retail price", with reference to the Third Schedule, means the price fixed by the manufacturer ~[or importer, in case of imported goods] \*"[...], inclusive of all °[duties], charges and taxes (other than sales tax \* [...] ) at which any particular brand or variety of any article "[is] sold to the general body of consumers or, if more than one such price is so fixed for the same brand or variety, the highest of such price \*°[:]".

5°[Provided that the Board may through a general order specify zones or areas for the purpose of determination of highest retail price for any brand or variety of goods °[:]

Provided further that the reduction in price on account of chilling charges or any other similar charges in case of aerated water, beverages, mineral water, or fruit juices shall not be more than five percent of the price inclusive of sales tax, federal excise duty and all taxes other than income tax on which such goods are actually sold to the general body of consumers:

Provided also that, where the Board deems it necessary it may, by notification in the official gazette, fix the retail price of goods specified in the third schedule:

"© The word "Collector" was substituted for "Commissioner" by Finance (Amendment) ordinance, 2010 p dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and t (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, pu Extraordinary part I at pages 229 to 259.

\*7 Clause (25) substituted by Finance Ordinance, 2002.

"8 Words "shall remain liable to further tax under sub-section (1.A) of section 3 and" omitted by Finance A

\* Clause (26) omitted by Finance Ordinance, 2002.

5 The expression inserted vide Finance Act, 2019

51 Words "or the importer" omitted by Finance Act, 2005. Earlier these were inserted by Finance Act, 200

52 Words and comma inserted by Finance Act, 2007.

58 Words "and octroi" omitted by Finance Act, 1998.

4 for the words "should be", the word "is" substituted by Finance Act,2025;

55 The "semicolon" has been substituted by" colon" in Finance Act, 2014

© Inserted by Finance Act 2014.

57 For Full stop at the end a colon is substituted and new provisos are added by Finance Act, 2025.

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Provided further also that, in case of imported goods specified in the Third Schedule, the retail price shall not be less than one hundred thirty percent of the value determined under section 25 of the Customs Act, 1969 (IV of 1969), including the amount of customs duties and federal excise duty levied thereon.

(28) "retailer" means a person \*[\*\*\*] supplying goods to general public for the purpose of consumption \*[:].

[Provided that any person, who combines the business of import and retail or manufacture or production with retail, shall notify and advertise wholesale prices and retail prices separately, and declare the address of retail outlets °![\*\*\*].]

(29) "return" means any return required to be furnished under Chapter-V of this Act;

⑧1(29A) "sales tax" means —

(a) the tax, additional tax, or default surcharge levied under this Act;

(b) a fine, penalty or fee imposed or charged under this Act "[excluding fee and service charges imposed and collected under section 76]; and

(c) any other sum payable under the provisions of this Act or the rules made thereunder; ]

§[(29AA) "sales tax account" means an account representing the double entry recording of sales tax transactions in the books of account;]

(30) "Schedule" means a Schedule appended to this Act;

(31) "similar supply", in relation to the open market price of goods, means any other supply of goods which closely or substantially "[resembles] the

characteristics, quantity, components and materials of the aforementioned goods;

631A) "special audit" means an audit conducted under section 32A;]

58 Words "not being a manufacturer or producer or an importer" omitted by Finance Act, 2003, after commas and words were inserted by Finance Act, 1998.

\* Substituted for the semi-colon by Finance Act, 2003

" Proviso inserted by Finance Act, 2003.

"! The comma, words and figures ", and his total turnover per annum shall be taken into account for the p omitted by Finance Act, 2015.

⑧ Clause (28A) omitted by Finance Act, 2008. Earlier it was inserted by Finance Act, 1997.

Clause (29A) inserted by Finance Act, 2008.

" Words inserted by Finance Act, 2022

Clause (29A) renumbered as (29AA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006.

Substituted for “resemble” by Finance Act, 2008

67 Clause (31A) inserted by Finance Act, 1998.

Sales Tax Act, 1990

(32) "Special Judge" means the Special Judge appointed under Section 8[37C of the act until such appointment is made by the Special Judge appointed under section] 185 of the Customs Act;

61(33) "supply" means a sale or other transfer of the right to dispose of goods as owner, including such sale or transfer under a hire purchase agreement, and also includes —

(a) putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;

(b) auction or disposal of goods to satisfy a debt owed by a person;  
TOP ae]

(c) possession of taxable goods held immediately before a person ceases to be a registered person "[; ?[\*\*\*]]

⑧((d) in case of manufacture of goods belonging to another person, the transfer or delivery of such goods to the owner or to a person nominated by him  
TM[; and]

TS Hoe]

Provided that the '[Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, specify such other transactions

which shall or shall not constitute supply;]

77[(33A) "supply chain" means the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply;]

78[(34)] tax", unless the context requires otherwise, means sales tax;]

71(35) "taxable activity", means any economic activity carried on by a person whether or not for profit, and includes — —

(a) an activity carried on in the form of a business, trade or manufacture;

68 Words etc. inserted by Finance Act, 2010 w.e.f. June 5, 2010.

© Clause (33) substituted by Finance Act, 2008.

7 Word "and" omitted by Finance Act, 2015.

7 Semi-colon and word "and" substituted for colon by Finance Act, 2015. Semi-colon and word "and" sub  
⑧ Word "and" omitted by Finance Act, 2022.

8 Clause (d) added by Finance Act, 2015.

74 Semi colon and the word "and" substituted by Finance Act, 2022

75 Sub-clause (e) omitted by Finance Act, 2023

7 The words "Federal Government" substituted with the expression vide Finance Act, 2019

7 Clause (33A) inserted by Finance Act, 2013.

78 Clause (34) substituted by Finance Act, 2008.

7 Clause (35) substituted by Finance Act, 2008.

Sales Tax Act, 1990

(b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person;

(c) a one-off adventure or concern in the nature of a trade; and

(d) anything done or undertaken during the commencement or termination of the economic activity,

but does not include —

(a) the activities of an employee providing services in that capacity to an employer;

(b) an activity carried on by an individual as a private recreational pursuit or hobby; and

(c) an activity carried on by a person other than an individual which, if carried on by an individual, would fall within sub-clause (b).]

(36) “tax fraction” means the amount worked out in accordance with the following formula: —

$$\frac{a}{100+a}$$

(‘a’ is the rate of tax specified in section 3);

8°((37) “tax fraud” means knowingly, intentionally, or dishonestly doing any act or abetting any action to cause loss of tax under this Act, including,-

(a) using or preparing false, forged, and fictitious documents, including returns, statements, annexures, and invoices;

(b) false claim of input tax credit based on fictitious transactions;

(c) issuance of any tax invoice without supply of goods;

(d) tampering with or destroying of any material evidence or

documents required to be maintained under this Act or the rules made thereunder;

(e) generating fake input through manipulation of return filing system of the Board and making fake entries in the sales tax returns or in the annexures;

8 Clause (37) substituted by Finance Act, 2025.

Sales Tax Act, 1990

(f) making fictitious compliance of section 73, including routing of payments back to the registered person, or for the benefit of the registered person, through a bank account held by a supplier or a purported supplier;

(g) suppression of supplies that are chargeable to tax under this Act;

(h) making taxable supplies of goods without issuing any tax invoice;

(i) suppression and nonpayment of withholding tax in the prescribed manner beyond a period of three months from due date of payment of tax;

GQ) acquisition, possession, transportation, disposal or in any way

removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner dealing with, any goods in respect of which there are reasons to believe that these are liable to confiscation under this Act or the rules made thereunder; or

(k) making of taxable supplies without getting registration under this Act.

(39) "taxable goods" means all goods other than those which have been exempted under section 13;

(40) "tax invoice" means a document required to be issued under section 23;

(41) "taxable supply" means a supply of taxable goods made \* [...] [by an importer, manufacturer, wholesaler (including dealer), distributor or retailer] other than a supply of goods which is exempt under section 13 and includes a supply of goods chargeable to tax at the rate of zero per cent under section 4;

(43) "tax period" means a period of one month or such other period as the 8S[Board, with the approval of the Federal Minister-in-charge,] may \*[, ] by notification in the official Gazette, specify;

8! Clause (38) omitted by Finance Act, 2004.

®? The words "In Pakistan" omitted by Finance Act, 2003

83 The words and commas inserted by Finance Act, 1998.

\* Clause (42) omitted by Finance Act, 1997.

85.85 The words "Federal Government" substituted with the expression vide Finance Act, 2019.

86 Substituted for semi-colon by Finance Act, 2008

the following

(a)  
(b)

(c)

(d)

a aa |

“16

\*I(g)

oor \* \*]

\*[(h)

\*[(44)

(a)

Sales Tax Act, 1990

88[“Tier-1 retailer” means a retailer falling in any one or more of categories, namely:-]

a retailer operating as a unit of a national or international chain of stores;

a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;

a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds Rupees \* [twelve] hundred thousand; “[ ]

a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers”;] \*'[ ]

a retailer who has acquired point of sale for accepting payment through debit or credit cards from banking companies or any other digital payment service provider authorized by State Bank of Pakistan; “[\*\*\*]

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

any other person or class of persons as prescribed by the Board.]

“time of supply”, in relation to,—

a supply of goods, other than under hire purchase agreement, means

the time at which the goods are delivered or made available to the

recipient of the supply [or the time when any payment is received

§7 Clause (43A) inserted

88 Expression substituted

"Tier-1 retailers means"

through Finance Act, 2017

through Tax Laws (Amendment) Act, 2020, dated 30-3-2020 substituted expression read as under:

8° Word "six" substituted by "twelve" though Tax Laws (Amendment) Act, 2020, dated 30-3-2020

°» The word "and" omitted vide Finance Act, 2019.

°! The word "and" omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

® Sub-clause (e) omitted

by Finance Act, 2023

°8 New clause (f) inserted by Finance Act, 2021.

° Word "and" omitted by Finance (Supplementary) Act, 2022.

° New clause (g) inserte

% Sub-clause (ga) omitte:

id by Finance (Supplementary) Act, 2022.

id by Finance Act, 2023

°" Existing clause (f) re-numbered as clause (h) by Finance Act, 2021.

°8 Clause (44) (44 A) and (44 AA) substituted for clause (44) by Finance Act, 2008.

%® Expression added by Finance Act, 2024.

(b)

(c)

oly

Sales Tax Act, 1990

by the supplier in respect of that supply, whichever is earlier]

a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and

services, means the time at which the services are rendered or provided;

Provided that in respect of sub clause ( a ) ,(b) or (c), where any part

payment is received, —

@

(ii)

(44A)

for the supply in a tax period, it shall be accounted for in the return for that tax period; and

in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such

supply ;]

“trust” means an obligation annexed to the ownership of property

and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust;

(44AA)

“unit trust” means any trust under which beneficial interests are

divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held;]

(46) “value of supply” means:--

(a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties %[and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax:

Provided that —

(i) in case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market price of the supply excluding the amount of tax; [J

1Words omitted by Finance Act, 2021.

1°! Proviso added by Finance Act, 2013.

102 Clause (45) omitted by Finance Act, 2004.

13 Words inserted by Finance Act, 1999.

104 Words "and" omitted by Finance Ordinance, 2001

Sales Tax Act, 1990

(ii) in case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is lower than the open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax; !°[and]

106((iii) in case a taxable supply is made to a consumer from general public on installment basis on a price inclusive of mark up or surcharge rendering it higher than open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax.]

(b) in case of trade discounts, the discounted price excluding the amount of tax; provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with the normal business practices;

(c) in case where for any special nature of transaction it is difficult to ascertain the value of a supply, the open market price;

(d) in case of imported goods !°[excluding those as specified in the Third Schedule], the value determined under section 25 !°[...] of the Customs Act, including the amount of customs-duties and 10° federal] excise duty levied thereon; !!°[...]

(e) in case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the invoice, the value determined by the Valuation Committee comprising representatives of trade and the !"[Inland Revenue] constituted by the !2/Commissioner] !!°[;] !4[ ]

'S((f) in case of manufacture of goods belonging to another person, the actual consideration received by the manufacturer for the value addition carried out in relation to such goods;]

108 Word inserted by Finance Ordinance, 2001.

106 Sub-clause (iii) inserted by Finance Ordinance, 2001.

107 The expression inserted vide Finance Act, 2019.

“or 25B” omitted by Finance Act, 2004.

ied by Finance Act, 2024,

110 The word “and” omitted by Finance Supplementary (Amendment) Act, 1997. Earlier the same amendment (Amendment) Ordinance, 1996, dated 2"! November, 1996; and again was made by the Sales Tax (Amendment)

111 Substituted for “Sales Tax Department” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment

ordinance 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette

pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated

October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment)

promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at

this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated

published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

113 Word etc. ";" and" substituted for "colon" by Finance Supplementary (Amendment) Act, 1997. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996, dated 2<sup>nd</sup> November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1997.

14 The word "and" omitted vide Finance Act, 2019.

115 Sub clause (f) substituted by Finance Act, 2019. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1997.

12

23

## Sales Tax Act, 1990

'I6[(g)] in case of a taxable supply, with reference to retail tax, the price of taxable goods excluding the amount of retail tax, which a supplier will charge at the time of making taxable supply by him, or such other price as the Board may, by a notification in the official Gazette, specify. ]

'7(h) in case of supply of electricity by an independent power producer '18or WAPDA], the amount received on account of energy purchase price only; and the amount received on account of capacity purchase price, energy purchase price premium, excess bonus, supplemental charges etc. shall not be included in the value of supply; !!°[\*\*\*]

(i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax; !?°[:]

Explanation.- It is clarified that the value of supply does not include the amount of subsidy provided by the federal government or provincial governments to the electricity '\*'[or natural gas including re-gasified liquefied natural gas] consumers and has never been chargeable to tax under the Act;]

867) in case of registered person who is engaged in purchasing used vehicles from general public on which sales tax had already been paid at the time of import or manufacturing, and which are, later on, sold in the open market after making certain value addition, value of supply will be the difference between sale and purchase price of the said vehicle on the basis of the valuation method prescribed by the Board.]

'227Provided] that, where the Board deems it necessary it may, by notification in the official Gazette, fix the value of any imported goods '\*'[, including those as specified in the Third Schedule,] or taxable supplies or class of supplies and for that purpose fix different values for different classes or description of same type of imported goods or supplies:

Provided further that where the value at which import or supply is made is higher than the value fixed by the Board, the value of goods shall, unless otherwise directed by the Board, be the value at which the import or supply is made;]

146 Sub-Clause (g) inserted by Finance Act, 1997.

117 Clauses (h) and (i) added by Finance Act, 2019.

118 The words inserted by Finance Act, 2020, shall be deemed to have been inserted with effect from 1\*

119 The word "and" omitted by Finance Act, 2020, the word "and" and "new clause j" inserted by Finance

120 For expression "and" expression ":" substituted and thereafter Explanation inserted by Finance Act, 2

121 Expression inserted by Tax Laws (Second Amendment) Ordinance, 2022.

12 Pro ubstituted by Finance Act, 2006.



## Sales Tax Act, 1990

'241(46A) "whistleblower" means whistleblower as defined in section 72D of the Sales Tax Act, 1990;]

(47) "wholesaler" \*\*\*[includes a dealer and] means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale or of supplying or distributing goods, directly or indirectly, by wholesale for cash or deferred payment or for commission or other valuable consideration or stores such goods belonging to others as an agent for the purpose of sale; and includes '\*'[a person supplying taxable goods to '?'][a person '\*'[who deducts income tax at source under the Income Tax Ordinance, 2001 (XLIX of 2001)]] '\*'[L...]; and

(48) "zero-rated supply" means a taxable supply which is charged to tax at the rate of zero per cent under section 4.]

## Chapter-II

### SCOPE AND PAYMENT OF TAX

3. Scope of tax.— (1) Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of '\*'[eighteen] per cent of the value of—

(a) taxable supplies made '\*'![...] by a registered person in the course or furtherance of any '?'[taxable activity] carried on by him; and

(b) goods imported into Pakistan, '\*'[irrespective of their final destination in territories of Pakistan].

'347(1A) 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 '\*'[or he is not an active taxpayer], there shall be charged, levied and paid a further tax at the rate of '\*'[four] percent of the value In addition to the rate specified in sub sections (1), (1B), (2), (5), '37[(6) and section 4] provided that the Federal Govt. may, by notification in the official Gazette,

24 Clause (46A) added by Finance Act, 2015.

Words inserted by Finance Act, 1997.

he words, brackets and figures inserted by Finance Act, 1998.

substituted for "person deducting advance tax under sub-section (4) of section 50 of the Income Tax, 1972

Substituted for "whose income is not liable to tax under the Income Tax Ordinance, 2001 (XLIX of 2001) but under section 153 of the said Ordinance" by Finance Act, 2006.

2 Comma and words " , and a person who in addition to making retail supplies is engaged in wholesale business

130 Substituted for seventeen vide Finance (Supplementary) Act, 2023.

131 Words \* in Pakistan" omitted by Finance Act, 2003

152 Words substituted by Finance Act, 1996.

138 Words inserted through Finance Act, 2017

134 Sub section (1A) inserted by Finance Act, 2013.

138 Words inserted by Finance Act, 2022.

136 For the word “three” the word “four” substituted by Finance Act, 2023

137 The expression inserted through Finance Act, 2017

Sales Tax Act, 1990

specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.]

'38((1B) On the goods specified in the Tenth Schedule, in lieu of levying and collecting tax under sub-section (1), the tax shall be levied and collected, in the mode and manner specified therein—

(a) on the production capacity of plants, machinery, undertaking, establishments or installation producing <sup>\*\*</sup>[or] manufacturing such goods; or

(b) on fixed basis, from any person who is in a position to collect such tax due to the nature of the business,

and different rates may be so prescribed for different regions or areas. ]

'40/(2) Notwithstanding the provisions of sub-section (1): —

(a) taxable supplies "[and import of goods] specified in the Third Schedule shall be charged to tax at the rate of "[eighteen] 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 <sup>10</sup>[, or the importer, in case of imported goods,] on each article, packet, container, package, cover or label, as the case may be; Mop. 470 ]

'48'Provided that the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that the tax on goods specified in the Third Schedule shall be collected and paid at such higher rate or rates on the retail price thereof, as may be specified in the said notification: and

'491 Provided <sup>10</sup>[further] that the <sup>10</sup>[Board], may, by notification in the official Gazette, exclude any taxable supply <sup>10</sup>[or import] from

138 Clause (1B) substituted vide Finance Act, 2019

189 Word substituted by Finance Act, 20.

149 Sub section (2) substituted by Finance:

141 The expression inserted through Finance Act, 2019.

42 Substituted for seventeen vide Finance (Supplementary) Act, 2023.  
n inserted through Finance Act, 2017

1r imports" inserted vide Finance Act, 2019,

»n inserted through Finance Act, 2019.

and" by Finance Act, 2007.

omitted by Finance Act, 2014,

ted by Finance (Supplementary) Act, 2023.

+4 Proviso inserted by Finance Act, 2007.

150 Word inserted by Finance (Supplementary) Act, 2023.

151 Word “Board” substituted by Finance (Supplementary) Act, 2022.

152 The words “or imports” inserted through Finance Act, 2019.

## Sales Tax Act, 1990

the said Schedule or include any taxable supply “[or import] therein; [...]”

(aa) \*\*[goods specified in the Eighth schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and]

'56[(b) the 'S"[Federal Government] may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.]

(3) The liability to pay the tax shall be,-

(a) in the case of supply of goods!\*\*[...], of the person making the supply,

(b) in the case of goods imported into Pakistan, of the person importing the goods; !°and

(c) in the case of supply of digitally ordered taxable goods by online market place, website and software application from within Pakistan during the course of e-commerce, the liability to collect and pay tax shall be of payment intermediary including a banking company, a financial institution, licensed exchange company or payment gateway in case the payment is made digitally and of the courier delivering the goods where those are supplied on Cash on Delivery (CoD) basis at the rates provided in the Eleventh Schedule.”;

'00((3A) Notwithstanding anything contained in clause (a) of sub-section (3), the '\*'[Board, with the approval of the Federal Minister-in-charge,] may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be of the person receiving the supply.]

'©2((3B) Notwithstanding anything contained in sub section (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be

155 The words “or imports” inserted through Finance Act, 2019.

184 Word “and” omitted by Finance Bill, 2014.

158 Inserted by Finance Act, 2014

186 Clause (b) substituted by Finance Act, 2015.

157 Words “Federal Government” substituted by Finance Act, 2018,

158 Words “in Pakistan” omitted by Finance Act, 2003.

159 in sub-section (3), in clause (a) the word “and”, occurring at the end is omitted and in clause (b) for the word “and” is substituted and thereafter the new clause (c) is inserted by Finance Act, 2025

169 Sub-section 3A inserted by Finance Act, 1998,

161 The expression inserted through Finance Act, 2019.

162 Inserted by Finance Act 2014

## Sales Tax Act, 1990

prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein. ]

'041(5) The !@5[Federal Government] may, in addition to the tax levied under sub-section (1)[...], ![...] sub-section (2) and sub-section (4), levy and collect 168/"tax at such extra rate or amount" not exceeding \*[eighteen] per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.]

1707 iy

(6) The Federal Government or ""[the Board] may, in lieu of the tax under sub-section (1), by notification in the official Gazette, levy and collect such amount of tax as it may deem fit on any supplies or class of supplies or on any goods or class of goods and may also specify the mode, manner or time of payment of such amount of tax.

'21(7) The tax shall be withheld "[\*\*]" at the rate as specified in the Eleventh Schedule, by any person or class of persons "[being purchaser of goods or services "[, other than the services liable to pay sales tax under a Provincial enactment,]" as withholding agent for the purpose of depositing the same, in such manner and subject to such conditions or restrictions as the Board may prescribe in this behalf through a notification in the official Gazette !\*[:]

"76 omitted]

'7A) The tax withheld as provided in the Eleventh Schedule by the payment intermediary or the courier, as the case may be, shall be final discharge of tax liability in respect of taxable supplies of digitally ordered goods by;

- (i) cottage industry as defined in clause (SAB) of section 2 of this Act; and
- (ii) retailers other than tier-I retailers

163 Sub section (4) omitted by Finance Act, 2008.

164 Sub section (5) inserted by Finance Act, 1999.

165 Words "Federal Government" substituted by Finance Act, 2018,  
166 Word etc. "and (1 A)" omitted by finance Act, 2004

167 Word etc. "clause (C) of" omitted by Finance Ordinance, 2002

168 Words substituted by Finance Act, 2013.

16 Substituted for seventeen vide Finance (Supplementary) Act, 2023.  
ub section (6) inserted by Finance Ordinance 2001

substituted for "Central Board of Revenue" by Finance Act, 2007  
ub-section (7) substituted by Finance Act, 2019.

1°3 The words omitted and the expression inserted by Finance Act, 2020.

174 Expression inserted by Finance Act, 2022.

7S Colon and proviso inserted by Finance Act, 2022.

176 Proviso to sub-section (7) omitted by Finance Act, 2025

177 Sub-section (7A) is inserted by Finance Act, 2025

## Sales Tax Act, 1990

'78'(8) Notwithstanding anything contained in any law or notification made

thereunder "[, but subject to the provisions of clause (b) of sub-section (2)] in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of '80 eighteen] per cent of the value of supply to the CNG consumers, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.

'81/(9) Notwithstanding anything contained in sub-section (1), tax shall be charged from retailers, other than those falling in Tier-1, through their monthly electricity bills, at the rate of five percent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half percent where the monthly bill amount exceeds the aforesaid amount and the electricity supplier shall deposit the amount so collected directly without adjusting against his input tax:

Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub-sections (1), (1A) and (5):

Provided further that the Commissioner of Inland Revenue having jurisdiction shall issue order to the electricity supplier regarding exclusion of a person who is either a Tier-1 retailer or not a retailer.]

'827(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate as applicable to the goods sold under relevant provisions of this Act or a notification issued there under:

183) acer]

'84/ omitted]

'SS((QAA) In respect of goods, specified in the Thirteenth Schedule, the minimum production for a month shall be determined on the basis of a single or more inputs as consumed in the production process as per criterion specified in the Thirteenth Schedule and if minimum production so determined exceeds the actual supplies for the month, such minimum production shall be treated as quantity supplied during the month and the liability to pay tax shall be discharged accordingly. ]

178 Sub-section 8 Inserted by Finance Act, 2014.

179 Comma and words inserted by Finance Act, 2015.

189 Substituted for seventeen vide Finance (Supplementary) Act, 2023.

181 Sub-section 9 substituted by Tax Laws (Second Amendment) Ordinance, 2022 and shall be deemed of July, 2022.

182 Sub-section (9A) substituted through Finance Act, 2019.

'83First proviso omitted by Finance Act, 2021

184 Proviso to sub-section (9A) omitted by Finance Act, 2025,

185 New sub-section inserted by Finance Act, 2021.

Sales Tax Act, 1990

186710) \*\*\* repealed]

188712) Notwithstanding anything contained in this Act, the Federal Government may, in lieu of or in addition to the tax under sub-section (9), by notification in the official Gazette, levy and collect such amount of tax at such rates and from such date as it may deem fit, from retailers, other than those falling in Tier-1, through their monthly electricity bill, and may also specify the mode, manner or time of payment of such tax:

Provided that different rates or amounts of tax may be specified for different persons or class of persons. ]

'213B. Collection of excess sales tax etc. (1) Any person who has collected or collects any tax or charge, whether under misapprehension of any provision of this Act or otherwise, which was not payable as tax or charge or which is in excess of the tax or charge actually payable and the incidence of which has been passed on to the consumer, shall pay the amount of tax or charge so collected to the Federal Government.

193((2) Notwithstanding anything contained in any law or judgement of a court, including the Supreme court and a High court, any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.)

(3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the consumer shall be on the person collecting the tax or charge.]

186 Section 10 repealed which was earlier inserted by Tax Laws (Third Amendment) Ordinance, 2021.  
187 Sub-section (11) omitted by Finance Act, 2024,

188 New sub-section (12) added by Tax Laws (Second Amendment) Ordinance, 2022.

+8 Section (3A) omitted by Finance Act, 2004.

199 Section (3AA) omitted by Finance Act, 2008

1" Section (3AAA) omitted by Finance Act, 2002.

1% Old section (3A) renumbered as (3B) by Finance Act, 1996

198 Sub-section (2) substituted by Finance Act, 2014.

Sales Tax Act, 1990

4. Zero rating— Notwithstanding the provisions of section 3 '4/ except those of sub-section (1A)], "[...] the following goods shall be charged to tax at the rate of zero per cent:—

[(a) goods exported, or the goods specified in the Fifth Schedule;]

(b) supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969);

'6f(c) such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements:"; and]

'7((d) omitted.]

Provided that nothing in this section shall apply in respect of a supply of goods which —

(i) are exported, but have been or are intended to be re-imported into Pakistan; or

(ii) have been entered for export under Section 131 of the Customs Act, 1969 (IV of 1969), but are not exported !°°[\*\*\*]  
L; of]

(iii) ?°[have been exported to a country specified by the Federal Government, by Notification in the official Gazette 7"[:]

(Provided further that the Federal Government may, by a notification in the official Gazette, restrict the amount of credit for input tax actually paid and claimed by a person making a zero-rated supply of goods otherwise chargeable to sales tax.]

5. Change in the rate of tax— If there is a change in the rate of tax-

(a) a taxable supply made 7°[\*\*\*] by a registered person shall be charged to tax at such rate as is in force at the time of supply;

1° The expression inserted through Finance Act, 2017

1° Words “a Supply of” omitted by Finance Act, 2004.

496 Clause (c) substituted through Finance Act, 2019.

197 Clause (d) omitted by Finance Act, 2019.

198 Words omitted by Finance Act, 1999.

1 Substituted for “full stop” by Finance Act, 1991

2 Added by Finance Act, 1991.

20! Substituted for “full stop” by Finance Act, 1996.

2"? Proviso added by Finance Act, 1996,

283 Words “in Pakistan” omitted by Finance Act, 2003

## Sales Tax Act, 1990

(b) imported goods shall be charged to “tax at such rate as” is in force,-  
(i) incase the goods are entered for home consumption, on the date  
on a \*[goods declaration] is presented under section 79 of the  
Customs Act, 1969 (IV of 1969);

(ii) in case the goods are cleared from warehouse, on the date on  
which a [goods declaration] for clearance of such goods is  
presented under section 104 of the Customs Act, 1969 (IV of  
1969);

Provided that where a \*[goods declaration] is presented in advance of the  
arrival of the conveyance by which the goods are imported, the tax shall be charged  
as is in force on the date on which the manifest of the conveyance is delivered:

Provided further that if the tax is not paid within seven days of the of the  
2ST goods declaration] 7°[under section 104 of the Customs Act,] the tax shall be  
charged at the rate as is in force on the date on which tax is actually paid.

6. Time and manner of payment. — (1) The tax in respect of goods  
imported into Pakistan shall be charged and paid in the same manner and at the  
same time as if it were a duty of customs payable under the Customs Act, 1969  
20fand the provisions of the said Act 7°[including section 31A thereof], shall, so  
far as they relate to collection, payment and enforcement ?”[including recovery]  
of tax under this Act on such goods where no specific provision exists in this Act,

apply,].

19(1A) Notwithstanding anything contained in any other law for the time  
being in force, including but not limited to the Protection of Economic Reforms  
Act, 1992 (XII of 1992), and notwithstanding any decision or judgment of any  
forum, authority or court whether passed, before or after the promulgation of the  
Finance Act, 1998 (III of 1998), the provisions of section 31-A of the Customs  
Act, 1969 (IV of 1969), referred to in sub-section (1) shall be incorporated in and  
shall be deemed to have always been so incorporated in this Act and no person  
shall be entitled to any exemption from or adjustment of or refund of tax on account  
of the absence of such a provision in this Act, or in consequence of any decision  
or judgment of any forum, authority or court passed on that ground or on the basis  
of the doctrine of promissory estoppel or on account of any promise or  
commitment made or understanding given whether in writing or otherwise, by any  
government department or authority. ]

204 Substituted for “bill of entry” by Finance Act, 2005

205 Substituted for “bill of entr inance Act, 2005

28 Words, figure and comma i by the Finance Act, 1996.

2” The Words inserted in place of “IV of 1969” by Finance Act, 1996

2° The words inserted by Finance Act, 1998.

2 Words “including recovery” inserted by Finance Act, 2015.

20 Sub Section (1A) inserted by Sales Tax (amendment) Ordinance, 2002 dated June 07, 2002 and shall be deemed to have

## Sales Tax Act, 1990

(2) The tax in respect of taxable supplies made 7!'<sup>7</sup>\*\*\*] during a tax period shall be paid by the registered person 7!\*<sup>7</sup>[by the date as prescribed in this respect] ?3[:]

2!4/Provided that the Board may, by a notification in the Official Gazette, direct that the tax in respect of all or such classes of supplies (other than zero-rated supplies) of all or such taxable goods, as may be specified in the aforesaid notification, shall be charged, collected and paid in any other way, mode, manner or at time as may be specified therein.]

215((3) The tax due on taxable supplies 7!°<sup>7</sup>\*\*\*] shall be paid by any of the following modes, namely:-

- (i) \_ through deposit in a bank designated by the Board; and
- (ii) through such other mode and manner as may be specified by the Board.]

218((5) The Federal Government may, subject to such conditions, limitations and restrictions as it may impose, by notification in the official Gazette, allow payment of sales tax on installments basis by the Federal or Provincial Governments or any public sector organization on import or supply of any goods or class of goods:

Provided that such payment may be allowed from any previous date specified in the notification under this sub-section.]

7. Determination of tax liability. — (1) 17Subject to the provisions of "°[section 8 and] 8B, for] the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a registered person shall 221F\_ subject to the provisions of section 73,] be entitled to deduct input tax [paid 223 for payable 74/during the tax period for the purpose of taxable supplies made, or to be made, by him/ from the output tax [excluding the amount of further tax

Words “ in Pakistan” omitted by Finance Act, 2013

Words substituted through Finance, Act, 2016.

tuted for full stop by Finance Act, 1997

inserted by Finance Act, 1997

ion III substituted by Finance Act, 1996,

ade in Pakistan” omitted by Finance Act, 2003

ction 4 omitted by Finance Act, 1996.

New sub-section (5) added by Finance Act, 2022.

Substituted for the word “ for by Finance Act, 2007

The word” section” substituted by the words and figure “section 8 and” in Finance Act 2014.

Comma and word etc, inserted by Finance Ordinance, 2001

Words inserted by Finance Act, 1996

Words inserted by Finance Act, 2004,

Words inserted by Finance Act, 1998,

25 Inserted by Finance Act 2014

Sales Tax Act, 1990

under sub-section (1A) of section 3.] ??°[ ] that is due from him in respect of that tax period and to make such other adjustments as are specified in Section 9 \*""[:]

228 Provided that where a registered person did not deduct input tax within the relevant period, he may claim such tax in the return for any of the six succeeding tax periods. ]

(2) A registered person shall not be entitled to deduct input tax from output tax unless,-

(i) in case of a claim for input tax in respect of a taxable supply made 2297 he holds a tax invoice \*°[in his name and bearing his registration number] in respect of such supply \*\*![], or in case of supply of electricity or gas, a bill bearing his registration number and the address where the connection is installed] 7\*7[:]

Provided that from the date to be notified by the Board in this respect, in addition to above, if the supplier has not declared such supply in his return or he has not paid amount of tax due as indicated in his return;

(ii) [in case of goods imported into Pakistan, he holds bill of entry or goods declaration in his name and showing his sales tax registration number, duly cleared by the customs under section 79 7™4[, section 81] or section 104 of the Customs Act, 1969 (IV of 1969);]

(iii) [in case of goods purchased in auction, he holds a treasury challan, 26in his name and bearing his registration number,] showing payment of sales tax;]

238((3) | Notwithstanding anything in sub-sections (1) and (2), °[Board, with the approval of the Federal Minister-in-charge,] may, by a special order, subject to such conditions, limitations or restrictions as may be specified therein allow a registered person to deduct input tax paid by him from the output tax determined or to be determined as due from him under this Act.]

Words etc “excluding the amount of tax” omitted by Finance Act, 2004

Substituted for the full stop by Finance Act, 2003

Proviso substituted by Finance Act, 2008.

“in Pakistan” omitted by Finance Act, 2003.

s inserted by Finance Act, 2003.

23! The expression substituted through Finance Act, 2019.

A Colon substituted the semi colon & Proviso added through Finance, Act, 2016.

use (ii) substituted by Finance Act, 2003,

ression “, section 81” inserted by Finance Act, 2015

use (iii) inserted by Finance Ordinance, 2002

mma and words inserted by Finance Act, 2004.

use (iv) omitted by Finance Act, 1997.

2 Section (3) inserted by Finance Ordinance, 2002.

29 The expression substituted by Finance Act, 2019.

Sales Tax Act, 1990

2497(4) Notwithstanding anything contained in this Act or rules made there

under, the '[Federal Government] may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as may be specified therein, allow a registered person or class of persons to deduct such amount of input tax from the output tax as may be specified in the said notification.]

47(5) Notwithstanding anything contained in this Act or the rules made thereunder, the Board, by notification in the official Gazette, may impose restrictions on wastage of material on which input tax has been claimed in respect of the goods or class of goods.]

317A. Levy and collection of tax on specified goods on value addition. —

2447(1) Notwithstanding anything contained in this Act or the rules made there under, the '°[Federal Government] may specify, by notification in the official Gazette, that sales tax chargeable on the supply of goods of such description or class shall, with such limitations or restrictions as may be prescribed, be levied and collected on the difference between the value of supply for which the goods are acquired and the value of supply for which the goods, either in the same state or on further manufacture, are supplied.]

245((2) Notwithstanding anything contained in this Act or the rules made thereunder, in respect of the goods or class of goods specified in the Twelfth Schedule, the minimum value addition tax, against the value added by the registered person, shall be payable, at the rate and by the registered persons or class of registered persons, specified therein, subject to the conditions, limitations, restrictions and procedure specified therein:

Provided that the Federal Government may, through a notification published in the official Gazette, amend any provision of the said Twelfth Schedule.]

4078. 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 —

47T(a) the goods \*“[or services] used or to be used for any purpose other 2497] for taxable supplies made or to be made by him;]

(b) any other goods or services which the \*°[Federal Government] may, by a notification in the official Gazette, specify\*!;?>7[\*\*\*]]

Section (4) inserted by Finance Act, 2007.

Words “Federal Government” substituted by Finance Act, 2018,  
New sub-section inserted by Finance Act, 2020.

Section (7A) inserted by Finance Act, 2003

4 Renumbered by Finance Act, 2004

section (2) substituted vide Finance Act, 2019.

tion (8) substituted by Finance Act, 1996.

use (a) substituted by Sales Tax (amendment) Ordinance, 2001 dated February 07, 2001.

Words inserted by Finance Act, 2008

Words "for the manufacture of production of manufacture goods or," omitted by Finance Act, 2007.

Words "Federal Government" substituted by Finance Act, 2018,

stituted for full stop by Finance Act, 1999

rd "and" omitted by Finance Act, 2004.

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253[(c)] 54[\*\*\*] the goods under 7“[sub-section] (5) of section 3 7“[:]

57[(ca) the goods \*\*[or services] in respect of which sales tax has not been deposited in the Government treasury by the respective supplier; ]

5°T(caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain;]

260'(d) fake invoices; 7°![\*\*\*]

(e) purchases made by such registered person, in case he fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26 [:]

2©°(f) goods and services not related to the taxable supplies made by the registered person. ]

?63[(g) goods and services acquired for personal or non-business consumption; ]

264((h) goods used in, or permanently attached to, immoveable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding \*“[pre-fabricated buildings and] such goods acquired for sale or re-sale or

for direct use in the production or manufacture of taxable goods;

266/ Here oT]

67((i) vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale] 7°[;]

26°((j) \_ services in respect of which input tax adjustment is barred under the respective provincial sales tax law;

255 Clause (c) inserted by Finance Act, 1999.

254 Word “on” omitted by Finance Act, 2004.

255 Substituted for subsection (1A) and Finance Act, 2004.  
stituted for the full stop by Finance Act, 2004.

7 Clause (ca) inserted by Finance Act, 2006.

2s8Words inserted by Finance Act, 2008.

259 Clause (ca) inserted by Finance Act, 2013

260 Clause (d) inserted by Finance Act, 2004.

26! The word “and “omitted by Finance Act 2014.

262 Inserted by Finance Act, 2014.

ed by Finance Act, 2014,

264 Inserted by Finance Act, 2014.

265 Words inserted by Finance Act, 2015.

266 Word omitted by Finance Act, 2015.

267 Inserted by Finance Act, 2014.

268 Semi-colon substituted for full stop by Finance Act, 2015,

269 Clauses (j), (k) and (l) added by the Finance Act, 2015.

Sales Tax Act, 1990

(k) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Eighth Schedule to this Act;

(1) from the date to be notified by the Board, such goods and services which, at the time of filing of return by the buyer, have not been declared by the supplier in his return ??"[or he has not paid amount of tax due as indicated in his return; and

271"(m) the input goods 2"[or services] attributable to supplies made to un-registered 7°[distributor], on pro-rata basis, for which sale invoices do not bear the NIC number or NTN as the case may be, of the recipient as stipulated in section 23.]

(2) If a registered person deals in taxable and non-taxable supplies, he can reclaim only such proportion of the input tax as is attributable to taxable supplies in such manner as may be specified by the Board.

(3) No person other than a registered person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him.

275((5) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the first day of December, 1998.]

276((6) Notwithstanding anything contained in any other law for the time being in force or any provision of this Act, 7"[Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, specify any goods or class of goods which a registered person cannot supply to any person who is not registered 7\*\*[\*\*\*] under this Act.]

898A, Joint and several liability of registered persons in supply chain where tax unpaid.— Where a registered person receiving a taxable supply from another registered person is in the knowledge or has reasonable grounds to suspect that some or all of the tax payable in respect of that supply or any previous or

20 Expression added through Finance Act, 2016.

stituted through Finance Act, 2019.

'ed by Finance Act, 2020.

Word "person" substituted by Finance Act, 2022.

Sub-Section (4) omitted by Finance Act, 1999.

section (5) inserted by Finance Act, 1999.

Sub-section (6) inserted by Sales Tax (Amendment) Ordinance, 2001 dated February 7, 2001  
The expression substituted by Finance Act, 2019,

Words "or enrolled" omitted by Finance Act, 2004.

Sub-section (7) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated February 280 Section 8A inserted by Finance Act, 2006.

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subsequent supply of the goods supplied would go unpaid \*\*'[, of which the burden to prove shall be on the department] such person as well as the person making the taxable supply shall be jointly and severally liable for payment of such unpaid amount of tax ⑧7[:]]

?83[Provided that the Board may by notification in the official gazette, exempt any transaction or transactions from the provisions of this section.]

28478B. Adjustable input tax.— (1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person \*\*[\*\*\*] shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:

286 Provided that the restriction on the adjustment of input tax in excess of ninety percent of the output tax, shall not apply in case of fixed assets or Capital goods:]

Provided further that the Board may by notification in the official Gazette, exclude any person or class of persons from the purview of sub-section (1).

(2) A registered person, subject to sub-section (1), may be allowed adjustment \*[or refund] of input tax not allowed under sub-section (1) subject to the following conditions, namely:—

(i) in the case of registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984, upon furnishing a statement along with annual audited accounts, duly certified by the auditors, showing value additions less than the limit prescribed under sub-section (1) above; or

(ii) in case of other registered persons, subject to the conditions and restrictions as may be specified by the Board by notification in the official Gazette.

(3) The adjustment or refund of input tax mentioned in sub-sections (2), if any, shall be made on yearly basis in the second month following the end of the financial year of the registered person.

(4) Notwithstanding anything contained in sub-sections (1) and (2), the Board may, by notification in the official Gazette, prescribe any other limit of input tax adjustment for any person or class of persons. 7\*\*In order to limit input tax

28! Expression added by Finance Act, 2015.

Substituted for full stop by Finance Act, 2007.

Proviso inserted by Finance Act, 2007.

284 Section 8B inserted by Finance Act, 2007.

285 Words omitted by Finance Act, 2022.

286 Proviso substituted by Finance Act, 2011.

287 Words inserted by Finance Act, 2009.

288 In sub-section (4) after the full stop at the end the Expression added by Finance Act, 2025

## Sales Tax Act, 1990

allowance, the Board may also use data based automated risk management system to defer certain input tax or fix higher or lower limits of input tax adjustment:

Provided that the registered person may contest the action taken under this sub-section by filing application and documents with the Commissioner concerned, who shall decide the case within thirty days of such application.

°81(4A) Notwithstanding anything contained in sub-sections (1), (2) and (3), input tax allowed in case of locally manufactured electric vehicles subject to reduced rate of tax under the Eighth Schedule shall be limited to the extent of amount of output tax and no refund or carry forward of excess input tax shall be allowed.]

(5) Any auditor found guilty of misconduct in furnishing the certificate mentioned in sub-section (2) shall be referred to the Council for disciplinary action under section 20D of Chartered Accountants, Ordinance, 1961 (X of 1961).]

2991(6) In case a Tier-1 retailer does not integrate his retail outlet in the manner as prescribed under sub-section (9A) of section 3, during a tax period or part thereof, the adjustable input tax for whole of that tax period shall be reduced by \*[60%.]

9. Debit and credit note. — Where a registered person has issued a tax invoice in respect of a supply made by him and as a result of cancellation of supply or return of goods or a change in the nature of supply or change in the value of the supply or some such event the amount shown in the tax invoice or the return needs to be modified, the registered person may, subject to such conditions and limitations as the Board may impose, issue a debit or credit note and make corresponding adjustment against output tax in the return.

292110. Refund of input tax.— (1) If the input tax paid by a registered person on taxable purchases made during a tax period exceeds the output tax on account of zero rated local supplies or export made during that tax period, the excess amount of input tax shall be refunded to the registered person not later than forty-five days of filing of refund claim in such manner and subject to such conditions as the Board may, by notification in the official Gazette specify:

2°3(Provided that in case of excess input tax against supplies other than zero-rated or exports, such excess input tax may be carried forward to the next tax period, along with the input tax as is not adjustable in terms of sub-section (1) of section 8B, and shall be treated as input tax for that period and the Board may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, prescribe the procedure for refund of such excess input tax.]

sub-section (4A) inserted by Finance Act, 2020.

sub-section (6) inserted through Finance Act, 2019.

xpression substituted by Finance Act, 2021.

2"? Section 10 substituted by Finance Act, 2007. Earlier it was also substituted by Finance Act, 1998 and 2°3 Proviso substituted by Finance Act, 2008.



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Provided further that the Board may, from such date and subject to such conditions and restrictions as it may impose, by notification in the official Gazette, direct that refund of input tax against exports shall be paid \*TM[at the fixed rates and in the manner as] notified in the such notification.

(2) If a registered person is liable to pay any tax, default surcharge or penalty payable under any law administered by the Board, the refund of input tax shall be made after adjustment of unpaid outstanding amount of tax or, as the case may, default surcharge and penalty.

(3) Where there is reason to believe that a person has claimed input tax credit or refund which was not admissible to him, the proceedings against him shall be completed within sixty days. For the purposes of enquiry or audit or investigation regarding admissibility of the refund claim, the period of sixty days may be extended up to one hundred and twenty days by an officer not below the rank of an Additional ?°[Commissioner Inland Revenue] and the Board may, for reasons to be recorded in writing, extend the aforesaid period which shall in no case exceed nine months. ]

20711. wae)

2°7111A. Short paid amounts recoverable without \_ notice.—

Notwithstanding any of the provisions of this Act, where a registered person pays the amount of tax less than the tax due as indicated in his return, the short paid amount of tax along with default surcharge shall be recovered from such person by stopping removal of any goods from his business premises and through attachment of his business bank accounts, without giving him a show cause notice and without prejudice to any other action prescribed under section 48 of this Act or the rules made thereunder:

Provided that no penalty under section 33 of this Act shall be imposed unless a show cause notice is given to such person.]

2°8111B. Limitation for issuing orders in certain cases.— For the purposes of issuing an assessment order or any other order in consequence of or to give effect to any order made by the Commissioner (Appeals), Appellate Tribunal, High Court, or Supreme Court, the provisions of section 124 of the Income Tax Ordinance, 2001 (XLIX of 2001) shall apply mutatis mutandis;]

24 The expression substituted through Finance Act, 2019.

25 Substituted for “Collector of Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010The same amendment Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

26 Section 11 omitted by Finance Act, 2024.

tion 1 1A Substituted by Finance Act, 2006. Earlier it was inserted by Finance Ordinance, 2002.

tion 1 1B substituted by Finance Act, 2024.



299111C. Power of tax authorities to modify orders, etc.— (1) Where a question of law has been decided by a High Court or the Appellate Tribunal in the case of a registered person, on or after first day of July, 1990, the Commissioner or an officer of Inland Revenue may, notwithstanding that he has preferred an appeal against the decision of the High Court or made an application for reference against the order of the Appellate Tribunal, as the case may be, follow the said decision in the case of the said taxpayer in so far as it applies to said question of law arising in any assessment pending before the Commissioner or an officer of Inland Revenue, until the decision of the High Court or of the Appellate Tribunal is reversed or modified.

(2) Incase the decision of High Court or the Appellate Tribunal, referred to in sub-section (1), is reversed or modified, the Commissioner or an officer of Inland Revenue may, notwithstanding the expiry of period of limitation prescribed for making any assessment or order, within a period of one year from the date of receipt of decision, modify the assessment or order in which the said decision was applied so that it conforms to the final decision.]

30/11D. Best judgment Assessment. — (1) Where a person, (a) fails to furnish a sales tax return in response to notice under sub-section (2A) of section 26; or

(b) fails to produce before the officer of Inland Revenue not below the rank of Assistant Commissioner under sections 25 or 38A, accounts, documents and records required, or any other relevant document or evidence that may be required by him, the officer of Inland Revenue not below the rank of Assistant Commissioner may, after a notice to show cause to such person, based on any available information or material and to the best of his judgment, make an assessment of tax payable or refund due and also charge penalty and default surcharge.

(2) For the purposes of clause (b) of sub-section (1), the officer of Inland Revenue may also disallow or reduce a registered person input tax on goods if the registered person is unable, to provide invoice or other record or evidence of the transaction or circumstances giving rise to such claim.

(3) Where a best judgment assessment has been made due to default of clause (a) of sub-section (1) and the person files the return within sixty days of issuance of order under this section thereafter and pays the amount of tax payable along with default surcharge and penalty, the notice to show cause and the order of assessment shall abate.

(4) Notwithstanding anything in sub-section (1), where the Federal Board of Revenue has specified conditions for the purpose of determination of

2° New section 11C inserted by Finance Act, 2020.

3 New sections 11D to 11G inserted by Finance Act, 2024.

## Sales Tax Act, 1990

minimum tax liability in respect of a person who is required to file return but who fails to file such return, the Officer of Inland Revenue shall determine such liability of the registered person in accordance thereof.

3°15) Notwithstanding anything contained in this section, in case of person who is liable to be registered under clause (25) of section 2 based on tax withheld under section 236G of Income Tax Ordinance, 2001 (XLIX of 2001) and does not furnish a return upon notice, an officer of inland revenue may assess sales tax liability on the value addition on reasonable grounds including information obtained from the purchase data under section 236G of Income Tax Ordinance, 2001 (XLIX of 2001).

11E. Assessment of tax and recovery of tax not levied or short levied or erroneously refunded.-\*?(1) Where due to any reason, any tax or charge has not been levied or short levied or where the officer of Inland Revenue not below the rank of Assistant Commissioner suspects on the basis of audit or otherwise that due to any reason a person has-

- (a) not paid or short paid due sales tax;
- (b) claimed input tax credit or refund which is not admissible; or
- (c) has obtained an amount of refund not due,

the officer of Inland Revenue after issuing a show cause notice to the person shall pass an order to determine and recover the amount of tax unpaid or short paid, inadmissible input tax or refund, or unlawful refund obtained and shall also impose penalty and default surcharge in accordance with sections 33 and 34:

Provided that this section shall not be applicable to the extent of proceedings initiated under section 37A of the Act.

(2) For the purposes of sub-section (1), the officer of Inland Revenue may also disallow input tax on goods or services if the taxpayer is unable, without reasonable cause, to provide a receipt, or invoice or other record or evidence of the transaction or circumstances giving rise to such claim.

(3) Where a tax or charge has not been levied under clause (a) of sub-section (1), the amount of tax shall be recovered as tax fraction of the value of supply.

11F. Failure to withhold sales tax.— Where any person, required to withhold sales tax under sub-section (7) of section 3, fails to withhold the tax or having withheld the tax fails to deposit the same in the prescribed manner, the officer of Inland Revenue not below the rank of Assistant Commissioner shall after a notice to such person to show cause pass an order to determine and recover the amount in default and impose penalty and default surcharge under section 33 and 34.

30 Sub-section (5) inserted by Finance Act, 2025

"2\$sub-section (1) substituted by Finance Act, 2025

Sales Tax Act, 1990

11G. Limitation for assessment.— (1) The show cause notice under sections 11D to 11F shall be issued within five years, from the end of the financial year in which the relevant date falls.

(2) An order under sections 11D, 11E and 11F shall be made within one hundred and \*[eighty days] of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded, in writing specify, provided that such extended period shall in no case exceed from ninety days:

Provided that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the registered person not exceeding sixty days shall be excluded from the computation of the period specified in this sub-section.

(3) For the purpose of sections 11D, 11E and 11F, the words “relevant date” means—

(a) \_ the time of payment of sales tax or charge as provided under section 6;

(b) \_ the time of payment for goods or services on which sales tax was to be withheld under sub-section (7) of section 3; and

(c) in a case where sales tax or charge has been erroneously refunded, the date of its refund. ]

304792, KK]

3°13. Exemption. (1) Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule shall, subject to such conditions as may be specified by the \*[Federal Government], be exempt from tax under this Act \*°[.]

308 2]

(2) | Notwithstanding the provisions of sub-section (1) —

3°T(a) the Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt any supplies made or

°°3 For the words “twenty days”, the words “eighty days” substituted by Finance Act, 2025

Section 12 omitted by Finance Act, 1996.

205 Section 13 substituted by Finance Act, 1996.

306 Substituted for “Board” by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999.

°°? Substituted for colon by Tax Laws Amendment Ordinance, 2000, full Stop was substituted for colon b

dated 13th August, 1999.

°° provisos omitted by Tax Laws Amendment Ordinance, 2000, dated 24th May, 2000. Earlier it was omitted by sales Tax (Am dated 30-03-1999.

30 Clause (a) substituted through Finance Act, 2019.

Sales Tax Act, 1990

imports, 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; ]

(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause

3147(6) The 3[Board] shall place before the National Assembly all notifications issued under this section in a financial year.

(7) Any notification issued under sub-section (2), after 1% July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued \*!°[:

Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from the 1“ July, 2016 and shall continue to be in force till the 30 June, 2018, if not earlier rescinded:

Provided further that all notifications issued on or after the first day of July, 2016 and placed before the National Assembly as required under sub-section (6) shall continue to be in force till thirtieth day of June, 2018, if not earlier rescinded by the Federal Government or the National Assembly. ]

310 Clause (b) omitted by Finance Act, 2015.

311 Expression “or, as the case may be, order made under clause (b) of that sub-section” omitted by Finance Act, 2015.

> Sub-section (5) omitted by Sales Tax (Amendment) Ordinance, 2000.

>4 Sub-section (6) and sub-section (7) added by Finance Act, 2015.

°5 Substituted for the words “Federal Government” through Finance Act, 2017

316 For the full stop a colon inserted and thereafter new provisos added through Finance Act, 2017

Chapter-III  
REGISTRATION

31714. Registration— (1) Every person engaged in making taxable supplies in Pakistan, including zero-rated supplies, in the course or furtherance of any taxable activity carried on by him, falling in any of the following categories, if not already registered, is required to be registered under this Act, namely:-

- (a) a manufacturer who is not running a cottage industry;
- (b) a retailer who is liable to pay sales tax under the Act or rules made thereunder, excluding such retailer required to pay sales tax through his electricity bill under sub-section (9) of section 3;
- (c) an importer;
- (d) an exporter who intends to obtain sales tax refund against his zero-rated supplies;
- (e) a wholesaler, dealer or distributor; and
- (f) a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act.

318(1A) Every person including a non-resident person except who is running a cottage industry and the retailers who are required to pay sales tax through electricity bills under sub-section (9) of section 3, selling digitally ordered goods from within Pakistan through online marketplace, website or software application as the case may be, shall apply in the prescribed form and in the prescribed manner for registration.

(1B) Every online marketplace or a courier, involved in e-commerce by supplying digitally ordered goods from within Pakistan shall not allow any person to use their services to carry out e-commerce transactions unless it holds NTN and in case sub-section (1A) of this section applies also holds sales tax registration.

(2) Persons not engaged in making of taxable supplies in Pakistan, if required to be registered for making imports or exports, or under any provisions of the Act, or any other Federal law, may apply for registration.

319(2A) If a person, who is required to be registered under the Act, does not apply for registration and the Commissioner Inland Revenue or any other

Section 14 substituted by Finance Act, 2015.

8 Sub-section (A) and (1B) inserted by Finance Act, 2025

31 Sub-section (2A) inserted by Finance Act, 2025

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officer, as may be authorized by the Board, after such inquiry as deemed appropriate, having reason to believe that a person is liable to register, he shall compulsorily register such person after providing an opportunity of being heard.

(3) The registration under this Act shall be regulated in such manner as the Board may, by notification in the official Gazette, prescribe. ]

320714A. \*\*\* repealed]

31(14AB) Discontinuance of gas and electricity connections.—

Notwithstanding anything contained in this Act or any other law for the time being in force, the Board shall have power through Sales Tax General Order to direct the gas and electricity distribution companies for discontinuing the gas and electricity connections of any person who fall in the following categories, namely:—

(a) Any person, including tier-1 retailers, who fail to register for sales tax purpose or

(b) Notified tier-1 retailers registered but not integrated with the Board's Computerized System:

Provided that upon registration or integration, as the case may be, of the above said persons, the Board shall notify the restoration of their gas or electricity connection through Sales Tax General Order.]

3221 4AC. Bar on operations of Bank Accounts. — (1) This section shall apply—

(a) where the Commissioner has reasons to believe that a person is engaged in supply of taxable goods without having registration under this Act;

(b) the Commissioner has provided three consecutive opportunities of being heard to the person to obtain registration under this Act; and

(c) the person has failed to obtain registration.

(2) Notwithstanding anything contained in this Act or any other law for the time being in force, the Commissioner shall have the powers to direct banking companies, scheduled banks and other financial institutions, through an order in writing, to intermittently suspend operation of the bank account of such a person for three working days.

320 Section 14A repealed, which was earlier inserted by Tax Laws (Third Amendment) Ordinance, 2021.  
2! New section 14\B added by Finance Act, 2022.

322 Section 14AC,14Ad and 14AE inserted by Finance Act, 2025

(3) The Commissioner shall, if the contravention continues under sub-section (1), repeat suspension specified in sub-section (2), for two more times with an interval of one week between the suspensions.

(4) The Commissioner shall, if the contravention under sub-section (1) continues after his order under sub-section (3), direct the banking companies, scheduled banks and other financial institutions, through an order in writing to permanently bar operation of the bank accounts of the person.

(5) Upon registration of such person, the Commissioner shall issue and convey order for removal of bar on operation of his bank accounts not later than two working days.

(6) Any person, aggrieved by any decision or order passed under this section, may within thirty days of the date of receipt of such decision or order prefer an appeal before the Chief Commissioner Inland Revenue.

(7) The provisions of this section shall come into force on such date as the Board may notify in the official Gazette.

**14AD. Bar on transfer of Immoveable Property.** — (1) Where the person fails to obtain registration within fifteen days from issuance of order under sub-section (4) of section 14AC, the Chief Commissioner shall constitute a committee comprising the Chief Commissioner, Commissioner and one member from the Chamber of Commerce or a Trade Associations, as the case may be.

(2) The committee shall issue a notice to such unregistered person which shall also be prominently displayed at the business premises of the person.

(3) The committee after affording a personal hearing to the person shall either recommend for imposition of bar on transfer of immovable property or recommend to the Commissioner to remove the bar imposed under section 14AC.

(4) For imposition of bar on transfer of immovable property, the Committee shall recommend the Commissioner for imposition of bar on transfer of immovable property:

Provided that the Committee shall provide an opportunity to obtain registration within fifteen days prior to the recommendation.

(5) The Commissioner shall have the powers to direct the property registering authority, through an order in writing, to bar transfer of immovable property of any person who fails to obtain registration after lapse of fifteen days.

(6) Upon registration of such person, the Commissioner shall issue and convey order for removal of bar on transfer of immovable property not later than two working days.

(7) Any person, aggrieved by the decision or order passed may, within thirty days of the date of receipt of such decision or order prefer an appeal before the Chief Commissioner Inland Revenue who is not member of the committee.

(8) The provisions of this section shall come into force on such date as may be notified by the Board.

14AE. Other measures for non-registration.— (1) Subject to prior action under section 14AC and 14AD, any person who fails to get registered for the purposes of this Act, the Chief Commissioner shall have the powers to--

(a) seal the business premises;

(b) seize moveable property; or

(c) appoint a receiver for the management of the taxable activity of a person.

(2) Action under sub-section (1) shall not be carried out, unless-

(a) a public notice is issued specifying the date from which

the premises shall be sealed, or movable property is seized, or a receiver is appointed for the management of the taxable activity;

(b) a committee comprising the Chief Commissioner, the Commissioner concerned and a representative from the Chambers of Commerce or Trade Associations, provides an opportunity of being heard to the person through an open court; and

(c) such decision is made public by placement on the Board's website and newspaper as well.

(3) Upon registration, of such person the Chief Commissioner shall reverse the order issued under sub-section (1) not later than two working days.

(4) Any person, aggrieved by any decision or order passed under sub-section (1), may within thirty days of the date of receipt of such decision or order,

prefer representation before the Board.

(5) All or any of the provisions of this section shall come into force on such date as the Board may notify in the official Gazette.

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323715, wee]

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20. \*\*\*]

326/21. De-registration, blacklisting and suspension of registration.— (1)  
The Board or any officer, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Notwithstanding anything contained in this Act, in cases where the »°7[Commissioner] is satisfied that a registered person is found to have issued fake invoices \*\*\*[...] or has \*°[otherwise] committed tax fraud, he may \*°[issue an order of suspension and blacklisting] such person or suspend his registration in accordance with such procedure as the Board may by notification in the official Gazette, prescribe. ]

331(2A) The Commissioner shall, within ten days of issuance of order of suspension, issue a show cause notice to the registered person. Upon receipt of the reply to the notice and after giving an opportunity of hearing to the registered person, if the Commissioner is satisfied, he may order for revoking of suspension of the registered person or issue an appealable speaking order for blacklisting of the registered person within thirty days of receipt of the reply to the notice.

332((3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales Tax refund or input tax credit, and once such person is black listed, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such black listing, shall 3°5[...] be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.]

23Section 15 omitted by the Finance Ac

° Section 16 omitted by Finance Act, 2003.

5 Sections 17 to 20 omitted by Finance Act, 2004.

6 Section 21 substituted by Finance Act, 2004.

227 Substituted “for collector” by Finance Act, 2010

328 Comma and words “, evaded tax” omitted by Finance Act, 2005

29 Word inserted by Finance Act, 2005

380 Words substituted by Finance Act, 2024.

3! Sub-section (2A) inserted by Finance Act, 2025

33? Sub Section (3) inserted by Finance Act, 2011



## Sales Tax Act, 1990

334((4) | Notwithstanding anything contained in this Act, where the Board, the concerned Commissioner or any officer authorized by the Board in this behalf has reasons to believe that a registered person is engaged in issuing fake or flying invoices, claiming fraudulent input tax or refunds, does not physically exist or conduct actual business, or is committing any other fraudulent activity, the Board, concerned Commissioner or such Officer may after recording reasons in writing, block the refunds or input tax adjustments of such person and direct the concerned Commissioner having jurisdiction for further investigation and appropriate legal action.]

335((5) Notwithstanding anything contained in this Act, the Chief Commissioner may, either of his own motion or on application made by the registered person call for and examine the record of proceedings and the order of suspension and blacklisting under sub-section (2) and after making such inquiry as is necessary, may modify the such order as he may deems fit:

Provided that no order under this sub-section shall be passed unless an opportunity of being heard has been provided to the registered person. ]

336(21A. Active taxpayers list.-The Board shall have the power to maintain active taxpayers list in the manner as may be prescribed by rules and such rules may provide for the restrictions and limitations to be imposed on a person who ceases to be an active taxpayer. ]

## Chapter-IV

### BOOK KEEPING AND INVOICING REQUIREMENTS

33722. Records.— (1) A registered person making taxable supplies shall maintain and keep at his business premises or registered office in English or Urdu language the following records of goods purchased \*\*\*[, imported] and supplied (including zero-rated and exempt supplies) made by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period —

(a) records of supplies made shall indicate the description, quantity and value of goods, name and address of the person to whom supplies were made and the amount of the tax charged;

(b) records of goods purchased shall show the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the tax on purchases;

<sup>o</sup>§ Sub section (4) inserted by Finance Act, 2013.

335 New sub-section added by Finance Act, 2024.

36 Section 21A inserted by Finance Act, 2015.

37 Section 22 substituted by Finance Act, 1996.



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33[(c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports;]

4T(d)] records of zero-rated and exempt supplies;

341[(da) double entry sales tax accounts;]

32[(e)] invoices, credit notes, debit notes, bank statements, \*[banking instruments in terms of section 73,] inventory records, \*[utility bills, salary and labour bills, \*\*o[cash book,] rental agreements, sale purchase agreements and lease agreements]; \*“[...]

\*4T(ea) Record relating to Gate passes, inward or outward and transport receipts. ]

348[(eb) Electronic version of records mentioned in clauses (a) to (ea) of this sub-section. ]

5#T(f)] such other records as may be specified by the Board:

35° Provided that the persons paying \*\*! [...] retail tax shall keep such record as may be specified by the Board.]

3527(1 A) Notwithstanding anything in any other law for the time being in force, the Board may require, by notification in the official Gazette, a registered person or class of registered persons to declare and use only as many number of business bank accounts as may be specified by the Board in such notification to make or receive payments on account of purchase and sale transactions for the purpose of this Act or rules made thereunder and to make payment of due tax from such accounts only.]

(2) The Board may, by notification in the official Gazette, specify for any class of taxable persons or any other person registered under this Act to keep such other records for the purposes of this Act.

353((2A) The Board may, by notification in the Official Gazette, specify for any class of taxable persons registered under this Act to use such electronic fiscal cash registers as are approved by the Board in the manner as may be prescribed.]

39 Clause (c) inserted by Finance Act, 2005.

+40 Existing clause (c) re-lettered as clause (d) by Finance Act, 2005.

341 Clause (da) inserted by Finance Act, 2006.

#2 Existing clause (d) re-lettered as clause (¢) by Finance Act, 2005.

3 The words, comma and figure inserted by Finance Act, 2004,

4 The commas and words inserted by Finance Act, 1999

°45 Expression inserted by Finance Act, 2021.

6 The word “and” omitted by Finance Act, 2013.

°47 Clause (ea) inserted by Finance Act, 2013.

348 New clause (eb) inserted by Finance Act, 2021.

9 Existing clause (e) re-lettered as clause (f) by Finance Act, 2005

359 Proviso substituted by the Finance Act, 1997.

35! The words “turnover tax or” omitted by Finance Act, 2005.

352 Sub-section (1A) inserted by Finance Act, 2007.

353 Sub-section (2A) inserted by Finance Act, 1999.

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354((3) The Board may, by notification in the official gazette, prescribe the procedure or software for electronically maintenance of records, filing of sales tax returns or refunds and for any other matter or approve any software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons. ]]

355[(4) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (XLVII of 1984), shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of due tax by the registered person.]

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: —

(a) name, address and registration number of the supplier;  
[°7(b) name, address and registration number of the recipient and in case of supplies by manufacturer or importer to unregistered distributor, the NIC or NTN of such unregistered distributors, as the case may.]

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:

Provided that the condition of NIC or NTN shall be effective from 1% August, 2019 35\*[:]

35°(Provided further that the condition of NIC shall not apply in the case of payment through debit or credit card or digital mode;]

(c) date of issue of invoice;

(d) description \*[including count, denier and construction in case of textile yarn and fabric,] and quantity of goods;

(e) value exclusive of tax;

(f) amount of sales tax; and

4 Sub Section (3) substituted by Finance Act, 2003.

355 Sub Section (4) inserted by Finance Act, 2007.

356 The expression added through Finance Act, 2019.

357 Clause (b) substituted by Finance Act, 2022.

358 Colon substituted by Finance (Supplementary) Act, 2022.

55° Proviso inserted by Finance (Supplementary) Act, 2022.

360 The expression added through Finance Act, 2019.

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(g) value inclusive of tax:

Provided that the Board may, by notification in the official Gazette, specify such modified invoices \*"[...]" for different persons or classes of persons;

Provided further that not more than one tax invoice shall be issued for a taxable supply\*™[.]

34Provided also that where any goods are transported or supplied, the registered person shall ensure the generation and linkage of the tax invoice with the e-Bility generated under section 40C of this Act and section 83C of the Customs Act, 1969.

365 [ao]

366[(2) No person other than a registered person or a person paying \*67[\*\*\*

3687 \*\*\*1]36retail tax] shall issue an invoice under this section.

37((3) A registered person making a taxable supply shall, subject to such conditions, restrictions and limitations as the Board may, by notification in the official Gazette, specify to issue electronic invoices. ]

371((4) The Board may, by notification in the Official Gazette, prescribe the manner and procedure for regulating the issuance and authentication of tax invoices. ]

3(5) The Board through notification in the official Gazette, may require any person or class of persons to integrate their electronic invoicing system with the Board's Computerized System for real time reporting of sales in such mode and manner and from such date as may be specified therein.

(6) Licensed integrator shall integrate electronic invoicing system of registered persons referred to in sub-section (5) in such mode and manner as may be prescribed:

Provided that from such date, and in such mode and manner, as prescribed by the Board, all Tier-1 retailers shall integrate their retail outlets with Board's computerized system for real-time reporting of sales.

361 Clause (ff) omitted by Finance Act, 2004.

32 Comma and words “, including replacement invoice,” omitted by Finance Act, 1997.

36 Full stop substituted by Finance (Supplementary) Act, 2022.

3 Proviso inserted by Finance Act, 20

+65 Proviso omitted by Finance (Supplementary) Act, 2022.

366 Sub Section (2) inserted by Finance Act, 1996.

367 Words “turnover tax or” omitted by Finance Act, 2004.

366 Words “or retailer tax” added by Finance Act, 1997.

3 Words inserted by Finance Act, 1997.

3% Sub section (3) substituted by Finance Act, 2024.

37" Sub Section (4) inserted by Finance Act, 2007.

372 Sub-sections (5) inserted by Finance Act, 2025.

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373(24. Retention of record and documents for \*“[Six] years.— A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of \*o\*[Six] years after the end of the tax period to which such record or documents relate >”[or till such further period the final decision in any proceedings including proceedings for assessment, appeal, revision, reference, petition and any proceedings before an alternative Dispute Resolution Committee is finalized].]

376(25. Audit of sales tax affairs.— (1) The Commissioner on the basis of reasons to be recorded in writing, may direct the officer of Inland Revenue not below the rank of Assistant Commissioner to conduct audit of sales tax affairs of any registered person and issue a notice to such registered person intimating him regarding audit of sales tax affairs.

Explanation.- For the removal of doubt, it is declared that the powers of the Commissioner to direct conduct of audit and to issue a notice under this sub-section are independent of the powers of the Board under section 72B and nothing contained in section 72B restricts the powers of the Commissioner to direct conduct of audit and to issue notice under this sub-section.

(2) The Commissioner shall communicate the reasons referred to in sub-section (1) to the registered person whose audit is to be conducted through the notice under sub-section (1).

Explanation.- For the removal of doubt, it is declared that the Commissioner may not provide an opportunity of hearing before issuance of notice under sub-section (1).

(3) The reasons referred to in sub-section (1) shall be based on scrutiny of the available records including sales tax and federal excise returns, income tax returns and withholding statements, financial statements or third party information:

Provided that the reasons shall not include the mere verification of input tax, output tax, refund claim and compliance of legal provisions without identifying risk factors that require such verification.

(4) Subsequent to the issuance of notice under sub-section (1), the officer of Inland Revenue, may call for any record or documents including record maintained under this Act, the rules made thereunder or any other law for the time being in force for conducting audit of the sales tax affairs of the person. Where

73 Section (24) substituted by Finance Act, 1996.

574 Substituted for “Five” by Finance Act, 2010.

575 Words and Commas inserted by Finance Act, 2010.

37 Section 25 substituted by Finance Act, 2024.

such record or documents have been kept on electronic data, the registered person shall allow authorize officer of Inland Revenue access to the use of machine and software on which such data is kept and the officer of Inland Revenue may obtain duly attested hard copies of such information or data from the registered person:

Provided that the officer of Inland Revenue shall not call for record or documents of the registered person after expiry of six years from the end of the financial year to which they relate.

(5) The officer of Inland Revenue may require the registered person to attend his office in person or through an authorized representative. The registered person shall produce such accounts, documents or any evidence as the officer of Inland Revenue may consider necessary.

(6) The officer of Inland Revenue not below the rank of Assistant Commissioner may conduct or cause to be conducted such enquiry and obtain such information from any third party as he considers appropriate.

(7) The officer of Inland Revenue not below the rank of Assistant Commissioner shall conduct audit of the sales tax affairs to verify the correctness or otherwise of the declared tax liability, output tax, input tax claimed, tax paid, refund claimed, stocks consumed or available for ascertaining compliance or otherwise with the provisions of this Act and the rules made thereunder on the basis of the record and evidence obtained under sub-sections (5) or (6).

(8) The officer of Inland Revenue may conduct audit proceedings electronically through video links, or any other facility as may be prescribed by the Board.

(9) After completion of the audit, the officer of Inland Revenue may, if required pass an order under section 11E, after providing an opportunity of being heard to the registered person under sub-section (1) of section 11E.

(10) Notwithstanding anything contained in sub-sections (7) and (9) where a registered person fails to produce before the officer of Inland Revenue, any accounts, documents or records required to be maintained under this Act or the rules made thereunder or any other relevant document electronically kept record, electronic machine or any other evidence that may be required by the officer of Inland Revenue for the purpose of audit. The officer of Inland Revenue may proceed to make best judgment assessment under section 11D of this Act.

(11) — Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax

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evaded along with default surcharge voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge during the audit, or at any time before issuance of show cause notice under section 11E, he may deposit the evaded amount of tax, default surcharge under section 34, and twenty five percent of the penalty payable under section 33:

Provided further that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge after issuance of show cause notice under section 11E, he shall deposit the evaded amount of tax, default surcharge under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated. ]

377(25A. Drawing of samples. Where an authorized officer of \*\*\*[Inland Revenue] considers it necessary to take a sample of any goods or raw materials, for the purpose of determining their liability to sales tax or for the purpose of establishing their value or for any other reason, he may remove a minimum quantity of goods or raw materials sufficient to enable a proper examination or analysis to be made. At the time of taking the sample the person in possession of the goods shall be informed and given the opportunity to sign the representative samples, so drawn, and take a corresponding sample for his record. Any sample taken under this section shall be taken against a proper receipt a copy each of which shall be kept in the record by the registered person and the \*\*[Large Taxpayers Unit or Regional Tax Office, as the case may be].]

38725AA. Transactions between Associates.— °[(1)] The Commissioner or an office of Inland Revenue may, in respect of any transaction between persons who are associates, determine the transfer price of taxable supplies between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction. ]

381((2) The Board may, by notification in official gazette, prescribe rules for carrying out the purpose of sub-section (1).]

Section 25A inserted by Finance Act, 1999.

27 Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan I this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance I published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

>” Substituted for “Collectorate” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

<sup>8</sup> Section (25AA) by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 229 to 259.

<sup>°8</sup> Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act,



RETURNS

382/26. 383[\*\*\*] Return.—(1) Every registered person \*“[...] shall furnish not later than the due date a true \*\*[, complete] and correct return in the prescribed form to a designated bank \*\*°[or any other office] specified by the Board, indicating the purchases and the supplies made during a tax period, the tax due and paid and such other information, as may be prescribed \*\*\*[;]

388Provided that the Board may, by notification in the official Gazette, require any person or class of persons to submit return on quarterly basis:

Provided further that the Board may, by notification in the official Gazette, require any person or class of persons to submit such return as may be prescribed annually in addition to the monthly return or quarterly return:

Provided also that the return filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Board shall also be deemed to be a return for the purpose of sub-section (1) and the Board may, by notification in the official Gazette, make rules for determining eligibility of the data of such returns and e-intermediaries who will digitize the data of such returns and transmit the same electronically under their digital signatures

38902]

Provided also that every online marketplace shall furnish not later than the due date a true, complete and correct monthly statement in the prescribed form, indicating the supplier-wise amount paid and tax due and such other information of the taxable supplies of digitally ordered goods irrespective of the economic ownership of the supplies from within Pakistan:

Provided further also that every payment intermediary and courier shall furnish not later than the due date a true, complete and correct monthly statement in the prescribed form, indicating the supplier-wise amount paid and tax due and such other information for taxable supplies of digitally ordered goods from within Pakistan through an online market place, website and software application and delivering goods using its payment platform or courier service as the case may be.

\*? Section 26 substituted by Finance Act, 1996

8} Word “monthly” omitted by Finance Act, 2006,

8 Words “making taxable supplies” omitted by Finance Act, 1999.

°85 Comma and word inserted by Finance Act, 2020.

°86 Words inserted by Finance Act, 2006.

°87 In the proposed amendment “a full stop is substituted for a colon” while colon is already appearing.

°8\* Proviso inserted by Finance Act, 2006.

\*\* In sub-section (1), in the third proviso, for the full stop at the end, a colon is substituted and thereafter new provisos inserted  
3 Proviso omitted by Finance Act, 2006

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(2) \*[....] omitted

3°(2A) The officer of Inland Revenue may, by notice in writing, require any person who, in his opinion, is required to file a return under this section for a tax period or tax periods but who has failed to do so, to furnish the return or returns within fifteen days from the date of service of such notice or such longer or shorter period as may be specified in such notice or as the officer of Inland Revenue may allow:

Provided that the notice under this sub-section shall only be issued within fifteen years from the end of the financial year in which the return was to be filed, in cases of tax fraud and five years in all other cases. ]

3°3((3) A registered person may, subject to approval of the \*[Commissioner Inland Revenue] having jurisdiction, file a revised return within \*°°[one hundred and twenty] days of the filing of return under sub-section (1) or, as the case may be, sub-section (2), °° or under clause (a) or clause (b) of section 27], to correct any omission or wrong declaration made therein \*°'[.]

[omitted]

3°§(3A) Unless restricted by the compliance risk management system of the Board, the approval under sub-section (3), shall not be required if revised return is filed within sixty days of filing of return and the tax payable therein is more than the amount paid or the refund claimed therein is less than the amount as claimed, under the return sought to be revised.

3°°1(4) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with [default surcharge], whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that in case the registered person wishes to deposit the amount of tax as pointed out by the officer of \*°'[Inland Revenue] during the audit, or at any time before issuance of the show cause notice \*[....], he may deposit the evaded amount of tax, [default surcharge] under section (34), and twenty five percent of the penalty payable under section 33 along with the levied return:

>! Sub-section (2) omitted through Finance Act, 2016.

>? New sub-section inserted by Finance Act, 2024.

°° Sub section (3) substituted by Finance Act, 2006.

4 Substituted for collector of Sales tax by Finance Act, 2010

°°5 Substituted for “ninety” by Finance Act, 2008.

396 Words inserted by Finance Act, 2011.

°°7 In sub-section (3), for the colon occurring at the end, a full stop substituted and thereafter the proviso i ction (3A) inserted by Finance Act, 2025.

bs by Finance Act, 2003.

49 Substituted for “Additional Tax” by Finance Act, 2005.

4! Substituted for “Sales tax” by Finance Act, 2010.

42 Words “in lieu of the audit report” omitted by Finance Act, 2010.

Provided further that in case the registered person wishes to deposit the amount after issuance of show cause notice, he shall deposit the evaded amount of sales tax \* [...],<sup>4</sup> "[default surcharge] under section 34, and full amount of leviable penalty under section 33 along with the revised return and thereafter, the show cause notice, shall stand abated.]

495((5) The Board may, by notification in the official Gazette, require any person or class of persons, for any goods of such description or class, to furnish such summary or details or particulars pertaining to the imports, purchases and supplies during any tax period or periods, in such format as may be specified.]

495726A. wee]

498/26AB. Extension of time for furnishing returns. (1) A registered person required to furnish a return under section 26 may apply, in writing, to the Commissioner for an extension of time to furnish the return.

(2) An application under sub-section (1) shall be made by the due date for furnishing the return in terms of section 2(9) for the period to which the application relates.

(3) Where an application has been made under sub-section (1) and the Commissioner is satisfied that the applicant is unable to furnish the return to which the application relates by the due date because of—

- (a) absence from Pakistan;
- (b) sickness or other misadventure; or
- (c) any other reasonable cause,

the Commissioner may, by order in writing, grant the applicant an extension of time for furnishing the return.

(4) An extension of time under sub-section (3) shall not exceed fifteen days from the due date for furnishing the return, unless there are exceptional circumstances justifying a longer extension of time:

Provided that where the Commissioner has not granted extension for furnishing the return under sub-sections (3) or (4), the Chief Commissioner may on an application made by the registered person for extension or further extension, as the case may be, grant extension or further extension for a period not exceeding

483 Words "ete alongwith the amount of further tax as per provision of sub section (1A) of section 3, if ap  
+4 Substituted for words "additional tax" by Finance Act, 2005.

\*<sup>5</sup> Sub section (5) inserted by Finance Act, 2004.

4 Section 26 A omitted by Finance Act, 2004.

\*<sup>7</sup> Section 26AA omitted by Finance Act, 2008.

408 New section 26AB inserted by Finance Act, 2021



fifteen days, unless there are exceptional circumstances justifying a longer extension of time.

(5) An extension or further extension of time granted under sub-sections (3) or (4), as the case may be, shall not, for the purpose of charge of default surcharge under section 34, change the due date for payment of sales tax under section 6.]

4°27. Special Returns.— In addition to the return specified under section 26 —

(a) a person registered \*[ 4!][ ] under this Act] shall furnish special return within such date and in such form indicating information such as quantity manufactured or produced, purchases made, goods supplied or payment of arrears made, etc, for such period as the Board may, by a notification in official gazette, specify; and

(b) the \*[commissioner] may require any person whether, registered or not, to furnish a return (whether on his own behalf or as an agent or trustee) in a prescribed form and such person shall furnish the return not later than the date specified in this regard. ]

413/28. Final Return.— If a person applies for de-registration in terms of section 21, he shall before such de-registration, furnish a final return to the 414Fcommissioner] in the specified form in such manner and at such time as directed by the \*!>[commissioner]].

29. Return deemed to have been made.— A return purporting to be made on behalf of a person “!\* [by his duly appointed representative] shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary.

4 Section 27 substituted by the Finance Ordinance, 2000.

410 Substituted for words and figure “under section 14” by sales tax (Amendments) Ordinance, 2000, dat 4! Words “or enrolled” omitted by Finance Act, 2004.

? Substituted for “Collector” by Finance Act, 2010

Section 28 substituted by Finance Act, 1996.

stituted for “Collector” by Finance Act, 2010

Substituted for “Collector” by Finance Act, 2010

4! Words inserted by Finance Act, 1996.

**APPOINTMENT OF \*"[OFFICERS OF SALES TAX] & THEIR POWERS**

418(30. Appointment of Authorities.— (1) For the purposes of this Act, the Board may, appoint in relation to any area, person or class of persons, any person to be —

- (a) a chief commissioner of Inland Revenue;
- (b) a commissioner of Inland Revenue ;
- (c) a commissioner of Inland Revenue (Appeals);
- (d) an Additional commissioner of Inland Revenue ;
- (e) a Deputy commissioner of Inland Revenue;
- "1T(ea) District Taxation Officer Inland Revenue;]
- (f) an Assistant commissioner of Inland Revenue;
- 0'(fa) Assistant Director Audit Inland Revenue;]
- (g) an Inland Revenue Officer;
- (h) a Superintendent Inland Revenue;
- (i) an Inland Revenue Auditor Officer "7"[...];
- "2/(ja) an inspector Inland Revenue; and]
- (j) an officer of Inland Revenue with any other designation.

(2) The Chief Commissioner Inland Revenue and Commissioner Inland Revenue (Appeals) shall be sub-ordinate to the Board and

Commissioner Inland Revenue shall be sub-ordinate to the Chief Commissioner Inland Revenue.

+7 Any reference to the "Sales Tax Officer" shall be construed as reference to an "Officer of "Inland Revenue" Act, 1990.

\*8 Section 30 substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by promulgated as Ordinance No. III of 2010, Published in the Gazette of Pakistan Extraordinary Part I at page made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated 25th June 2009, published in the Gazette of Pakistan Extraordinary Part I at Pages 229 to 259. Earlier it was substituted by Finance Act, 1990.

+9 Clause (ea) inserted through Finance Act, 2017

2 erted through Finance Act, 2017

'and" omitted by Finance Act, 2011.

22 Clause "(ia)" inserted by Finance Act, 2011

Sales Tax Act, 1990

#3((2A) The Chief Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Board may direct.

5(2B) The Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Chief Commissioner, to whom they are sub-ordinate, may direct.]

(3) Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue \*“[, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue °[, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer \*°[, Inspector Inland Revenue], and officer of Inland Revenue with any other designation shall be sub-ordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are sub ordinate, may direct.

(4) Deputy Commissioner Inland Revenue \*\*\*[, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue '[, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland revenue Officer, \*”[Inspector Inland Revenue Officer] an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue. ]

“8(30A. Directorate General (Intelligence and Investigation), Inland Revenue.(1) 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].

(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.]

89(30AB. Tax Fraud Investigation Wing Inland Revenue.— (1) There shall be established a wing to be known as Tax Fraud Investigation Wing-Inland Revenue.

“25 Sub-sections (2A) & (2B) inserted through Finance Act, 2017  
Expressions inserted through Finance Act, 2017

Comma and words inserted by Finance Act, 2011.

26 Expression inserted through Finance Act, 2017

27 Comma and words inserted by Finance Act, 2011.

8 Section 30A substituted by Finance Act, 2018.

29 Substituted for the word “post” through Finance Act, 2019.

+80 New section inserted by Finance Act, 2024.

Sales Tax Act, 1990

(2) The functions of the tax fraud Investigation Wing Inland Revenue shall be to detect, analyze, investigate, combat and prevent tax fraud.

(3) The tax fraud Investigation Wing Inland Revenue shall comprise Fraud Intelligence and Analysis Unit, Fraud Investigation Unit, Legal Unit, Accountants Unit, Digital Forensic and Scene of Crime Unit, Administrative Unit or any other Unit as may be notified by the Board through notification in the official Gazette.

(4) The tax fraud Investigation Wing Inland Revenue shall consist of a Chief Investigator and as many following officers, as may be notified by the Board-

(a) Senior investigators, investigators, Junior investigators or any other officer of Inland Revenue with any other designation;

(b) a Senior Forensic Analyst and as many Forensic Analysts and Junior Forensic Analysts; and

(c) a Senior Data Analyst and as many Data Analysts and Junior Data Analysts.

(5) The Board may, by notification in the official Gazette, --

(a) specify the functions and jurisdiction of the Tax Fraud Investigation Wing Inland Revenue and its Units and its officers; and

(b) confer the powers of authorities specified in section 30 upon the tax fraud Investigation Wing Inland Revenue and its officers at clause (a) of sub-section 4.

(6) Nothing contained in this section shall prevent the authorities appointed under section 30 or any other authority or officer conferred with the power and functions of authorities appointed under section 30 from conducting investigation and prosecution proceedings under Chapter-VII of the Act.]

431/30B. Directorate General \*"[...] Internal Audit The Directorate General 7[...] Internal Audit 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.

4! Section 30B inserted by Finance Act, 2005.

+2 Words "of inspection and" omitted by Finance Act, 2007.

## Sales Tax Act, 1990

433(30C. 434[Inland Revenue Services Academy].--The \*\*[Inland Revenue Services Academy] 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.

8°(30CA. Directorate General of Digital Initiatives.-- The Directorate General of Digital Initiatives 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. ]

87(30D. Directorate General of Valuation \*\*[...].--The Directorate General of Valuation [...] 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.

3°130DD. Directorate of Post Clearance Audit. The Directorate of Post clearance Audit shall consist of a Director and as many Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

130DDD. Directorate General of Input Output Co-efficient Organization.- The Directorate General of Input Output Coefficient Organization (IOCO)-Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

441(30DDDA. Directorate-General of law.- (1) The Directorate-General of law shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors, Law Officers and such other officers as the Board may, by notification in the official Gazette, appoint. (2) The Board may, by notification in the official Gazette, specify the functions, jurisdiction and powers of the Directorate-General of law.]

42730E. Powers and Functions of Directorate, etc. The Board may, by notification in the official Gazette, specify the functions, jurisdiction and powers of the Directorates General as specified in the preceding sections and their officers by notification in the official Gazette.]

31. Powers. An officer of [Inland Revenue] appointed under section 30 shall exercise such powers and discharge such duties as are conferred or

+83 Section 30C inserted by Finance Act, 2005.

+ Marginal heading substituted by Finance Act, 2022.

+85 Words substituted by Finance Act, 2022.

+6 Section 30CA substituted by Finance Act, 2023

+87 Section 30D inserted by Finance Act, 2005,

+88 Words "and Post Clearance Audit" omitted by Finance Act, 2007.

+9 Section 30DD inserted by Finance Act, 2007.

bead ection 30DDD added through Finance Act, 2016.

“r ection 30DDDA added through Tax Laws (Amendment) Act, 2024.

+2 Section 30E inserted by Finance Act, 2005.

8 Substituted for “sales tax” by Fin  
promulgated as Ordinance No.III of 20

2010 w.e.f June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010,  
dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and

**Sales Tax Act, 1990**

imposed on him under this Act; and he shall also be competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties as it deems fit.

**444132. Delegation of powers.** “\*[1) The Board or the Chief Commissioner, with the approval of the Board, may, by an order and subject to such limitations or conditions as may be specified therein, empower by name or designation —

[(a) any Additional Commissioner Inland Revenue or Deputy Commissioner Inland Revenue to exercise any of the powers of a Commissioner Inland Revenue under this Act; and

(b) any Deputy Commissioner Inland Revenue or Assistant Commissioner Inland Revenue to exercise any of the powers of an Additional Commissioner Inland Revenue under this Act;

(c) any Assistant Commissioner Inland Revenue to exercise any of the powers of a Deputy Commissioner Inland Revenue under this Act; and

(d) any other officer of Inland Revenue to exercise any of the powers of an Assistant Commissioner Inland Revenue under this Act.]

(3) The officer to whom any powers are delegated under this section shall not further delegate such powers. ]

**447(32A. “8[Audit by Special Audit Panels].—“\*o[1) The Board may appoint as many special audit panels as may be necessary, comprising two or more members from the following, —**

(a) an officer or officers of Inland Revenue;

(b) a firm of chartered accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961);

this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. 1 of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259

+4 Section 32 substituted by Finance Act, 1996.

+45 Sub Section (1) substituted by Finance Act, 2010 w.e.f. June 5, 2010. Earlier clause (a) to (d) substituted by Finance Act, 2010

© Sub Section (2) omitted by the Finance Act, 2010.

7 Section 32A inserted by Finance Act, 1998.

48 Substituted for the words “Special Audit by Chartered Accountants or Cost Accountants” by Finance Act, 2010

+9 Substituted for sub-section (1) by Finance Act, 2015

Sales Tax Act, 1990

(c) a firm of cost and management accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966); or

(d) any other person as directed by the Board,

to conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be determined by the Board or the Commissioner Inland Revenue on a case-to-case basis. In addition, the Board may, where it considers appropriate, also get such audit conducted jointly with similar audits being conducted by provincial administrations of sales tax on services. ]

(2) Notwithstanding that records of a registered person have been audited by an officer appointed under section 30, the Board or a [Commissioner] may direct \*\*[special audit panel] appointed under sub-section (1) to audit the records of any registered person.

(3) \*?[Every member of special audit panel] appointed under sub-section (1), shall have the powers of an officer of \*°[Inland Revenue] under sections 25, 37 and 38.

4547(4) Each special audit panel shall be headed by a chairman who shall be an officer of Inland Revenue.

(5) If any one member of the special audit panel, other than the chairman, is absent from conducting an audit, the proceedings of the audit may continue and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.

(6) The Board may prescribe rules in respect of constitution, procedure and working of special audit panel.]

45632B. Appointment of experts and auditors. — (1) The Board or the Commissioner may appoint as many experts as it or the Commissioner considers necessary for the purposes of this Act, including for the purposes of assistance in audit, investigation, litigation or valuation.

450 Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part-I at pages 229 to 259.

+5! Substituted for the words “an auditor” by Finance Act, 2015

+82 Substituted for the words “An Auditor” by Finance Act, 2015

453 Substituted for “sales tax” by Finance Act, 2010 w.e.f. June 5, 2010. The same was made by Finance Act, 2010 w.e.f. June 5, 2010, the same was made by Finance Act, 2010 w.e.f. June 5, 2010, as ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part-I at Pages 229 to 259.

#54 Sub-sections (4), (5) and (6) inserted by Finance Act, 2015.

#85 Section 32 AA omitted by Finance Act, 2008, earlier it was inserted by Tax Laws Amendment Ordinance, 2000, dated m

486 Section 32B inserted by Finance Act, 2025

(2) The Board may appoint as many auditors as it may deem fit, through direct engagement or through a third party including a pay roll firm for the purposes of this Act, and confer such powers as may be deemed necessary to assist the authorities mentioned in clauses (a) to (f) of sub-section (1) of section 30 of this Act and clauses (a) to (f) of sub-section (1) of section 29 of the Federal Excise Act, 2005, as per the terms, conditions, limitations and restrictions as may be prescribed.

## Chapter-VII

### 4571 OFFENCES, PENALTIES AND PUNISHMENT]

[33. Offences, Penalties and Punishment. \*\*[...] Whoever commits any offence described in column (1) of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column (2) thereof:

#### TABLE

Offences Penalties “°{and Punishment] | Section of the

Act to which  
offence has

reference

Q) (2) (3)

1. Where any person | Such person shall pay a penalty 26  
fails to furnish a | of [ten] thousand rupees:  
return within the due  
date. Provided that in case a person  
files a return within \*°'[ten] days  
of the due date, he shall pay a  
penalty of \*°[two] hundred  
rupees for each day of default.

463] A Where any online | Such person shall be liable to 26  
marketplace, pay:  
payment  
intermediary or | (i) Penalty of three lac rupees  
courier fails to for the first default if he  
furnish \_ prescribed fails to furnish \_\_ the

457 Marginal heading substituted by Finance Act, 2025.

458 Bracket and figure “one” omitted by Finance Act, 2008.

\*° In section 33, in the Table, in column (2), after the expression “Penalties”, the expression “and Punishr  
s by Finance Act, 2019.

ibstituted for the wor by Finance Act, 2015.

4©2 Substituted for the word “one” by Finance Act, 2019.

463 §, No. 1A and 1B entries relating thereto in columns (1), (2) and (3) inserted by Finance Act, 2025

## Sales Tax Act, 1990

to deposit \_\_\_ the amount of tax due or any part thereof in the time or manner laid down under this Act or rules or orders made there under.

of ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher:

Provided that, if the amount of tax or any part thereof is paid within '[ten] days from the due date, the defaulter shall pay

Offences Penalties “{and Punishment] | Section of the

Act to which

offence has

reference

Q) (2) (3)

monthly statement prescribed statement for within due date two consecutive months;

(ii) Penalty of one million rupees for each subsequent default within one year.

1B. Where any online | Such person shall be liable to 14 marketplace, courier | pay:

allow use of its services in the course | (i) Penalty of five lac rupees of e-commerce by for first default; unregistered persons | (ii) Penalty of one million rupees for each subsequent default.

. Any person who fails | Such person shall pay a penalty 23 to issue an invoice | of five thousand rupees or three when required under | per cent of the amount of the tax this Act. involved, whichever is higher.

. Any person who un- | Such person shall pay a penalty 3, 7 and 23 authorizedly issues an | of ten thousand rupees or five invoice in which an | per cent of the amount of t amount of tax is | he tax involved, whichever is specified. higher.

. Any person who fails | Such person shall pay a penalty 14 to notify the changes | of five thousand rupees. of material nature in the particulars of registration of taxable activity.

. Any person who fails | Such person shall pay a penalty | 3, 6, 7 and 48



Sales Tax Act, 1990

Offences

Penalties “[and Punishment]

Section of the  
Act to which  
offence has  
reference

Q)

(2)

(3)

a penalty of five hundred rupees  
for each day of default:

Provided further that no penalty  
shall be imposed when any  
miscalculation is made for the  
first time during a year:

Provided further that if the  
amount of tax due is not paid  
even after the expiry of a period  
of sixty days of issuance of the  
notice for such payments by an  
officer of [Inland Revenue,  
not below the rank of Assistant  
Commissioner Inland  
Revenue], the defaulter shall,  
further be liable, upon  
conviction by a Special Judge,  
to imprisonment for a term  
which may extend to three  
years, or with fine which may  
extend to amount equal to the  
amount of tax involved, or with  
both.

6.

Any person who  
repeats erroneous  
calculation in the  
return during a year  
whereby amount of  
tax less than the actual  
tax due is paid.

Such person shall pay a penalty  
of five thousand rupees or three

per cent of the amount of the tax involved, whichever is higher.

7 and 26

. Any person who is

required to apply for registration under this Act fails to make an

Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher:

application for

registration before | Provided that such person who making taxable | is required to get himself supplies. registered under this Act, fails

465 Substituted for "Sales tax", not below the rank of Assistant Collector of sales tax" by Finance Act, 2010

Offences Penalties “{and Punishment] | Section of the

Act to which  
offence has  
reference

Q) (2) (3)

to get registered within sixty  
days of the commencement of  
taxable activity, he shall, further  
be liable, upon conviction by a  
Special Judge, to imprisonment  
for a term which may extend to  
three years, or with fine which  
may extend to an amount equal  
to the amount of tax involved, or  
with both.

8. Any person who fails | Such person shall pay a penalty 22 and 24  
to maintain records | of ten thousand rupees or five  
required under this | per cent of the amount of tax  
Act or the rules made | involved, whichever is higher.  
there under.

9. Where a registered | such person shall pay a penalty 25  
person who, without | of five thousand rupees;  
any reasonable cause,  
in non compliance with | such person shall pay a penalty  
the provisions \_ of | of ten thousand rupees; and  
section 25, —  
such person shall pay a penalty

(a) fails to produce the | of fifty thousand rupees.

record on receipt o

first notice;

(b) fails to produce the  
record on receipt o  
second notice; and

(c) fails to produce the  
record on receipt o  
third notice.

10. Any person who fails | Such person shall pay a penalty 26

to furnish the  
information required  
by the Board through  
a notification issued  
under sub-section (5)  
of section 26.

of ten thousand rupees.

## Sales Tax Act, 1990

who commits or, causes to commit tax fraud as defined under — sub-clauses (a), (b), (c), (d), (e) or (f) of clause (37) of section 2.

(ii) Any person who commits or, causes to commit tax fraud as

liable, upon conviction by a Special Judge, to imprisonment for a term which may extend upto five years. Such person shall also be liable to pay the amount equal to the loss of tax caused as confirmed by the Special Judge from such amount reported under sub section (11) of section 37B, including one hundred percent penalty of tax loss and default surcharge under section 34 of the Act.

Offences Penalties “{and Punishment] | Section of the Act to which offence has reference Q) (2) (3)

11. 4°[Omitted]

12. Any person who | Such person shall pay a penalty | 25, 38 -4”[38A denies or obstructs | of twenty five thousand rupees and 40B] the access of an | or one hundred per cent of the authorized officer to | amount of tax involved, the business | whichever is higher. “\*[ Without premises, registered | prejudice to above, he shall also office or to any other | be liable,] upon conviction by a place where records | Special Judge, to imprisonment are kept, or | for a term which may extend to otherwise refuses | five years, or with fine \*\* [which access to the stocks, | may extend to an amount equal accounts or records | to the amount of tax evaded or or fails to present the | sought to be evaded], or with same when required | both. under section 25, 38 467(38A or 40B].

47113. (i) Any person | (i) Such person shall be 2(37)

466 §, No. 11, and entries relating thereto omitted by Finance Act, 2025,

47 Substituted for “or 38A” by Finance Act, 2009

46SWords substituted by Finance Act, 2024.

4C Words substituted by Finance Act, 2024.

479 Substituted for “or 38A” by Finance Act, 2009

47'S. No. 13 and entries relating thereto substituted by Finance Act, 2025.

## Sales Tax Act, 1990

violates any embargo placed on removal of goods in connection with recovery of tax.

of twenty five thousand rupees or ten per cent of the amount of the tax involved, whichever is higher. \*?[ Without prejudice to above, he shall also be liable], upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine \*"[which may extend to an amount equal to the

Offences Penalties “{and Punishment] | Section of the Act to which

offence has

reference

Q) (2) (3)

defined under — sub- | (ii) Such person shall be liable, clauses (g), (h), (1), G or upon conviction by a (k) of clause (37) of Special Judge, to

section 2 imprisonment for a term

which may extend upto

five years. Such person shall also be liable to pay the amount equal to the

loss of tax caused as

confirmed by the Special Judge from such amount reported under sub section

(11) of section 37B,

including one hundred

percent penalty of tax loss

and default surcharge

under section 34 of the Act.

413A. Any person who | Such person shall be liable, | 2(1), 2(37), abets or connives | upon conviction by a Special | 50A";

in committing | Judge, to imprisonment for a

tax fraud as | term which may extend to five

defined in | years or with fine which may

section 2(37) or | extend to ten million rupees, or

any offence | with both.

warranting

prosecution

under the Act.

14. Where any person | Such person shall pay a penalty 48

48. No. 13A and entries relating thereto inserted by Finance Act, 2025.

473 Words substituted by Finance Act, 2024.



## Sales Tax Act, 1990

Offences Penalties “{and Punishment] | Section of the  
Act to which  
offence has  
reference  
d) (2) (3)

amount of tax evaded or sought  
to be evaded], or with both.

15.

Any person who  
obstructs the  
authorized officer in  
the performance of  
his official duties.

Such person shall pay a penalty  
of twenty five thousand rupees  
or one hundred per cent of the  
amount of tax involved,  
whichever is higher.

31 and General

16.

Any person who fails  
to make payment in  
the manner  
prescribed under  
section 73 of this  
Act.

Such person shall pay a penalty  
of five thousand rupees or three  
per cent of the amount of tax  
involved, whichever is higher.

73

17.

Any person who fails  
to fulfil any of the

Such person shall pay a penalty  
of five thousand rupees or three

71 and General

conditions, per cent of the amount of tax  
limitations or | involved, whichever is higher.

restrictions  
prescribed in a  
Notification issued  
under any of the  
provisions of this  
Act.

18. Where any officer of | Such officer of \*\*\*[Inland General  
‘5[Inland Revenue] | Revenue] shall be liable, upon  
authorized to act | conviction by a Special Judge,  
under this Act, acts | to imprisonment for a term  
or omits or attempts | which may extend to three  
to act or omit in a] years, or with fine \*\*\*[which  
manner causing loss | may extend to an amount equal  
to the sales tax | to the amount of tax evaded or  
revenue or otherwise | sought to be evaded], or with  
abets or connives in | both.  
any such act.

19. Any person' who | Such person shall pay a penalty General.]

contravenes any of  
the provision of this  
Act “for the rules

of five thousand rupees or three  
per cent of the amount of tax  
involved, whichever is higher. ]

4"5 Words “Sales Tax” substituted for Inland Revenue by Finance (Amended) Ordinance, 2010.  
476 Substituted for “Sales Tax” by Finance Act, 2011

477 Words substituted by Finance Act, 2024.  
4°8 Words added through Finance Act, 2016.

## Sales Tax Act, 1990

manufactures,  
possesses,  
transports,  
distributes, stores  
or sells \*[goods  
or class of goods  
as specified by the  
Board under sub-  
section (1) of  
section 40C] with  
counterfeited tax  
stamps,  
banderoles,  
stickers, labels or  
barcodes or  
without tax  
stamps,  
banderoles,  
stickers, labels or  
barcodes

shall be liable to outright  
confiscation “[as may be  
prescribed] 485.) 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. \*\*\*[ Without prejudice to  
above, he shall also 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 amount of  
tax evaded or sought to be  
evaded], or with both.

(ii) In case of transport of  
[specified goods] with  
counterfeited tax stamps,  
banderoles, stickers, labels or  
barcodes, or without tax stamps,  
banderoles, stickers, labels or

Offences Penalties “{and Punishment] | Section of the  
Act to which  
offence has  
reference  
dQ) (2) (3)  
made thereunder] for

which no \_ penalty  
has, specifically,  
been provided in this  
section.

4797 2.0, J

489(21) Where any person | Such person shall pay twice the General.  
repeats an | amount of penalty provided  
offence for | under the Act for the said  
which a penalty | offence  
is provided under  
this Act

22. \*81/Omitted]

\*2723. Any person who | (i) | Such [specified goods] 40C(2)]

4" Serial No. 20 omitted by Finance Act, 2008

489 Serial No. 21 and 22 inserted by Finance Act, 2006.

481 §, No. 22, and entries relating thereto omitted by Finance Act, 2025,

sion substituted by Finance Act, 2023  
erted by Finance Act, 2024.

48° Words substituted by Finance Act, 2024.

487 Words substituted by Finance Act, 2024.

lo. 23 and entries relating thereto in columns (1), (2) and (3) inserted through Finance Act, 2017

n omitted by by Finance (Supplementary) Act, 2022.

Sales Tax Act, 1990

Offences Penalties “{and Punishment] | Section of the Act to which offence has reference dd) (2) (3) barcodes, permanent seizure of the vehicle used for transportation of non-conforming or counterfeit

[specified goods]; and

(iii) In case of repeat sale of [specified goods] without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale \*\*\*[shall be liable to be sealed by an officer of Inland Revenue in the manner as may be prescribed.]

4897

“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 QR code] or bears duplicate invoice number or counterfeit

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. [Without prejudice to above, he shall also 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.

427 Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed.]

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

sub-section (9A) of section 3 and section 40C.

"88 Words substituted by Finance Act, 2024.

+8 New serial numbers "24 26" and "27" inserted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.  
+ Words added by Finance Act, 2022.

©? Paragraph under serial number 24 inserted by Finance (Supplementary) Act, 2022.

## Sales Tax Act, 1990

Offences Penalties “{and Punishment] | Section of the Act to which offence has reference  
d) (2) (3)

barcode, “Tor QR code or defaces the prescribed invoice number of barcode or QR code] or any person who abets commissioning of such offence.

additional fine which may extend to two hundred thousand rupees, or with both.

25. Any person, who is

required to integrate his business for monitoring,

tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required

Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after a period of \*?[two] months after imposition of penalty as aforesaid, his business premises 4°4[shall be liable to be sealed by an officer of Inland Revenue in the manner as may \_ be prescribed.]

under law.

#6(25A A person | Such person shall be liable to | \*"[Section 23]  
required to | pay: and sub-  
integrate his | (i) penalty of five hundred | section (4) of  
business as thousand rupees for first | section 40C]  
stipulated — under default;

"Tsection 23], | (ii) penalty of one million  
\*8lor sub-section rupees for second default  
(4) of — section after fifteen days of order  
40C,] who fails to for first default;

get himself | (iii) penalty of two million  
registered under rupees for third default

\*°! Words added by Finance Act, 2022.

\*°3 The word substituted by Finance Act, 2020.

+4 Words substituted by Finance Act, 2024.

os ssion omitted by by Finance Act, 2022.  
ber substituted by Finance Act, 2022.

“°8 Expression inserted by Finance Act, 2024.  
500 Expression inserted by Finance Act, 2024.

pression “section 23” substituted by Finance Act, 2025;

Sales Tax Act, 1990

registered, fails to integrate in the manner as required under the law and

rules made thereunder \*[or fails to issue

electronic invoices after integration. ]

for second default; penalty of three million rupees for fourth default after fifteen days of order for third default:

Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland

(iv)

Revenue in the manner

prescribed:

Provided that if the

retailer integrates his business with the Board's Computerized System before imposition of penalty for second default, penalty for first default shall be waived by the Commissioner. ]

Offences Penalties “{and Punishment] | Section of the

Act to which

offence has

reference

dd) (2) (3)

the Act, and if after fifteen days of order

S°r25AA. Any licensed integrator who is authorized to provide electronic invoicing system for integration of registered persons fails to integrate such registered persons in the manner as\_ required under this Act and rules made thereunder.

Such person shall be liable to

pay penalty of rupees one million or one percent of the total value of the sales suppressed, whichever is higher.

sub-section (5) of section 40C.]

595B. Where any person fails to generate an e-bility, or tampers with, misuses, or forges such document in contravention of sub-section (6) of section 40C.

Such person shall be liable to pay penalty of fifty thousand rupees and recovery of any tax evaded through such contravention

sub-section (6) of 40C.”.

+” the words “or fails to issue electronic invoices after integration” added by Finance Act, 2025.

5°! Serial number 25AA inserted by Finance Act, 2024.

802 §. No. 25B and entries relating thereto inserted by Finance Act, 2025.

Sales Tax Act, 1990

Offences Penalties “{and Punishment] | Section of the

Act to which

offence has

reference

dQ) (2) (3)

26. Any person, being a | Such person shall pay a penalty | sub-section (27) manufacturer or | of ten thousand rupees or five | of section 2 and importer of an item | per cent of the amount of tax

which is subject to tax on the basis of retail price, who fails to print the retail price in the

manner as stipulated under the Act.

involved, whichever is higher:

Further, such goods shall also be liable to confiscation \*[as may be prescribed.] However, the adjudication authority, after such confiscation, may allow redemption of such goods on payment of fine which shall not be less than twenty percent of the total retail price of such goods.

clause (a) of sub-section (2) of section 3.

27. Any person, being

owner of \_ the goods, which are brought to Pakistan in violation of section 40D.

Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax involved, whichever is higher:

Further, such goods shall also be liable to confiscation \*“[as may be prescribed.]. However, the adjudication authority, after such confiscation, may allow redemption of such goods on payment of fine which shall not be less than twenty percent of value, or retail price in case of items falling in Third Schedule, of such goods.

section 40D”;]

505[28. Any person who

is required to share information under section 56AB, fails to do so in the manner as required under the law

Such person shall pay a penalty of twenty five thousand rupees for first default and \_ fifty thousand rupees for each subsequent default

56AB]

506/33 A\*\*\*],

5° Words inserted by Finance Act, 2024,

5 Words inserted by Finance Act, 2024.

505 New serial number 28 added by Finance Act, 2020.

506 Section 33A omitted by Finance Act, 2022.

507134,

Sales Tax Act, 1990

Default Surcharge.— (1) Notwithstanding the provisions of section

11, if a registered person does not pay the tax due or any part thereof, whether wilfully or otherwise, in time or in the manner specified under this Act, rules or notifications issued thereunder or claims a tax credit, refund or makes an adjustment which is not admissible to him, or incorrectly applies the rate of zero per cent to supplies made by him, he shall, in addition to the tax due, pay default surcharge at the rate mentioned below:—

(a)

5°8\_] 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 ° [twelve percent per annum or KIBOR plus three percent per annum, whichever is higher], of the amount of tax due or the amount of refund erroneously made; \*!°[and]

(c)

(2)

(a)

(b)

in case, the default is on account of tax fraud, the person who has

committed tax fraud shall pay default surcharge at the rate of two per cent per month, of the amount of tax evaded or the amount of refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid.

For the purpose of calculation of default surcharge, —

in the case of inadmissible input tax credit or refund, the period of default shall be reckoned from the date of adjustment of such credit or, as the case may be, refund is received; and

in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the 16" day of a month (following the due date of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid.

Explanation.— For the purpose of this section tax due does not include the amount of penalty.

5°7 Section 34 substituted by Finance Act, 2005. Earlier it was also substituted by Finance Act, 1996. 508 Words and comma “for the first six months of default,” omitted by Finance Act, 2008.

5 Words twelve substituted by Finance Act, 2018.

5! Word inserted by Finance Act, 2008.

51! Clause (b) omitted by Finance Act, 2008.

## Sales Tax Act, 1990

534A. Exemption from penalty and \*!\*[default surcharge].--The Federal Government may, by a notification in the official Gazette, or the \*'4[Board] by a special order published in Gazette for reasons to be recorded in writing, exempt any person or class of persons from payment of the whole or part of the penalty and >!°[default surcharge] imposed under sections 33 and 34 subject to such conditions and limitations as may be specified in such notification or, as the case may be, special order. ]

516735, KK]  
SI35A, )

518736, wee]

37. Power to summon persons to give evidence and produce documents in inquiries under the Act.— (1) Any officer of \*!°[Inland Revenue] shall have powers to summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any inquiry which such officer is making for any of the purposes of this Act.

(2) Any person summoned under sub-section (1) shall be bound to attend either in person or by an authorised agent, as the officer of \*[Inland Revenue] may direct;

Provided that a person who is exempted from personal appearance in a court under section 132 and 133 of the Code of Civil Procedure (Act V of 1908), shall not be required to appear in person.

(3) Any inquiry before an officer of \*7°[Inland Revenue] shall be deemed to be a judicial proceeding within the meaning of section 193 and \*\*![228] of the Pakistan Penal Code (Act XLV of 1860).

522(4) For the purpose of an inquiry under this Act, the officer of Inland Revenue shall have the powers of a civil court trying a suit under the Code of Civil

512 Section 34A substituted by Finance Ordinance 2001. Earlier it was inserted by Sales Tax (Amendme

first day of December, 1998. Earlier the same was amendment was made by Sales Tax (Second Amendm

Substituted for “additional tax” by Finance Act, 2005

514 Substituted for “Central Board of revenue” by Finance Act, 2007

515 Substituted for “additional tax” by Finance Act, 2005

516 Section 35 omitted by Finance Act, 1996.

517 Section 35A omitted by Finance Act, 1996. Earlier it was inserted by Finance Act, 1992.

518 Section 36 omitted by Finance Act, 2012. Earlier it was substituted by Finance Act, 1996. Before this

519 Substituted for “sales tax” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan. This amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No.

published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

520 Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

substituted for the figure "223" by Finance Act, 1994

sub-section (4) inserted by Finance Act, 2025

si

80

Sales Tax Act, 1990

Procedure, 1908 (Act No. V of 1908), in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath; and

(b) requiring the discovery and production of documents and receiving evidence on affidavits.

**52337. Power to inquire, investigate offences warranting prosecution under this Act and Arrest of a person.**— (1) Notwithstanding anything contained in Section 11E of this Act, an officer of Inland Revenue not below the rank of assistant commissioner or any other officer authorized by the Board in this behalf on the basis of material evidence pointing to the commission of tax fraud or an offence warranting prosecution under this act may initiate an inquiry upon approval by the Commissioner.

(2) For the purpose of an inquiry under this Act, the officer of Inland revenue shall have the powers of a civil court trying a suit under the Code of Civil Procedure, 1908 (Act No. V of 1908), in respect of the following matters, namely:

(a) summoning and enforcing the attendance of any person and examining him on oath; and

(b) requiring the discovery and production of documents and receiving evidence on affidavits.

(3) The officer of inland revenue shall complete the inquiry while

exercising the powers under the provisions of section 37, 38, 38A, 38B, 40 or any other section of the Act, wherever required within six months.

(4) During inquiry proceedings, the officer of inland revenue shall give an opportunity of being heard to the person whose actions alleged to have caused tax fraud warranting prosecution under this Act, confronting the person the details of tax fraud committed or caused to be committed by such person for explanation.

(5) The officer of inland revenue shall submit inquiry report along with reasons to be recorded in writing indicating the amount involved in tax fraud worked out as a result of such inquiry to the Commissioner to obtain prior approval for investigation or the closure of inquiry without any further investigation.

(6) The Commissioner, on the basis of inquiry report under sub-section (5) and after recording reasons in writing, shall either —

523 Section 37A and 37B substituted by Finance Act, 2025.

Sales Tax Act, 1990

- (i) approve initiation of investigation, or
- (ii) require the officer of Inland Revenue to submit such further information or documents as he may direct for his decision; or
- (iii) close the inquiry by rejecting the report or accepting the report, as the case may be.

7 After approval of investigation under sub-section (6), the officer PP' gi

of inland revenue shall complete investigation within three months and prepare investigation report for submission before the competent court.

(8) The three-member committee notified by the Chairman, may authorize the Commissioner to issue warrant of arrest of a person, if it is satisfied on the basis of facts brought before it, that

- (a)
- (b)
- (c)

the tax fraud falls within the ambit of sub-clauses (a), (b), (c), (d), (e) and (f) of clause (37) of section 2;

the amount involved in tax fraud exceeds fifty million rupees; and

it has been established during the course of investigation by the Inquiry Officer that —

- (i) the accused is intentionally or willfully not joining the investigation after three duly served notices;
- (ii) the accused is attempting to abscond; or
- (iii) there are sufficient grounds that the accused would temper with the evidence.

(9) Notwithstanding anything contained in sub-section (8), the officer of inland revenue may arrest a person alleged to have committed a tax fraud after obtaining an arrest warrant from the Special Judge in a case of a fraud falling within the ambit of the subclauses of clause (37) of section 2 during the course of investigation if:-

- (i) the accused is intentionally or willfully not joining the investigation after three duly served notices;

(ii) the accused attempting to abscond; or

## Sales Tax Act, 1990

(iii) there are sufficient grounds that the accused would temper with the evidence.

(10) Where the person suspected of tax fraud or any offence warranting prosecution under this Act is a company, every director or officer of that company whom the officer of inland revenue has reason to believe is personally responsible for actions of the company contributing the tax fraud or any offence warranting prosecution under this Act shall be liable to arrest; provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Act.

(11) — Notwithstanding anything contained in this Act, where any person has committed a tax fraud or any offence warranting prosecution under this Act, the Commissioner may, either before or after the inquiry or investigation, compound the offence if such person pays the amount of tax evaded or sought to be evaded as determined in the inquiry or the investigation along with default surcharge and penalty as provided under this Act.

(12) — Any person accused of an offence who is arrested under this Act shall at the time of arrest be informed of the grounds of arrest in writing on the basis of which he has been arrested.

(13) — All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898):

Provided that no arrest under this section shall be made before the completion of inquiry under sub-section (1) of this section.

(14) The accused arrested may approach the competent court for his release on bail under the provisions contained in sections 497 and 498 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(15) — The purpose of prosecution under the provisions of sections 37A and 37B of this Act shall remain to —

(a) create sufficient deterrence against tax fraud; and  
(b) provide for retribution for commission of tax fraud.;

37B. Procedure to be followed on arrest of a person.- (1) Where an officer of Inland Revenue arrests a person under Section 37A, he shall immediately intimate the fact of the arrest of that person to the Special Judge who may direct such Officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.

(2) Notwithstanding anything contained in the sub-section (1), any person arrested under this Act shall be produced before the Special Judge or, if

there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.

(3) Where a person is produced under sub-section (2) before the Special Judge, he may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit:

Provided that nothing herein contained shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considered that the affording of such opportunity shall defeat the purposes of this Act.

(4) When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorising his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before, the Special Judge and he shall be so taken.

(5) Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Judicial Magistrate from remanding any such person to the custody of an officer of Inland Revenue] holding investigation against that person if such officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order:

Provided that in no case the period of such custody shall exceed fourteen days.

(6) When any person is arrested under this Act, an officer of Inland Revenue shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to investigate into the charge against such person and if he completes the investigation within twenty-four hours of his arrest, excluding the time necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody.

(7) While holding an investigation under sub-section (6), an officer of Inland Revenue shall exercise the same powers as are exercisable by an officer in

charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an investigation under this Act.

(8) If an officer of Inland Revenue, after holding an investigation as aforesaid, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.

(9) The Special Judge to whom a report has been made under sub-section, (8) may, after the perusal of record of the investigation, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

(10) An officer of Inland Revenue empowered to hold investigation under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the investigation has been conducted from day to day; and, such register or authenticated copies of its aforesaid entries shall be produced before the Special Judge, whenever such Officer is so directed by him.

(11) — After completing the investigation, an officer of Inland Revenue shall, as early as possible, submit to Special Judge a report in the same form and manner in which the officer in charge of a police station submits a report, before a court.

(12) Magistrate of the first class may record any statement or confession during investigation under this Act, in accordance with the provisions of Section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(13) Without prejudice to the foregoing provisions of this section, Board, with the approval of the Federal Minister-in-charge, may, by notification in the official Gazette, authorize any other officer working under the Board to exercise the powers and perform the functions of an officer of Inland Revenue under this section, subject to such conditions, if any, that it may deem fit to impose.

°°4737C. Special Judges.— (1) The Federal Government may by notification in the official Gazette, appoint as many Special Judges as it considers necessary and, where it appoints more than one Special Judge, it shall specify in the notification the headquarter of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act.

(2) No person shall be appointed as a Special Judge unless he is or has been a Sessions Judge.]

525(37D. Cognizance of Offences by Special Judges.— (1) Notwithstanding anything contained in this Act or any other law for the time being in force, a Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable under this Act:

(a) Upon a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or

(b) Upon receiving a complaint or information of facts constituting such offence made or communicated by any person; or

(c) Upon his own knowledge acquired during any proceeding before him under this act or under any other law for the time being in force.

(2) Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with trial of the accused.

(3) Upon the receipt of a complaint or information under clause (b), or acquired in the manner referred to in clause (c) of sub-section (1), the Special Judge may, before issuing a summon or warrant for appearance of the person complained against, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, or direct any magistrate or any officer of Inland Revenue or any police officer to hold such inquiry and submit a report, and such Magistrate or officer shall conduct such inquiry and make report accordingly.

(4) If, after conducting such inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that—

(a) there is no sufficient ground for proceeding, he may dismiss the complaint, or

(b) there is sufficient ground for proceeding, he may proceed against the person complained against in accordance with law.

\$4 Section 37C inserted by Finance Ac, 2010 earlier a different section 37C was omitted by Finance Act, 525 Section 37D to 371 inserted by Finance Act, 2010.

(5) A special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).

37E. Special Judge, etc. to have exclusive jurisdiction.—

Notwithstanding anything contained in this Act or in any other law for the time being in force,—

(a) no court other than the Special Judge having jurisdiction, shall try an offence punishable under this Act;

(b) no other court or officer, except in the manner and to the extent specifically provided for in this Act, shall exercise any power, or perform any function under this Act;

(c) no court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Act; and

(d) no court, other than the Special Judge or the High Court, shall entertain any application or petition or pass any order or give any direction under chapters XXXVII, XXXIX, XLIV or XLV of the aforesaid Code.]

37F. Provisions of Code of Criminal Procedure, 1898, to apply— (1)

The provision of the Code of Criminal procedure, 1898 (Act V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to the proceedings of the court of a Special Judge and such court shall be deemed to be a court of Sessions for the purpose of the said Code and the provisions of Chapter XXIIA of the foresaid Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Act.

(2) For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence punishable under this Act were one of the offences referred to in sub-section (1) of section 337 of the said Code.

37G. Transfer of cases.— (1) Where more than one Special Judge are appointed within the territorial jurisdiction of a High Court, the High Court, and where not more than one Special Judge is so appointed, the Federal Government, may by order in writing direct the transfer, at any stage of the trial, of any case from the court of one Special Judge to the Court of another Special Judge for disposal, whenever it appears to the High Court or, as the case may be, the Federal

Government, that such transfer may promote the ends of justice or tend to the general convenience of the parties or witnesses.

(2) In respect of a case transferred to a Special Judge under sub-section (1), such Special Judge shall not by reason of the said transfer, be bound to recall and rehear any witness whose evidence has been recorded in the case before the transfer and may act upon the evidence already recorded or produced before the court which tried the case before the transfer.]

37H. Place of Sittings. A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.

371. Appeal to the High Court.— (1) Any person, including the Federal Government, the Board, the Commissioner or Director of Intelligence and Investigation or any other officer authorized in this behalf by the Board, aggrieved by any order passed or decision made by a Special Judge under this Act or under the Code of Criminal Procedure, 1898 (Act V of 1898), may, subject to the provisions of Chapters XXX] and XXXII of the said Code, within Sixty days from the date of the order or decision, prefer an appeal to the High Court.

(2) Except as otherwise provided in sub-section (1), the provisions of the Limitation Act, 1908 (IX of 1908), shall apply to an appeal preferred under sub-section (1).]

°°6(38. Authorised officers to have access to premises, stocks, accounts and records — (1) Any officer authorised in this behalf by the Board \*?\*[or the Commissioner \*7°[\*\*\*]] shall have free access °[including real-time electronic access] to business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained belonging to any registered person or a person liable for registration or whose business activities are covered under this Act or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the goods, stocks, records, data, documents, correspondence, accounts and statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents, including those which are required under any of the Federal, Provincial or local laws maintained in any form or mode and may take into his custody such records, statements, diskettes, documents or any part thereof, in original or copies thereof in such form as the authorised officer may deem fit against a signed receipt.

526 Section 38 Substituted by Finance Act, 1996.

57 Words inserted by Finance Act, 2010 w.e.f. June 5, 2010.

°°8 The words “or the Collector” were omitted by Finance Act, 2009.

529 Words inserted by Finance Act, 2020.

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(2) The registered person, his agent or any other person specified in sub-section (1) shall be bound to answer any question or furnish such information or explanation as may be asked by the authorised officer.

(3) The department of direct and indirect taxes or any other Government department, local bodies, autonomous bodies, corporations or such other institutions shall supply requisite information and render necessary assistance to the authorised officer in the course of inquiry or investigation under this section.]

539((4) \_ For the purpose of sub-section (1), the Board may make rules relating to electronic real-time access for audit or a survey of persons liable to tax.]

331138A.Power to call for information.— The \*°?[Commissioner] may, by notice in writing, require any person, including a banking company, to furnish such information or such statement in connection with any investigation or inquiry in cases of tax fraud, as may be specified in such notice \*7[:]]

[Provided that the \*\*[Commissioner] may require any regulatory authority to provide information concerning the licenses and authorizations issued by it.]

36138B. Obligation to produce documents and \_ provide information.— (1) Notwithstanding anything contained in this Act or any other law for the time being in force, any person required to maintain the record under the Act, on demand by an officer, not below the rank of \*'[an Assistant] °38[Commissioner Inland Revenue] , by notice in writing, as and when specified in the notice, shall,—

(a) produce for examination, such documents or records which the officer of \*°[Inland Revenue] considers necessary or relevant to the audit, inquiry or investigation under the Act;

(b) allow the officer of \*°[Inland Revenue] to take extracts from or copies of such documents or records; and

530 New sub-section (4) inserted by Finance Act, 2020.

531 Section 38A inserted by Finance Act, 2004.

53? Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made

promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan

259.

Substituted for full stop by Finance Act, 2007

54 Proviso inserted by Finance Act, 2007.

585 Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010

56 Section 38B inserted by Finance Act, 2006.

537 Substituted for “a Deputy” by Finance Act, 2011

538 Substituted for “Collector of Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010

59 Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

540 Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010

533

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(c) appear before the officer of <sup>TM</sup>\*[Inland Revenue] and answer any question put to him concerning the documents and records relating to the audit or inquiry or investigation referred to in clause (a) above.

(2) An officer of [Inland Revenue] conducting an audit, inquiry or, as the case may be, an investigation under the Act, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization, which, in the opinion of the officer of \*3[Inland Revenue], is relevant to such audit, inquiry or investigation.

(3) The Board may require, in writing, any person, department, company or organization, as the case may be, to provide any information or data held by that person, department, company or organization, which, in the opinion of the Board, is required for purposes of formulation of policy or administering the Customs, Sales Tax, Federal Excise or Income Tax.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Board or the officer of Sales Tax under sub-section (2) or (3), within the time specified in the notice issued by the Board or, as the case may be, the officer of \*"[Inland Revenue].]

545(5) Notwithstanding anything contained in any other law for the time being in force, the Commissioner may, by notice in writing, require any Internet Service Providers, | Telecommunication Companies and Pakistan Telecommunication Authority, to furnish subscriber's information pertaining to the Internet Protocols in connection with any inquiry or investigation in cases of tax fraud, as may be specified in such notice.

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47140. Searches under warrant.— (1) Where any officer of <sup>TM</sup>\*[Inland Revenue] has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the magistrate, enter that place and cause a search to be made at any time.

(2) The search made \*"[in his presence] under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).]

54! Substituted for “Sales

.” by Finance Act, 2010 w.e.f. June 5, 2010

‘ax” by Finance Act, 2010 w.e.f. June 5, 2010

Subs ‘ax” by Finance Act, 2010 w.e.f. June 5, 2010

54 Substituted for es Tax” by Finance Act, 2010 w.e.f. June 5, 2010  
section (5) inserted by Finance Act, 2025.

Section 39 omitted by Finance act, 1996.

\$47 Section 40 substituted by Finance Act, 2004.

548 Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010



Sales Tax Act, 1990

SSOT40A. wae)

5!(40B. Posting of °[Inland Revenue] Officer.— Subject to such conditions and restrictions, as deemed fit to impose, the \*\*[Board], \*\*[omitted..] 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 TM“[.] 555[omitted..]

°°6(40C. Monitoring or Tracking by Electronic or other means.— (1) Subject to such conditions, restrictions, and procedures, as it may be fit to impose or specified, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any good or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed

(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, band role stickers, labels, \*[bar code °°\*[production monitoring, video analytics,] etc. in any such form, style and manner as may be prescribed by the Board in this behalf.]

55°[(3) Such tax stamps, banderols, stickers, labels, barcodes °° [monitoring equipment] etc., shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board for the purpose, against price approved by the Board, which shall include the cost of equipment installed by such licensee in the premises of the said registered person.]

561((4) Notwithstanding anything contained in this Act or any other law for the time being in force, the provisions of section 83C of the Customs Act, 1969 (IV of 1969) shall mutatis mutandis apply.; and

(5) [Omitted]

5®[40D. Provisions relating to goods supplied from tax-exempt areas.-(1) The conveyance carrying goods supplied from the tax exempt areas, shall be accompanied by such documents in respect of the goods carried as may be prescribed under rules.

589 Section 40A omitted by Finance Act, 2006.

551 Section 40B inserted by Finance Act, 2003.

552 Substituted for “Central Board of revenue” by Finance Act, 2007

588 Words “or Chief Commissioner” omitted by Finance Act, 2018.

58 Colon omitted and full stop inserted by Finance Act, 2018.

588 Proviso and explanation omitted by Finance Act, 2018.

586 Section 40C inserted by Finance Act, 2013.

557 Word and comma inserted by Finance Act, 2015

558 After the expression “bar codes,”, the expression “production monitoring, video analytics,” inserted by Finance Act, 2025.  
58 Sub-section (3) added by Finance Act, 2015.

1 the expression “bar codes,”, the expression “monitoring equipment” inserted by Finance Act, 2025.  
ns (4) substituted by Finance Act, 2025.

ns (5) omitted by Finance Act, 2025.

jon “40D” inserted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

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(2) The Regional Tax Office having jurisdiction may establish check-posts on the routes originating from tax-exempt areas for the purpose of examining the goods carried and the documents related thereto, An officer not below the rank of Inspector, Inland Revenue, as authorized by the Commissioner, Inland Revenue, and assigned to such check-posts, may stop vehicle on such routes as coming from tax-exempt areas and examine documents for ascertaining their validity and conformity to the goods carried.

(3) In the absence of the prescribed documents or any discrepancy in such documents, the goods so carried shall be seized along with the vehicle carrying the goods by the officer as aforesaid under proper acknowledgment.

(4) The notices to the owner of the goods and the vehicle to show cause against imposition of penalty shall be issued within fifteen days of the seizure as aforesaid.

(5) For the purposes of this section, the expression “tax-exempt areas” means Azad Jammu and Kashmir, Gilgit-Baltistan, “[Border Sustenance Markets and] Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.”;]

565140E. Licensing of brand name.- (1) Manufacturers of the specified goods shall be required to obtain brand licence for each brand or stock keeping unit (SKU) in such manner as may be prescribed by the Board.

(2) Any specified brand and SKU found to be sold without obtaining a licence from the Board shall be deemed counterfeit goods and liable to outright confiscation and destruction in the prescribed manner and such destruction and confiscation shall be without prejudice to any other penal action which may be taken under this Act.]

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56 Expression inserted by Finance Act, 2021.

568 New section 40E inserted by Finance Act, 2021

566 Sections 41 and 42 omitted by Finance Act, 1996

567[APPEALS]

568 [43. REE  
56°143A. Omitted]  
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57745. we \*]

'745A. Power of the Board °"[and °[Commissioner]] to call for records.-- (1) The Board may, of its own motion °"[, or otherwise] call for and examine the record of any departmental proceedings under this Act or the rules made there under for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an Officer of °"[Inland Revenue], it may pass such order as it may think fit:

Provided that no order imposing or enhancing any penalty or fine requiring payment of a greater amount of [Sales Tax] than the originally levied shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(2) No proceeding under °\*[this section] shall be initiated in a case where an appeal under Section °\*[45B] or Section 46 is pending.

S767

(3) No order shall be made under this Section after the expiry of °\*[five] years from the date of original decision or order of the sub-ordinate officer referred to in sub-section (1).

57[(4) The °\*[Commissioner] may, suo moto, call for and examine the record of any proceeding under this Act or the rules made thereunder for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by an officer of °\*[Inland Revenue] subordinate to him, and pass such order as he may deem fit.]

567 Heading of chapter Adjudication substituted for cases by finance act 1996

568 Sections 43 and 44 omitted by Finance Act, 1996

56° New section 43A added through Tax Laws (Amendment) Act, 2024.

57 Section 43A omitted by Finance Act, 2025.

ection 45A added by Finance Act, 1993,

substituted for "Collector and Collector (Adjudication)" by Finance Act, 2005. Earlier these were substituted

2003

573 Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made promulgated as Ordinance No. III of 2010, published in the Gazette of Pakistan Extraordinary Part I at page

made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, Gazette of Pakistan Extra Ordinary Part I at pages 229 to 259,

4 Words inserted by Finance Act, 2015.

Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010

substituted for “sub-section (1)” by Finance Act, 2008

substituted for the figure “45” by Finance Ordinance, 2002

Substituted for “three” by Finance Ordinance, 2000

sub-section (4) substituted by Finance Act, 2005

589 Substituted for the word “Collector” by Finance Act, 2010

S81 Substituted for the words “Sales Tax” by Finance, Act, 2010

582(45B. Appeals. \*\*'[(1) Any person, other than an State Owned Enterprises (SOE), aggrieved by any decision or order passed under sections 10,11A,11D, LIE, 11F ,21,33, 34 and 66 of this Act, by an officer of Inland Revenue may, within thirty days of the date of receipt of such decision or order prefer appeal to the Commissioner Inland Revenue (Appeals):

Provided that an appeal preferred after the expiry of thirty days may be admitted by the Commissioner Inland Revenue (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period:

Provided further that registered person shall have an option to directly file an appeal before Appellate Tribunal Inland Revenue without availing right of Appeal under this section.

S847(1A) An appeal under sub-section (1) shall—

- (a) be in the prescribed form;
- (b) be verified in the prescribed manner;
- (c) state precisely the grounds upon which the appeal is made;
- (d) be accompanied by the prescribed fee specified in sub-section (1B); and
- (e) be lodged with the Commissioner (Appeals) within the time set out in sub-section (1).

[(B) The prescribed fee shall be—

- (a) in the case of an appeal against an assessment—
  - (i) where the appellant is a company, five thousand rupees; or
  - (ii) where the appellant is not a company, two thousand and five hundred rupees; and

(b) in any other case—

- (i) where appellant is a company, five thousand rupees; or
- (ii) where the appellant is not a company, one thousand rupees. ]

58? Section 45B inserted by Finance Ordinance, 2002

53 Section 45B substituted by Finance Act, 2025.

58 New sub-sections (1A and 1B) inserted by Finance Act, 2020.

## Sales Tax Act, 1990

585/586((1C) Where in a particular case, the Commissioner (Appeals) is of the opinion recovery of tax levied under this act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the commissioner or officer of Inland revenue against whose orders appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate. ]

(2) The \*8'[Commissioner Inland Revenue] (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against >\*\*[:]

58°[Provided that such order shall be passed not later than \*°[one hundred and twenty] days from the date of filing of appeal or within such extended period as the \*'"[Commissioner] (Appeals) may, for reasons to be recorded in writing fix:

Provided further that such extended period shall, in no case, exceed T sixty] days °[::]]

[Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of aforesaid periods. ]

(3) In deciding an appeal, the '[Commissioner of Inland Revenue]

(Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for de novo consideration.

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(5) The Commissioner (Appeals) shall not admit any documentary material or evidence which was not produced before the Officer Inland Revenue unless the Commissioner (Appeals) is satisfied that the appellant was prevented by sufficient cause from producing such material or evidence before the Officer Inland Revenue.]

585 Existing sub-section (1A) re-numbered as (1C) by Finance Act, 2020.

'S[nserted through Finance Act, 2013

587 Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pa 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

588 Colon inserted through Finance, Act, 2005

58° Two provisos inserted by Finance Act, 2005

5° Substituted for "ninety" by Finance Act, 2008.

\$91 Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made

promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan  
Substituted for “one hundred and twenty” by Finance Act, 2009, earlier it was substituted for “ninety” by Finance Act, 2008.

5 Substituted for full stop by Finance Act, 2009

4 Proviso inserted by Finance Act, 2009

5 Sub-section (4) omitted by Finance Act, 2006.

56 New sub-section (5) inserted by Finance Act, 2020.

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Sales Tax Act, 1990

46. Appeals to Appellate Tribunal.—°°(1) |= Any person including an officer of inland revenue not below the rank of Additional Commissioner aggrieved by an order of the Commissioner (Appeals) under this Act or the rules made thereunder; or any person other than SOE aggrieved by an order passed by officer of inland revenue when second proviso to section 45B applies, may within thirty days of the receipt of such order, prefer an appeal to the Appellate Tribunal:

Provided that where sub-section (11) of section 134A of Income Tax Ordinance, 2001 (XLIX of 2001) shall apply, an SOE may prefer an appeal under this sub-section.

5°8[(2) The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in sections \*°°[131 and 132 of the Income tax Ordinance, 2001(XLIX of 2001, and rules made thereunder. ]  
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- (4)
- (5)
- (6)
- (7)
- (8)
- (9) \*\*\*]

63147. Reference to the High Court.- (1) Within sixty days of communication of the order of the Appellate Tribunal, the aggrieved person or the Commissioner may submit a reference in the prescribed form along with a statement of the case and complete record of the Appellate Tribunal to the High Court, stating any question of law arising out of such order.

(2) Provisions of section 133 of the Income Tax Ordinance, 2001 (XLIX of 2001) and rules made thereunder relating to a reference to the High Court shall, mutatis mutandis, apply to references to the High Court under this Act.]

7 Sub-section (1) substituted by Finance Act, 2025

58 Sub-Section (2) substituted by Finance Act, 2009.

5% Substituted for “194A, 194B and 194C customs Act, 1969 (IV of 1969)” by Finance Act, 2010.  
© Sub Section (2A) inserted by Finance Act w.e.f. June 5, 2010.

1 Sub-section (2A) omitted by Tax Laws (Amendment) Act, 2024.

2 Sub-sections (3), (4), (5), (6), (7), (8) and (9) omitted by Finance Act, 2009.

603 Section 47 substituted by Tax Laws (Amendment) Act, 2024,

604 Sub-section (1) substituted by Finance Act, 2025.

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695[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 of fifty million rupees or above against the aggrieved person or admissibility of refund, 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,

may apply, except where criminal proceedings have been initiated, to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application:

Provided that where the aggrieved person is a state-owned enterprise (SOE), the limit of tax liability of fifty million rupees or above mentioned in clause (a) shall not apply and it shall be mandatory for such aggrieved SOE to apply to the Board for the appointment of a committee for the resolution of any dispute under this section:

Provided further that no suit, prosecution, or other legal proceedings shall lie against the SOE in relation to the dispute resolved under this section.

Explanation.- State-owned enterprise shall have the same, meaning as assigned thereto in the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023).

(2) Provisions of section 134A of the Income Tax Ordinance, 2001 (XLIX of 2001) and rules made thereunder relating to alternative dispute resolution shall, mutatis mutandis, apply to applications for alternative dispute resolution under this Act.]

696147AB. Saving.—The period of limitation provided in clause (c) of sub-section (1) of section 46 and sub-section (1) of section 47 shall continue to apply where any decision of the commissioner (Appeals) or the Appellate Tribunal is received prior to the date of commencement of the Tax Laws (Amendment) Act, 2024 (V of 2024).]

5 Section 47A substituted by Tax Laws (Amendment) Act, 2024,  
6 New section inserted by Finance Act, 2024.

Chapter-IX

RECOVERY OF ARREARS

48. Recovery of arrears of tax.--(1) ©'[Subject to sub-section (1A),

where] any amount of tax °°\*[...] is due from any person, the officer of ®[Inland Revenue] may:-

(a) deduct the amount from any money owing to person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of Income Tax, Customs or Central Excise Department;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax may be recoverable to pay to such officer the amount specified in the notice;

(c) stop removal of any goods from the business premises of such person till such time the amount of tax is paid or recovered in full;

61% (ca) require by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts; ]

(d) seal the business premises till such time the amount of tax is paid or recovered in full;

(e) attach and sell or sell without attachment any movable or immovable property of the registered person from whom tax is due °!'; and]

(f) °[...] recover such amount by attachment and sale of any moveable or immovable property of the guarantor, person, company, bank or financial institution, where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument °!°[:]

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

607 Words etc. "levied, penalty imposed or demand raised under any bond or other instrument executed 2002.

8 Substituted for "where" by Finance Act, 2007

Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259. This amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

0 Clause (ca) inserted by Finance Act, 1999.

"1 Semi-colon and the word "" and" at the end of clause (e) and thereafter clause (1) inserted by Finance Act, 1996. Originally it was inserted by Finance Act, 1994,

<sup>12</sup> Word "may" omitted by Finance Act, 2007.

613 For the full stop a colon substituted and thereafter proviso added through Finance Act, 2017

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recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B °[or, as the case may be, section 46] 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 615ften] per cent of the amount of tax due has been paid by the taxpayer. ]

S16((1A) If any arrears of tax, default surcharge, penalty or any other amount which is adjudged or payable by any person and which cannot be recovered in the manner prescribed above, the Board or any officer authorized by the Board, may, write off the arrears in the manner as may be prescribed by the Board.]

(2) For the purpose of recovery of tax, penalty or any other demand raised under this Act, the officer of °![Inland Revenue] shall have the same powers which under the Code of Civil Procedure 1908 (V of 1908), a Civil Court has for the purpose of recovery of an amount due under a decree.

618((3) The provision of sub-sections (1) and (2) shall mutatis mutandis apply regarding assistance in collection and recovery of taxes in pursuance of a request from a foreign jurisdiction under a tax treaty, bilateral or a multilateral convention, and inter-governmental agreement or similar agreement or mechanism. ]

## Chapter-X

### MISCELLANEOUS

619149. Sales of taxable activity or transfer of ownership.--(1) In case of termination of taxable activity or part thereof or its sale or transfer of ownership to a non-registered person, the possession of taxable goods or part thereof by the registered person shall be deemed to be a taxable supply and the registered person shall be required to account for and pay the tax on the taxable goods held by him:

Provided that if the tax payable by such registered person remains unpaid, the amount of unpaid tax shall be the first charge on the assets of the business and shall be payable by the transferee of business.

620((2) In the case of sale or transfer of ownership of a taxable activity or part thereof to another registered person as an ongoing concern, the taxable goods or part thereof shall be transferred to the new owner through a zero-rated invoice and the sales tax chargeable thereon shall be accounted for and paid by the registered person to whom such taxable activity or part thereof is transferred.]

“4 Expression inserted by Tax Laws (Amendment) Act, 2024

substituted by Finance Act, 2018.

1A) inserted by Finance Act, 2007.

“17 Substituted for “Sales Tax” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

<sup>“8</sup> New sub-section inserted by Finance Act, 2021.

<sup>“9</sup> Section 49 Substituted by Finance Act, 1996

0 Sub-section (2) substituted through Finance Act, 2016.

©1/49A. Liquidators. — (1) Every person (hereinafter referred to as a "liquidator" who is —

- (a) a liquidator of a company;
- (b) a receiver appointed by a Court or appointed out of Court;
- (c) a trustee for a bankrupt; or
- (d) a mortgagee in possession;

shall, within fourteen days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the

©27Commissioner].(2) The "[commissioner] shall, within three months of being notified under sub-section (1), notify the liquidator, in writing, of the amount which appears to the [Commissioner] to be sufficient to provide for any sales tax which is or will become payable by the person whose assets are in the possession of the liquidator.

(3) A liquidator shall not, without leave of the [Commissioner]. Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).

(4) — A liquidator: —

(a) shall set aside, out of the proceeds of sale of any asset by the liquidator, the amount notified by the [Commissioner] under sub-section (2), or such amount as is subsequently agreed to by the [Commissioner]: and

(b) shall be liable to the extent of the amount set aside for the Sales tax liability of the person who owned the asset.

(5) A liquidator shall be personally liable to the extent of any amount required to be set-aside under sub-section (4) for the tax referred to in sub-section (2) if, and to the extent that, the liquidator fails to comply with the requirements of this section.

1 Section 49A inserted by Finance Act, 2004.

2 Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259. The same amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

## Sales Tax Act, 1990

(6) Where the proceeds of sale of any asset are less than the amount notified by the °[Commissioner] under sub-section (2), the application of sub-sections (4) and (5) shall be limited to the proceeds of sale.

(7) \_ This section shall have effect notwithstanding anything contained in any other law for the time being in force.]

50. Power to make rules.— <sup>TM</sup>[(1)] The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act \*[, including rules for charging fee for processing of return, claims and other documents and for preparation of copies thereof.]

66((2) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price ©' [or may be placed regularly on the official website maintained by the Board.]

8150A. Computerized system.— (1) The Board may prescribe the use of computerized system for carrying out the purposes of this Act, including the receipt of applications for registration, returns and such other declarations or information required to be provided under this Act and the rules made thereunder, from such date and for such registered persons or class of persons as the Board may, by notification in the official Gazette, specify.

(2) The Board may make rules for regulating the conduct and transaction of business in relation to the submission of returns or other information to the Board by the persons required to transmit or receive any information through the computerized system, including [matters such as grant of] authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system. ]

3((3) Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.

3 Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

4 Brackets and figure inserted by Finance Act, 2008.

Comma and words inserted by Finance Act, 1994

sub-section (2) inserted by Finance Act, 2008.

Words inserted by Finance Act, 2021.

ection SOA inserted by Finance Act, 2006.

Substituted for "their" by Finance Act, 2007

60 Sub-section (3) and (4) inserted by Finance Act, 2007.

## Sales Tax Act, 1990

(4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim for any access to such information. ]

§1/50B. Electronic scrutiny and intimation.-- (1) The Board may implement a computerized system for the purpose of automated scrutiny, analysis and cross-matching of returns and other available data relating to registered persons and to electronically send intimations to such registered persons about any issue detected by the system.

(2) The intimation sent by the computerized system under sub-section (1) shall be in the nature of an advice or advance notice, aimed at allowing the registered person to clarify the issue, rectify any mistake or take other corrective action before any legal or penal action is initiated.

(3) The computerized system shall be so implemented so as to keep record of the issues detected, intimations sent, responses received and actions taken, and to present such information to the officer of Inland Revenue and to the Board in the prescribed manner.

(4) The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerised system.]

51. Bar of suits, prosecution and other legal proceedings.— (1) No suit shall be brought in any Civil Court to set aside or modify any order passed, any assessment made, any tax levied, any penalty imposed or collection of any tax made under this Act.

(2) No suit, prosecution or other legal proceeding shall lie against the Federal Government or against any public servant in respect of any order passed in good faith under this Act.

§327(3) Notwithstanding anything in any other law for the time being in force, no investigation or inquiry shall be undertaken or initiated by any governmental agency against any officer or official for anything done in his official capacity under this Act, rules, instructions or direction made or issued thereunder without the prior approval of the Board.]

52. Appearance by authorised representative A registered person required to appear before the Appellate Tribunal or an officer of [Inland Revenue] in connection with any proceedings under this Act may, in writing, authorise any person“ [having such qualification as may be prescribed] to represent him or appear on his behalf.

1 Section SOB inserted by Finance Act 2014

2 Sub section (3) inserted by Finance Act, 2004.

3 Substituted for “Sales Tax Act” by Finance Act, 2010 w.e.f, June 5, 2010, the same amendment was made in 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I as made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

4 Words inserted by Sales Tax (Amendment) Ordinance, 2000, dated September 5, 2000

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635(52A. e-intermediaries to be appointed.— (1) Subject to such conditions, limitations and restrictions, the Board may, by a notification in the official Gazette, appoint a person to electronically file return under Chapter V and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14.

(2) A person registered under section 14 may authorize an e-intermediary to electronically file return or any other documents, as specified in sub-section (1).

(3) The return or such other documents filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by that registered person.

(4) Where this Act requires anything to be done by the registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, shall be deemed to have been done with the knowledge and consent of such registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.

(5) Where an e-intermediary, authorized by a registered person under sub-section (2) to act on his behalf, knowingly or wilfully submits a false or incorrect information or document or declaration with an intent to avoid payment of tax due or any part thereof or claiming a tax credit or a refund that is not due to the registered person, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess as a result of such incorrect or false information or document or declaration, without prejudice to any other action that may be taken against him under the relevant provisions of the law.

(6) The Board may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e- intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions as specified therein. ]

53. Estate of deceased person.— The tax liability of a deceased registered person under the Act shall be the first charge on his estate in the hands of his successors.

54. Estate in bankruptcy— (1) If a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it continues to operate the business.

5 Section 52A inserted by Finance Act, 2006.

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(2) If tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims preferred by other creditors are settled.

636155. Removal of difficulties.— If any difficulty arises in giving effect to the provisions of this Act or the rules made or notifications issued there under, the Board may through a general order or otherwise, issue instructions or directions, not inconsistent with the provisions of this Act, for such actions to be taken by an officer of Inland Revenue or any other person as it considers necessary or expedient for the purpose of removing the difficulty.]

3756. Service of orders; decisions etc. — (1) subject to this Act , any notice, order or requisition required to be served on a resident individual, other than in a representative capacity for the purposes of this Act shall be treated as properly served on the individual if —

(a) personally served on the individual or, in the case of an individual under a legal disability or a non-residents individual the representative of the individual;

(b) sent by register post or courier service specified in clause (b) of sub-section (2) or to the individual's usual or last known address in Pakistan; ©\*[..]

(c) served on the individual in the manner prescribed for service of a summons under the code of civil procedure, 1908(Act V of 1908) 6397; or

(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the 4°Registered person].]

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than a resident individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on person if —

(a) personally served on the representative of the person;  
(b) sent by registered post or courier service to the person's registered

office or address for service of notices under this Act, in Pakistan or where the person does not have such office or address, the notice is

63 Substituted vide Finance Ordinance, 2001

67 Section 56 substituted vide Finance Act, 2010

8 The words “or” omitted through Finance Act, 2017

© Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017

¢ The words substituted by Finance Act, 2020.



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sent by registered [Post to any office or place of business of the person in Pakistan; “[..]

(c) served on the Person in the manner prescribed for service of a summons under the code of civil procedure, 1908(Act V of 1908) or or

(d) \_ sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the 3[registered person]. ]

(3) Where an association of persons is dissolved, any notice, order or requisition required to be served under this Act, on the association or a member of the association may be served on any person who was the principal officer or a member of the association immediately before such dissolution.

(4) Where, business stands discontinued, any notice, order or requisition required to be served under this Act, on the person discontinuing the business may be served on the person personally or on any individual who was the person's representative at the time of discontinuance.

(5) The validity of service of a notice under this Act shall not be called into question after the notice has been complied with in any manner.]

°3°56A. Agreement for the exchange of information “\*[or assistance in recovery of taxes].— (1) The Federal Government may enter into bilateral or multilateral agreements with provincial governments or with governments of foreign countries for the exchange of information, including electronic exchange of information, with respect to sales tax imposed under this Act or any other law of Pakistan and under the corresponding laws of such countries and may, by notification in the official Gazette, make such provisions as may be necessary for implementing such agreements.

4S((1A) Notwithstanding anything contained in this Act, the Board shall have power to share data or information including real time data videos, images received under the provisions of this Act with any other Ministry or Division of the Federal Government or Provincial Government, subject to such limitations and conditions as may be specified by the Board.]

(2) The provisions of section 107 of the Income Tax Ordinance, 2001 (XLIX of 2001) shall, mutatis mutandis, apply to the provisions of this section.

“| The words “or” omitted through Finance Act, 2017

#2 Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017  
4 Sections 56A, 56B and 56C added by Finance Act, 2015

644 Words inserted by Finance Act, 2021.

645 New sub-section (1A) inserted by Finance Act, 2021.



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(3) The Federal Government may enter into bilateral or multilateral convention, and inter-governmental agreement or similar agreement or mechanism for assistance in the recovery of taxes.]

71 56AB.

Real-time access to information and databases.—(1)

Notwithstanding anything contained in any law for the time being in force, including but not limited to the National Database and Registration Authority Ordinance, 2000 (Ordinance VIII of 2000), and the Emigration Ordinance, 1979 (Ordinance XVIII of 1979), arrangements shall be made to provide real-time access of information and database to the Board in the prescribed form and manner

by—

(a)

(b)

(c)

(d)

(e)

()

the National Database and Registration Authority with respect to information pertaining to National Identity Card (NIC), Pakistan Origin Card, Overseas Identity Card, Alien Registration Card, and other particulars contained in the Citizen Database;

the Federal Investigation Agency and the Bureau of Emigration and Overseas Employment with respect to details of international travel;

the Islamabad Capital Territory and Provincial and local land record and development authorities with respect to record-of-rights including digitized edition of record-of-rights, periodic record, record of mutations and report of acquisition of rights;

the Islamabad Capital Territory and Provincial Excise and Taxation Departments with respect to information regarding registration of vehicles, transfer of ownership and other associated record;

all electricity suppliers and gas transmission and distribution companies with respect to particulars of a consumer, the units consumed and the amount of bill charged or paid;

Provided that where the connection is shared or is used by a person other than the owner, the name and NIC of the owner and the user shall also be furnished:

Provided further that all electricity suppliers and gas transmission and distribution companies shall make arrangements by the 1st day of January, 2021 for allowing consumers to update the ratio of sharing of a connection or the particulars of users, as the case may be; and

any other agency, authority, institution or organization, notified by the Board.

646

New sub-section (3) inserted by Finance Act, 2021.

647 New section 56AB inserted by Finance Act, 2020.

106

(2) | The Board shall make arrangements for laying the infrastructure for real-time access to information and database under sub-section (1) and aligning it with its own database in the manner as may be prescribed.

(3) Until real-time access to information and database is made available under sub-section (1), such information and data shall be provided periodically in such form and manner as may be prescribed.

(4) Subject to section 56B, all information received under this section shall be used only for tax purposes and kept confidential. ]

648(56B. Disclosure of information by a public servant— (1) Any information acquired under any provision of this Act shall be confidential and no public servant °[, expert or auditors appointed under section 32B] shall disclose any such information, except as provided under section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001).

(2) Notwithstanding anything contained in sub-section (1) and the Freedom of Information Ordinance, 2002 (XCVI of 2002), any information received or supplied in pursuance of bilateral or multilateral agreements with government of foreign countries for exchange of information under section 56A shall be confidential. ]

56C. Prize schemes to promote tax culture.- '[(1)] The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices. ]

65°((2) The Board may prescribe procedure for “mystery shopping” in respect of invoices issued by tier-1 retailers integrated with FBR online system randomly and in case of any discrepancy, all the relevant provisions of this Act shall apply accordingly.]

61157, Rectification of Mistake (1) The officer of Inland Revenue, Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by him to rectify any mistake apparent from the record on his or its own motion or any mistake brought to his or its notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner.

(2) No order under sub section (1) which has the effect of increasing an assessment, reducing a refund or otherwise applying adversely to the taxpayer shall

8 Section S6B substituted through Finance Act, 2016.

© expression “, expert or auditors appointed under section 32B” inserted by Finance Act, 2025.

650 Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act 65! Section 57 is substituted by Finance Act, 2013.

be made unless the taxpayer has been given a reasonable opportunity of being heard.

(3) Where a mistake apparent on the record is brought to the notice of the officer of Inland Revenue, Commissioner or Commissioner (Appeals), as the case may be, and no order has been made under sub section (1), before the expiration of the Financial year next following the date on which the mistake was brought to their notice, the mistake shall be treated as rectified and all the provisions of this Act shall have effect accordingly.

(4) No order under sub-section (1) shall be made after five years from the date of the order sought to be rectified.]

652758. Liability for payment of tax in case of private companies or business enterprises.(1) Notwithstanding anything contained in the 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 an owner of, or partner in, or director of, or a shareholder, owning not less than ten per cent of the paid-up capital, in the company or business enterprise, as the case may be, during the relevant period shall jointly and severally with such persons, be liable for the payment of such tax.

(2) Any director or partner who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or a share of the tax from any other director or partner, as the case may be.

(3) A shareholder who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or from any other shareholder, owning not less than ten percent of the paid up capital, in proportion to the shares owned by that other shareholder.”; and

(4) The provisions of this Act shall apply to any amount due under this section as if it were tax due under an order for assessment made under this Act.]

653[58A. Representatives.— (1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression “representative” in respect of a registered person, means: —

(a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;

62 Section 58 substituted by Finance Act, 2019.

653 Section 58A and 58B inserted by Finance Act, 2008

- (b)
- (c)
- (d)
- (e)
- ()
- (g)
- (2)

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where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;

where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust;

where the person is a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government or local authority;

where the person is an association of persons, a director or a manager or secretary or agent or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;

where the person is the Federal Government, any individual responsible for accounting for the receipt and payment of moneys or funds on behalf of the Federal Government; or

where the person is a public international organization, or a foreign government or political sub-division of a foreign government, any individual responsible for accounting for the receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political subdivision of the government.

Where the Court of Wards, the Administrator General, the Official

Trustee, or any receiver or manager appointed by, or under, any order of a Court receives or is entitled to receive income on behalf, or for the benefit of any person, such Court of Wards, Administrator General, Official Trustee, receiver, or manager shall be the representative of the person for the purposes of this Act.

G3)

4[subject to sub-section (4), where a person is a non-resident person, the representative of the said person for the purpose of this Act, for a

financial year in which the relevant tax period falls, shall be any person in Pakistan]: —

- (a)
- (b)
- (c)

who is employed by, or on behalf of, the non-resident person;  
who has any business connection with the non-resident person;

from or through whom the non-resident person is in receipt of any income, whether directly or indirectly;

¶4 The expression substituted by and Explanation added by Finance Act, 2020.

- (d) who holds, or controls the receipt or disposal of any money belonging to the non-resident person;
- (e) who is the trustee of the non-resident person; or
- (f) who is declared by the [Commissioner] by an order in writing to be the representative of the non-resident person.

[Explanation.— For the purposes of this sub-section, non-resident person shall have the same meaning assigned thereto under the Income Tax Ordinance, 2001 (XLIX of 2001).]

(4) No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the [Commissioner] of being heard.]

58B. Liability and obligations of representatives. (1) Every representative of a person shall be responsible for performing any duties or obligations imposed by or under this Act on the person, including the payment of tax.

(2) Subject to section 58 and sub-section (5) of this section, any tax that, by virtue of sub-section (1), is payable by a representative of a registered person shall be recoverable from the representative only to the extent of any assets of the registered person that are in the possession or under the control of the representative.

(3) Every representative of a registered person who pays any tax owing by the registered person shall be entitled to recover the amount so paid from the registered person or to retain the amount so paid out of any moneys of the registered person that are in the representative's possession or under the representative's control.

(4) Any representative, or any person who apprehends that he may be assessed as a representative, may retain out of any money payable by him to the person on whose behalf he is liable to pay tax (hereinafter in this section referred to as the "principal"), a sum equal to his estimated liability under this Act, and in the event of disagreement between the principal and such a representative or a person as to the amount to be so retained, such representative or person may obtain from the [Commissioner] a certificate stating the amount to be so retained

6S Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance I11 of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at page 229 through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 2009, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

66 Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

pending final determination of the tax liability, and the certificate so obtained shall be his authority for retaining that amount.

(5) Every representative shall be personally liable for the payment of any tax due by the representative in a representative capacity if, while the amount remains unpaid, the representative: —

(a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable; or

(b) disposes of or parts with any moneys or funds belonging to the person that is in the possession of the representative or which comes to the representative after the tax is payable, if such tax could legally have been paid from or out of such moneys or funds.

(6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person which the representative of the person has failed to perform.]

57158C. Inspection of audit firm— Where in case of a registered person, whose accounts are subject to audit under the Companies Act, 2017 (XIX of 2017), Chief Commissioner Inland Revenue has reason to believe that the audited accounts do not reflect the true and fair view of sales and purchases and related sales tax liability, he or she may with the approval of the Board, refer the audit firm, who has issued audit certificate to that registered person, for inspection to Audit Oversight Board.

658(59). Tax paid on stocks acquired before registration.— The tax <sup>®</sup>[. . .] paid on goods purchased by a person who is subsequently required to be registered under section 14 due to new liabilities or levies or gets voluntary registration under this Act or the rules made thereunder], shall be treated as input tax, provided that such goods were purchased by him from a registered person against an invoice issued under section 23 during a period of thirty days before making an application for registration and constitute his verifiable unsold stock on the date of compulsory registration or on the date of application for registration or for voluntary registration:

Provided that where a person imports goods, the tax paid by him thereon during a period of ninety days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or un-consumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration. ]

<sup>°7</sup> Section S8C inserted by Finance Act, 2025

<sup>©8\$</sup>ection 59 inserted by Finance Act, 1999. Earlier it was omitted by Finance Act, 1997. Earlier it was su  
°° Commas and words “, other than the turnover tax” omitted by Finance Act, 2004.

660 Substituted for “section 18” by Finance Act, 2004

61160. Powers to deliver certain goods without payment of tax.— Subject to such conditions, limitations or restrictions as it thinks fit to impose, <sup>°\*</sup>[Federal Government] may authorise the “\*[import] of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following persons, namely: —

(i) registered importers importing such goods temporarily with a view to subsequent exportation;

S4((ii) registered manufacturer-cum-exporters who import raw materials and intermediary products for further manufacture of goods meant for export; ]

61. Repayment of tax in certain cases.— Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may authorise the repayment in whole or in part of the tax paid on [...] any goods of such class or description as it may determine, which have been used in the production, manufacture, processing, repair or refitting in Pakistan of goods of such class or description as it may determine.

°7161A. Repayment of tax to persons registered in Azad Jammu and Kashmir.— Subject to such conditions, limitations or restrictions as it may deem fit to impose, the Board may authorize the repayment in whole or in part of the input tax paid on any goods acquired in or imported into Pakistan by the persons registered in Azad Jammu and Kashmir as are engaged in making of zero-rated supplies. ]

62. Drawback allowable on re-export.— When any goods which have been imported into Pakistan and on which tax has been paid on importation are re-exported outside Pakistan and such goods as are capable of being identified, seven-eighth of such tax shall, except as otherwise hereinafter provided, be repaid as drawback, and the provisions of Customs Act, 1969 (IV of 1969), relating to drawback of customs duties shall, so far as may be apply to such tax, as they apply for the purposes of that Act:

Provided that no such drawback shall be repaid unless the re-export is made within a period of two years from the date of importation as shown in the records of the Custom House:

661 Section 60 Substituted by Finance Act, 1998.

6 Words substituted by Finance Act, 2018.

© Substituted for “delivery” by Finance Act, 1999

© Clause (ii) substituted by the Finance Act, 1999.

5 Clause (iii) omitted by Finance Act, 1999.

6 Words “the importation of” omitted by Finance Ordinance, 2002  
67 Section 61A inserted by Finance Act, 2008.



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Provided further that the Board may, on sufficient cause being shown, in any case extend the said period by a further period of one year.

63. Drawback on goods taken into use between importation and re-exportation.— Notwithstanding anything contained in section 62, the repayment of sales tax as drawback in respect of goods which have been taken into use between importation and re-exportation shall be subject to such orders, conditions or limitations as may be passed or imposed by the Board in each case,-

(a) modifying the amount of tax which shall be repaid as drawback on any such goods or class of goods; or

(b) prohibiting the repayment of tax as drawback on any such goods or class of such goods; or

(c) varying the condition for the grant of drawback on any such goods or class of such goods by restricting the period after importation within which the goods must be re-exported.

64. Power to declare what goods are identifiable and to prohibit drawback in case of specified foreign territory.— The Federal Government may, from time to time, by notification in the official Gazette, prohibit the payment of drawback upon the exportation of goods or any specified goods or class of goods to any specified foreign port or territory.

65. Exemption of tax not levied or short levied as a result of general practice. Notwithstanding anything contained in this Act, if in respect of any supply the °\*[Federal Government] is satisfied that inadvertently and as a general practice: —

(a) tax has not been charged in any area on any supply which was otherwise taxable, or according to the said practice the amount charged was less than the amount that should have actually been charged;

(b) the registered person did not recover any tax prior to the date it was discovered that the supply was liable to tax; and

(c) the registered person started paying the tax from the date when it was found that the supply was chargeable to tax;

It may, by a notification in the official Gazette, direct that the tax not levied or short levied as a result of that inadvertent practice, shall not be required to be paid for the period prior to the discovery of such inadvertent practice.

68 Words substituted by Finance Act, 2018.

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66. Refund to be claimed within one year.— No refund of tax claimed to have been paid or over paid through inadvertence, error or misconstruction [or refund on account of input adjustment not claimed within the relevant tax period, ] shall be allowed, unless the claim is made within one year of the date of payment

6700 -]

6 Provided that in a case where a registered person did not deduct input tax within the relevant tax period, the °[Commissioner] may, after satisfying himself that input tax adjustment is due and admissible, allow the registered person to take such adjustment in the tax period as specified by the “[Commissioner]:]

673. Provided °“[further] that in a case where the refund has become due on account of any decision or judgement of any officer of °° [Inland Revenue] or court or the Tribunal, the period of one year shall be reckoned from the date of judgement or decision of such officer, court or Tribunal®°/:/]

Provided further that the application or claim filed under this section shall be disposed of within a period not exceeding ninety days from the date of filing of such application or claim.]

677 Provided also that no refund shall be admissible under this section if incidence of tax has been passed directly or indirectly to the consumer. ]

678[67. Delayed Refund.— Where a refund due under section 10 is not made within °[the time specified in section 10 from the date] of filling of °[refund claim], there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to °\*[KIBOR] per annum of the amount of refund due, from the date following the expiry of [the time specified °[as aforesaid], to the day preceding the day of payment of refund:

Provided that where there is reason to believe that a person has claimed the refund which is not admissible to him, the provision regarding the payment of

9 Words inserted by Finance Act, 1998.

9 Substituted for the full-stop by Finance Ordinance, 2001

©" Proviso inserted by Finance Ordinance, 2002.

© Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Ordinance no. III of 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance no. I11 of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at page 229 through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 20, 2009, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

Proviso ii by Finance Ordinance, 2001.

4 Word inserted by Finance Ordinane

5 Substituted for “sales tax” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Ordinance no. III of 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance no. I11 of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at page 229 through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 20, 2009, published in the official Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

Pakistan Extraordinary Part I at pages 229 to 259.

© Substituted for full stop by Finance Act, 2005

" Proviso inserted by Finance Act, 2011.

678 Section 67 substituted by Finance Act, 1996.

679 Substituted for "thirty days" by Finance Act, 1997

680 Substituted for "return" by Finance Act, 2007

S! Substituted for "Six percent" by Finance Act, 2009, earlier the word "six" was substituted for "fourteen" by the Finance Act, 2007 was substituted for "ten" by Finance Supplementary (Amendment) Act, 1997. Which came into force on March 28, 1997, prior by Sales Tax (Second Amendment) Ordinance 1996, dated 2nd November, 1996.

682 Substituted for the words and figures "in section 10 from the date" by Finance Act, 2007

such additional amount shall not apply till the investigation of the claim is completed and the claim is either accepted or rejected 7[:]

683(Provided further that where a refund due in the consequence of any order passed under section 66 is not made within forty five days of date of such order, there shall be paid to the claimant in addition to the amount of the refund due to him, a further sum equal to KIBOR per annum of the amount of refund, due from the date of the refund order.]

684167A. Payment of refund through sales tax refund bonds.— (1) Notwithstanding anything contained in section 67, the sales tax refunds payable under this Act may also be paid through sales tax refund bonds to be issued by FBR Refund Settlement Company °\*[ ] Limited, in book-entry form through an establishment licensed by the Securities and Exchange Commission of Pakistan as a central depository under the Securities Act, 2015, (111 of 2015), in lieu of payment to be made through issuance of cheques or bank debit advice.

(2) The Board shall issue a promissory note to FBR Refund Settlement Company \*\*\*[ ] 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.

(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.

683 Colon substituted for full stop and new proviso inserted by Finance Act, 2021

“4 New section 67 ‘ed by Finance Supplementary (Second Amendment) Act, 2019

“5 The word “priva ited by Finance Act, 2019.

686 The word “private” omitted by Finance Act, 2019.

Sales Tax Act, 1990

(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.

(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 ®'[Board, with the approval of the Federal Minister-in-charge,] may notify procedure to regulate the issuance, redemption and other matters relating to the bonds, as may be required.]

68. Liability of the registered person for the acts of his agent.— When any person is expressly or impliedly authorised by a registered person to be his agent for all or any of the purposes of this Act, the registered person shall be responsible for the act done by his agent.

688'69. Issuance of duplicate of sales tax documents.— An officer of Inland Revenue not below the rank of Assistant Commissioner] may, on payment of one hundred rupees, issue an attested duplicate of any sales tax document as is available with the department or has been filed under this Act or rules made thereunder to a relevant registered person applying for the same.]

70. Computation of limitation period. In computing the period of limitation prescribed for any appeal or application under this Act, the day on which the order complained of was served and, if the concerned person was not furnished with a copy of the order, the time requisite for obtaining a copy of such order shall be excluded.

69171. Special procedure.— ©'[(1)] ®'[The Board] may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, registration, book keeping and invoicing requirements and returns, etc. in respect of such supplies as may be specified therein.]

“87 The expression substituted for the words “Federal Government” by Finance Act, 2019.

688 Section 69 substituted by the Finance Act, 2008.

689 Substituted for the words “Sales Tax not below the rank of Assistant Collector” by the Finance Act, 2008. The expression “Sales Tax not below the rank of Assistant Collector” was inserted by Finance supplementary (Amendment) Act, 1997, which came into force on March 28, 1997. The expression was made by Sales Tax (Second Amendment) Ordinance, 1996 and by Sales Tax (Amendment) Ordinance, 1999.

©! Section 71 re-numbered as sub-section (1) by Finance Act, 1999

©? The expression “Notwithstanding anything contained in this Act, the Federal Government” substituted for the words “Notwithstanding anything contained in this Act, the Federal Government” by Finance Act, 2019.

3 Sub-section (2) omitted by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999. Earlier



Sales Tax Act, 1990

64((3) Notwithstanding anything contained in this Act or any other law for

the time being in force or any decision of any court, the trade enrolment Certificate Schemes immediately in force before the commencement of the Finance Act, 1999, shall be deemed to be validly made under this Act.]

5(72. Officers of ©\*[Sales Tax] to follow Board's orders, etc.— All officers of °[Inland Revenue] and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of [officers of 'Inland Revenue] in the exercise of their quasi-judicial functions. ]

172A Reference to the authorities. Any reference to the Collector, Additional Collector, Deputy Collector, Assistant Collector, Superintendent, Senior Auditor and an officer of Sales Tax wherever occur in this Act and rules, notifications, clarifications general orders or order made or issued there under, shall be construed as reference to the Commissioner Inland Revenue, Additional Commissioner Inland Revenue," Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Inland Revenue Audit Officer and an officer of Inland Revenue, respectively.]

°8[72B. Selection of audit by the Board.— (1) The Board may select persons or classes of persons for audit of tax affairs through computer ballot which may be random or parametric as the Board may deem fit.

®((1A) Notwithstanding anything contained in this Act or any other law, for the time being in force, the Board shall keep the selection parameters confidential.]

(2) Audit of tax affairs of persons selected under sub-section (1) shall be conducted as per procedure given in section 25 and all the provisions of this Act shall apply accordingly.

(3) For the removal of doubt, it is hereby declared that the Board shall be deemed always to have had, the power to select any persons or classes of persons for audit of tax affairs under this section.]

4 Sub-section (3) inserted by Finance Act, 1999  
SSub-section (3) inserted by Finance Act, 1999.

© Section 72 inserted by Finance Act, 1998.

'9 Substituted for the Words "Sales Tax" by Finance Act, 2010.

7 Substituted for "sales" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by F promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance I11 of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at p through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated Oct Pakistan Extraordinary Part I at pages 229 to 259.

8 Section 72A inserted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by F promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance I11 of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at p

through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Pakistan Extraordinary Part I at pages 229 to 259.

9 New sub-section (1A) added through Finance Act, 2019.

## Sales Tax Act, 1990

79°72C. Reward to Inland Revenue Officers and Officials.— (1) In cases involving concealment or evasion of sales tax and other taxes, cash reward shall be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection, as may be prescribed by the Board, only after realization of part or whole of a taxes involve in such cases.

(2) The Board may, by notification in the official Gazette, prescribed the procedure in this behalf and specify the apportionment of reward sanctioned under this section for individual performance or to collective welfare of the officers and officials of Inland Revenue. ]

71'72D. Reward to whistleblowers.-- (1) The Board may sanction reward to whistleblowers in cases of concealment or evasion of tax, tax fraud, corruption or misconduct providing credible information leading to such detection of evasion of tax fraud.

(2) The Board may, by notification in the official Gazette, prescribe the procedure in this behalf and also specify the apportionment of reward sanctioned under this section for whistleblowers.

(3) The claim for reward by the whistleblower shall be rejected, if-

- (a) the information provided is of no value;
- (b) the Board already had the information;
- (c) the information was available in public records; or
- (d) no collection of taxes is made from the information provided from which the Board can pay the reward.

(4) For the purpose of this section, “whistleblower” means a person who reports concealment or evasion of sales tax and tax fraud leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or a sales tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.]

72/73. Certain transactions not admissible (1) Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount for a transaction exceeding value of fifty thousand rupees [in aggregate to a single supplier in a tax period], excluding payment against a utility

70Section 72C substituted by Finance Act, 2013.

7! Section 72D added by Finance Act, 2015.

7 Section 73 substituted by Finance Act, 2004. Earlier it was substituted by Finance Act, 2003, which was inserted by Tax Laws (Amendments) Ordinance, 1999.

3 Words inserted by Finance Act, 2024.

## Sales Tax Act, 1990

bill, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument showing transfer of the amount of the sales tax invoice in favour of the supplier from the business bank account of the buyer <sup>TM</sup>[:]

7°5[Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payments through credit card shall be treated as transactions through the banking channel, subject to the condition that such transactions are verifiable from the bank statements of the respective buyer and the supplier.]

76[ Provided further that adjustments made by a registered person in respect of amounts payable and receivable to and from the same party shall be treated as payments satisfying the provisions of this sub-section subject to following conditions, namely:—

(a) sales tax has been charged and paid by both parties under the relevant provisions of this Act and rules prescribed thereunder, wherever applicable; and

(b) the registered person has sought prior approval of the Commissioner before making such adjustments. ]

(2) The buyer shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed in sub-section (1), provided that payment in case of a transaction on credit is so transferred within one hundred and eighty days of issuance of the tax invoice.

(3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier, otherwise the supplier shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act.

Explanation— For the purpose of this section, the term “business bank account” shall mean a bank account utilized by the registered person for business transactions, declared to the [Commissioner] in whose jurisdiction he is registered [through Form STR-1 or change of particulars in registration database. ]]

74Substituted for full stop by Finance Act, 2005

75 Proviso inserted by Finance Act, 2005.

76 New proviso inserted by Finance Act, 2021.

707 Substituted for “Collector” by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at page 10 through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 2009, published in the official Gazette of Pakistan Extraordinary Part I at page 259.

708 Words inserted by Finance Act, 2



## Sales Tax Act, 1990

797(4) A registered "[person] shall not be entitled to deduct input tax (credit adjustment or deduction of input tax) which is attributable to such taxable supplies exceeding, in aggregate, 7"[the amount in a financial year or in a tax period, as may be prescribed by the Board, with the approval of Federal Government] as are made to certain person who is not a registered person under this Act:

Provided that the aforesaid shall not apply to supplies made to:-

(a) Federal / provincial / local Government departments, authorities, etc. not engaged in making of taxable supplies;

(b) Foreign Missions, diplomats and privileged persons;

T12P oak]

(c) all other persons not engaged in supply of taxable goods; "[and]

713(q) persons or classes of person, specified by the Board through notification in the official Gazette subject to such conditions and restrictions as may be specified therein. ]

74774, Condonation of time-limit— Where any time or period has been specified under any of the provisions of the Act or rules made there under within which any application is to be made or any act or thing is to be done, the "[Board] may, "[at any time before or after the expiry of such time or period,] in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate [:]

Provided that the Board may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any [Commissioner] to exercise the powers under this section in any case or class of

7177.

cases /":

Provided further that regardless of anything stipulated in this section, or any provision of this Act, or any other applicable law currently in force, and notwithstanding any decision, order or judgement issued by any forum, authority or court, the maximum period of extension under this section by the Board or the Commissioner, as the case may be, shall not exceed two years in aggregate:

Provided also that where there are reasons to believe that significant loss to exchequer or taxpayer has been caused by an act of omission or commission by the registered person or by any authority mentioned in section 30, a committee of

7 New sub-section "(4)" inserted through Tax Laws (Amendment) Act, 2020.

7 Word substituted by Finance Act, 2020.

7"" the expression "the amount in a financial year or in a tax period, as may be prescribed by the Board, w

stituted by Finance Act, 2025.

Word "and" omitted and the word "and" inserted by Finance Act, 2020.

New clause (d) inserted by Finance Act, 2020.

74 Section 74 added by the Finance Ordinance, 2002

Substituted for the words "Central Board of Revenue" by Finance Act, 2007.

76 Words added by Fin: , 2022.

77 In section 74, in the proviso, for the full stop at the end, a colon substituted and thereafter new provisos inserted by Finance

members as notified by the Board may further condone the limitation specified for a period as it may deem fit, after providing a reasonable opportunity of being heard to the registered person concerned.

Explanation.— For the purpose of this section, the expression “any act or thing is to be done” includes any act or thing to be done by the registered person or by the authorities specified in section 30 of this Act.]

18174A, Validation— 7!°[(1) All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, ”°[2018] shall be deemed to have been validly issued and notified in exercise of those powers.]

™1'(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.]

75. Application of the provisions of Act IV of 1969 to Sales Tax.— The Federal Government may, by notification in the official Gazette, declare that any of the provision of the Customs Act, 1969 (IV of 1969), relating to the levy of, and exemption from, customs duties, draw-back of duty, warehousing, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the tax imposed by section 3.]

7276. Fee and service charges.—\*[1] The °[“Board with approval of the Federal Minister-in-charge”] may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy fee and service charges for valuation, in respect of any other service or control mechanism provided by any formation under the control of the Board, including ventures of public-private partnership, at such rates as may be specified in the notification.]

”4((2) The Board may authorize and prescribe the manner in which fee and service charges collected under sub-section (1) shall be expended.]

78 Section 74A inserted through Finance Act, 2017

79 Existing provision numbered as sub-section (1) by Finance Act, 2018.

70 Figure substituted by Finance Act, 2018.

New sub-section (2) added by Finance Act, 2018.

22 New section 76 added through Finance Act, 2019.

73Words “Federal Government” substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

74 Existing sub-section renumbered as sub-section (1) and new sub-section (2) inserted by Finance Act,



Sales Tax Act, 1990

577. Uniform.— The Board may, by notification in the official Gazette, prescribe rules for wearing of uniform by officers and staff of Inland Revenue Services. ]

RREKKKEKAKRKEKAKEKEEEK

⑧5 New section 77 added by Finance Act, 2022.

SCHEDULES

The  
FIRST SCHEDULE

7267 laiall|

The  
SECOND SCHEDULE

TAT aa]

8 The  
THIRD SCHEDULE

See [clause (a)] of sub-section (2) of section 3]

76

The first schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from March 28

7? The Second Schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from M

78 The Third Schedule Substituted by Finance Act, 1998, earlier it was inserted by Finance Act, 1996.

729 Substituted for the words, brackets and letter “clause (c)” by Finance Ordinance, 2002

123

Sales Tax Act, 1990

Serial | Description Heading Nos. of the First  
No. Schedule to the Customs Act,  
1969 (IV of 1969)  
Q) (2) (3)  
1 Fruit juices and vegetable | 20.09  
juices  
2 Ice Cream. 73972105.0000]  
3 Aerated waters or beverages. | 22.01 and 20.02  
4 Syrups and squashes. Respective headings  
5 Cigarettes. 2402.2000  
BIT 6 | Toilet soap 3401.1100 and 3401.2000]  
3277 \_| Detergents ®3/Respective heading]  
8 Shampoo 3305.1000  
9 Toothpaste 3306.1010  
10 Shaving cream 3307.1000  
11 Perfumery and cosmetics Respective sub-headings of 33.03  
and 33.04.]  
7347 12 2K  
13 #9]  
B14 | Tea Respective sub-headings of 09.02  
15 Powder drinks 21.06  
16 Milky drinks 2106.9090]

6117 | Toilet paper and tissue paper | 4818.1000 and 4818.2000]  
718. | Spices sold in retail packing | 09.04, 09.06, 09.08 and 09.10  
bearing brand names and

trade marks  
BI 19. 2K

20. He ]  
21. Shoe polish and shoe cream | 3405.1010]

lial

5122.  
3123, 2K  
24, |

130 Substituted for the figure “21.05” through Finance Act, 2017

7! Serial No.6 and entries relating thereto substituted by Finance Act, 2005, earlier these were inserted by  
Tax (Amendment) Ordinance, 2002, dated March 21, 2002.

72 Serial No.7 to 11 and entries relating thereto added by Finance Act, 2005

733 Expression substituted by Finance Act, 2022.

™4 Serial No.12 to 13 and entries relating thereto omitted by Finance Act, 2008

75 Serial No.14 to 16 and entries relating thereto added by Finance Act, 2005

736 Serial No.17 and entries relating thereto added by Finance Act, 2005

737 Serial No.18 to 21 and entries relating thereto added by Finance Act, 2006

738 Serial No.19 to 20 and entries relating thereto omitted by Finance Act, 2008

789 Serial Nos. 23 to 31, 34 and 35 entries relating thereto omitted by Notification No. S.R.O. 895(1)/2013, dated 4<sup>th</sup> October,

Serial | Description Heading Nos. of the First

No. Schedule to the Customs Act,

1969 (IV of 1969)

d) (2) (3)

31. HH]

33. Cement sold in retail | Respective heading

packing

35. #9]

742137. | Mineral/bottled water Respective headings]

743138. | Household electrical goods, | Respective headings

including air conditioners,

refrigerators, deep freezers,

televisions, recorders and

players, electric bulbs, tube-

lights, electric fans, electric

irons, washing machines and

telephone sets.

39. Household gas appliances, | Respective headings

including cooking range,

ovens, geysers and gas

heaters.

40. Foam or spring mattresses | Respective headings

and other foam products for

household use.

al. Paints, distempers, enamels, | Respective headings

pigments, colours,

varnishes, gums, resins,

dyes, glazes, \_ thinners,

blacks, cellulose lacquers

and polishes sold in retail

packing

2. Lubricating oils, brake | Respective headings

fluids, transmission fluid,

740 Serial No. 32 and entries relating thereto omitted by Finance Act, 2022.

741 Serial Nos. 22 and 36 and entries relating thereto omitted Notification No. S.R.O. 681(1)/2013, dated

\* Serial number added through Finance Act, 2016

125

ial numbers 38 up to 49 and entries relating thereto added through Finance Act, 2019.

Sales Tax Act, 1990

Serial | Description Heading Nos. of the First

No. Schedule to the Customs Act,

1969 (IV of 1969)

d) (2) (3)

and other vehicular fluids

sold in retail packing.

4. Storage batteries excluding | Respective headings

those sold to automotive

manufacturers or assemblers

44. Tyres and tubes excluding | Respective headings

those sold to automotive

manufacturers or assemblers

45. Motorcycles Respective headings

46. Auto rickshaws Respective headings

47. Biscuits in retail packing | Respective Headings

with brand name

48. Tiles Respective Headings

#. Auto-parts, in retail packing, | Respective Headings]

excluding those sold to

automotive manufacturers or

assemblers

744(50. 1) [\*\*\*] Omitted with effect | Respective heading]

from the 1 day of

December, 2021

45751. | DAP Respective Headings]

74652. | Import of pet food including | 2309.1000

of dogs and cats sold in retail

packing

53. Import of coffee sold in retail | 0901.1100, 0901.1200, 0901.2100,  
packing 0901.2200, 0901.9000, 2101.1120

54 Import of chocolates sold in | 1704.9010, 1806.2090,  
retail packing 1806.3100, 1806.3200,  
1806.9000

55. Import of cereal bars sold in | 1904.1010, 1904.1090,  
retail packing 1904.2000, 1904.3000,  
1904.9000.;"

The

**FOURTH SCHEDULE**

7477 eK \*]

Serial number 50 omitted by Finance (Supplementary) Act, 2022 w.e.f 1% day of December, 2021.  
Serial number 51 added by Finance Act, 2024.

746 Serial number 52,53,54 and 55 and entries relating thereto in columns (2) and (3) inserted by Finance Act, 2022  
747 Fourth Schedule omitted by Finance Act, 1998

Sales Tax Act, 1990

48 The  
FIFTH SCHEDULE  
[See section 4]

Serial Description

No.

qd) 2)

ar, lial

2. Supply to diplomats, diplomatic missions, privileged persons and

privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan. ]

73073, | \*\*\* omitted

725. | Supplies of raw materials 7°[, components and goods for further] manufacture of goods in the Export Processing Zones. ]

T3416, ilaiiialell|

T6A. | \*\*\*Jomitted

755[7. | Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein.]

(8. | Imports or supplies made to Gawadar Special Economic Zone, excluding vehicles falling under heading 87.02 of the Pakistan Customs Tariff, subject to such conditions, limitations and restrictions as the '°'[Board] may impose. ]

⑧(8A. | Imports or supplies made by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.]

[9. | \*\*\*Jomitted

™48 Fifth Schedule added by Finance Act, 1996.

7 S. Nos. | and 6 and entries relating thereto omitted by Finance Act, 2021.

Serial number 3 and entries relating thereto in column (2) omitted by Finance (Supplementary) Act, 2022  
7!Serial No. 4 and entry relating thereto omitted by Finance Act, 2012

72 Serial No. 5 added by the Finance Act, 1997.

73 Substituted for the words "and components for" by the Sales Tax (Amendment) Ordinance, 1999

74 Serial number(s) 6A and 9 and entries relating thereto in column (2) omitted by Finance (Supplemental)  
™5Serial No. 7 added by Finance Ordinance, 2001

756 Serial No. 8 and entries relating thereto inserted by Finance Act, 2004

757 Substituted f Revenue" by Finance Act, 2007

758 New serial No. 8A added by the Finance Act, 2023

127

Serial Description

No.

( ) (2)

759710. lillie |

12. The following goods and the raw materials, packing materials, sub-

components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, subject to the conditions, limitations and restrictions as "o[prescribed by the Board]":--

761T(4) to (ix) [.....-]]

(xi)

(xii)

(xii)...

(xiv) ...

(xv)

(xi) ...]

(xix) 7@[\*\*\*] omitted.

(xx) [\*\*\*].

(xxi) [\*\*\*]

(xxii) [\*\*\*]

(xxiii) [Exercise books (PCT heading 4820.2000)

(xxiv) [\*\*\*]

(xxv) [\*\*\*]

(xxvi)[\*\*\*]

759 § Nos. 10 and 11 and entries relating thereto omitted by Finance Act, 2021.

760 Substituted for the word "specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007" to serial numbers (i) to (ix) omitted through Finance Act, 2016.

762 Clauses (x) to (xvi) omitted by Finance Act, 2015

765 Clauses (xvii), (xx), (xxi), (xxii), (xxiv), (XxV), (xvi) and (xxvii) of serial number 12 omitted by Finance Act, 2016.

5 Clause (xix) omitted by Finance (Supplementary) Act, 2022.

Sales Tax Act, 1990

Serial Description

No.

qd) 2)

(xxvii) [\*\*\*]

766[13. | Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import

14 Supplies of locally manufactured plant and machinery of the

following specifications, to manufacturers in the Gwadar Free

Zone, subject to the conditions, restrictions and procedure given

below, namely:—

(i) plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer.

(ii) apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i).

(iii) — mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (1).

(iv) parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.

Conditions, restrictions and procedures:—

(a) the supplier of the machinery is registered under the Act;

(b) proper bill of export is filed showing registration number;

(c) the purchaser of the machinery is an\_ established

manufacturer located in the Gwadar Free Zone and holds a certificate from the Gwadar Port Authority to that effect;

(d) the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Gwadar Free Zone before a period of five years from the date of entry into the Zone;



Sales Tax Act, 1990

Serial Description

No.

qd) 2)

(e) if the machinery is brought to tariff area of Pakistan outside

Gwadar Free Zone, sales tax shall be charged on the value assessed on the Goods Declaration for import; and

(f) breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.]

7715, | \*\*\*Jomitted

7816, | [\*\*\*] omitted

7717, | [\*\*\*] omitted

[1s.\_] \*\*\*Jomitted

20 Petroleum Crude Oil (PCT heading 2709.0000)].

77721, |[\*\*\*] omitted

767 Serial numbers 15 and 18 omitted by Finance (Supplementary) Act, 2022.

78 Serial number(s) 16, 17 and 21 omitted by Finance Act, 2024.

769 Serial numbers 17 substituted by Finance Act, 2022.

770 Serial number 19 omitted by Finance Act, 2022.

7! New serial number 21 added by Finance Act, 2022.

Sales Tax Act, 1990

21 The  
SIXTH SCHEDULE  
[See section 13(1)]

Table-1  
(Imports or Supplies)

Serial Description Heading Nos. of the First

No Schedule to the Customs

Act, 1969 (IV of 1969)

q) Q) GB)

701, \*\*\*] omitted

[2. \*\*\*] omitted

B. \*\*\*] omitted

74, ek

5. Bro

6. Bro

7 Bro

8 Bro

9 Bro

10. He]

[11. \*\*\*] omitted

[12. \*\*\*] omitted

77313, \*\*\*] omitted

14. Pulses. 0713.1000, 7"°[0713.2010,

0713.2020, 0713.2090],

0713.3100, 0713.3200,

0713.3300, 0713.3910,

0713.3920, 0713.3990,

0713.4010, 0713.4020,

0713.5000, 0713.9010,

0713.9020 and 0713.9090

77115, ial

72 Sixth Schedule substituted by Finance Act, 2005. Earlier it was substituted by Finance Act, 1998. Origin

was inserted by Finance Act, 1996.

7 Serial number(s) 1,2,3,11 and 12 omitted by Finance (Supplementary) Act, 2022.

7 §. Nos. 4 to 10 and entries relating thereto omitted by Finance Act, 2006

rial number 13 omitted by Finance Act, 2024.

Substituted for the figure and comma "0713.2000" by the Finance Act, 2009

777 Serial number 15 omitted by Finance Act, 2024.

Sales Tax Act, 1990

Serial Description Heading Nos. of the First  
No Schedule to the Customs  
Act, 1969 (IV of 1969)  
(1) (2) (3)

16. Red chillies excluding those sold | 7" [0904.2110] and  
7™Tunder] brand names and | ° [0904.2210]  
trademarks.

17. Ginger excluding those \_ sold | [09.10]  
7\Tunder] brand names and  
trademarks.

18. Turmeric excluding those sold | 0910.3000  
73tunder] brand names and  
trademarks.

784719. | Rice, wheat, wheat and meslin | Respective heading]  
flour

78691. [] omitted

[23.\_| \*\*\*] omitted

788725, ail

P5127. aie

8 Word substituted by Finance Act, 2023

7 Substituted for PCT heading “0904.2010” by the Finance Act, 2012

78 Substituted for PCT heading “0904.2020” by the Finance Act, 2012

78! Word substituted by Finance Act, 2023

7 Substituted for the figure “0910.1000” through Finance Act, 2017

78 Word substituted by Finance Act, 2023

74 Serial number 19 substituted by Finance (Supplementary) Act, 2022.

785 Serial number 20 omitted by Finance (Supplementary) Act, 2022.

786 Serial number(s) 21and 23 omitted by Finance (Supplementary) Act, 2022.

787 Serial numbers 22,24,26, 27, 29 and 29C omitted by Finance Act, 2021.

788 §, No. 25 and the entries relating thereto omitted by the Finance Act, 2013  
rial No. 28 and entries relating thereto omitted by Finance Act, 2015

. Nos. 29A and 29B omitted by the Finance Act, 2011



Sales Tax Act, 1990

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dd) (2) GB)

31. Holy Quran, complete or in parts, | "?[4901.9910, 8523.2100,  
with or without translation; | 8523.2910,

Quranic Verses recorded on any | 8523.2990, 77[8523.4910],

analogue or digital media; other | 74[8523.4920],

Holy books. 79518523.4190]

[J [---], 8523.4190,

8523.5910, 8523.5990,

8523.8010,

8523.8020 and 8523.8090]

76[32. | Newsprint and books \_ but | Respective headings]

excluding brochures, leaflets and

directories

33. Currency notes, bank notes, | [49.07]

shares, stocks and bonds.

78134, FRE

35. ]

800737, ial

38. Monetary gold. 8177108.1390] °° [and

7108.2090]

805741, ek

42. iaial

43. elaijal

44. ail

45. Dextrose and saline infusion | 9018.3910, 9018.3920,

9021.3100, °°7[9021.3900]

and °°8[Respective

headings]

giving sets \*[\*\*\*] along with  
empty non-toxic bags for infusion  
solution, Dextrose and\_ saline  
infusion giving sets, Artificial

tituted for the words and figures "4901.9910 and respective headings of 85.24" by the Finance Act, 2007  
stituted for PCT heading "8523.4010" by Finance Act, 2012

7 stituted for PCT heading "8523.4030" by Finance Act, 2012

5 Substituted for PCT heading "8523.4090" by Finance Act, 2012

796 Serial number 32 substituted by Finance Act, 2022.

7°" Substituted for the figure "4907.0000" by Finance Act, 2017

" los. 34 & 35 omitted by the Finance Act, 2011

ial number 36 omitted through Finance Act, 2019.

ial number 37 omitted through Finance Act, 2019.

Substituted for the figure “7108.2000” by Finance Act, 2017  
word and figures added by the Finance Act, 2007

lo. 39 and entries relating thereto omitted by Finance Act, 2015  
lo. 40 omitted by the Finance Act, 2006

805 '§. Nos. 41 to 44 omitted by the Finance Act, 2011

806 The word “imported” omitted by the Finance Act, 2007

8°? Substituted for the figures “9201.3900” by the Finance Act, 2007

898 Words substituted by Finance Act, 2022.

Sales Tax Act, 1990

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(1)

(2)

(3)

parts of the body, Intra-Ocular  
lenses and Glucose \_ testing  
equipment.

07/46.

aie

47.

Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of Gulf Sheikdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the United Arab Emirates dignitaries as are listed in column (2) against heading No. 99.05 in column (1) of the First Schedule to the Customs Act, 1969 (IV of 1969) for their personal use and for donation to welfare projects established in Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said Act.

99.05

48.

Goods imported or supplied under grants-in-aid for which a specific

consent has been obtained from the 510 Board]; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement.

99.03

S11 49.

\*\*\*) omitted

[50.

\*\*\*) omitted

[5].

\*\*\*) omitted

[52.

\*\*\*) omitted

89 Serial number 46 omitted by Finance (Supplementary) Act, 2022.

810 Substituted for the words “Central Board of Revenue” by Finance Act, 2007

51! Serial number(s) 49 to 57 and 58 omitted by Finance (Supplementary) Act, 2022.

134

Serial Description Heading Nos. of the First  
No Schedule to the Customs  
Act, 1969 (IV of 1969)  
ce) (2) (3)  
[52A. | \*\*\*] omitted

[53. \*\*\*] omitted

[54. \*\*\*) omitted

[55. \*\*\*) omitted

812756. | Omitted.]

(57. \*\*\*) omitted

[58. \*\*\*<sup>7</sup> omitted

59. Artificial kidneys, eye cornea, | 99.24 ®![, 99.25 §!°[, 99.37]  
hemodialysis machines, | and 99.38]  
hemodialyzers, AV. fistula  
needles, hemodialysis fluids \*!°[,]  
and powder, blood tubing tines for  
dialysis and reverse osmosis plants  
for dialysis, double lumen catheter  
for dialysis, catheter for renal  
failure patient and peritoneal  
dialysis solution, \*“[cochlear  
implants systems] and angioplasty  
equipment (balloons, catheters,  
wires and stents), subject to the  
similar conditions and procedures  
as are envisaged for the purpose of  
applying zero-rate of customs duty  
on these goods under the Customs  
Act, 1969 (IV of 1969).

817760. | \*\*\*] omitted

812 Serial No. 56 and entries relating thereto omitted by Finance Act, 2015

813 Substituted for the word “and” by the Finance Act, 2008

84 The comma and words inserted by the Finance Act 2014

815 Substituted for the word and figures “and 99.25” by the Finance Act, 2008

816 The comma and figure inserted by the Finance Act 2014

517 Serial number(s) 60, 61 and 63 omitted by Finance (Supplementary) Act, 2022.

Sales Tax Act, 1990

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(1) (2) (3)

[61. \*\*\*) omitted

818762, ial

[63. \*\*\*) omitted

819764. FRE

65. Bro

66. Bro

67. Bro

68. Bro

69. Bro

70. AK |

20771. | \*\*\*) omitted

[72. \*\*\*) omitted

821773, ial

73A. lial |

74. aa

75. |

16. aa

77. |

78. aa

79. |

80. aa

[81. \*\*\*) omitted

82. aaa

83. HY

[84. \*\*\*) omitted

822785, aie

82386, \*\*\*) omitted

87. \*\*\*) omitted

88. \*\*\*) omitted

89. Exercise books 4820.2000

90. \*\*\*) omitted

91. aa

(92. \*\*\*)] omitted

93 aa

94. Wheelchairs 8713.1000 and 8713.9000

818 §, No. 62 omitted by the Finance Act, 2011

819 §, Nos. 64 to 70 omitted by the Finance Act, 2011

820 Serial number(s) 71, 72, 81, 84 and 92 omitted by Finance (Supplementary) Act, 2022.

©! Serial numbers 73 to 80, 82, 83 and 85 omitted by Finance Act, 2021.

®2 Serial numbers 85, 91 and 93 omitted by Finance Act, 2021.

823 Serial numbers 86, 87, 88, 90 and 96 omitted by Finance Act, 2024.

⑧2((plant, machinery, equipment, appliances and accessories)] for construction and operation of 3[Gwadar] Port and development of Free Zone for \*[Gwadar] Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting \*[Gwadar] Port, \*°[by the aforesaid operating companies] having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following

Serial Description Heading Nos. of the First No Schedule to the Customs Act, 1969 (IV of 1969)

(1) (2) (3)

824795, ial

96. \*\*\*] omitted

82597, | \*\*\*] omitted

98. \*\*\*] omitted

86799. | \*\*\*] omitted

100. Construction materials to | Respective headings

⑧1(Gwadar] Export processing Zone's investors and to Export Processing Zone \*[Gwadar] for development of Zone's infrastructure

8287100A\_ | Materials and equipment | Respective Headings

824 Serial number 95 and entries relating thereto is omitted through Finance Act, 2019.

825 Serial numbers 97 and 98 omitted by Finance Act, 2024.

826 Serial number 99 omitted by Finance (Supplementary) Act, 2022.

827 Spellings of “Gawadar” corrected as “Gwadar” by Finance Act, 2017

⑧8 New serial numbers 100A & 100B added through Finance Act, 2016.

⑧° The expression inserted through Finance Act, 2017

830 The expression inserted by Finance Act, 2020 shall have effect from the 1“ June, 2020.



**Sales Tax Act, 1990**

for imports.—

(i) This exemption shall be admissible only to China

Overseas Ports Holding Company Limited (COPHCL) and its

operating companies, their contractors and sub-contractors which hold the Concession Agreement;

(ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are bonafide requirement for construction and operation of ®'[Gwadar] Port and development of Free Zone for '[Gwadar] Port. The authorized officer of that Ministry shall furnish all relevant information online to Pakistan Customs against a specific user ID and password obtained under

section 155D of the Customs Act, 1969 (IV of 1969). In already

computerized Collectorate or Customs station, where the computerized system is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the

Serial Description Heading Nos. of the First No Schedule to the Customs Act, 1969 (IV of 1969)

(1) (2) (3)  
conditions and procedure,  
namely,—  
(A). Conditions and procedure



Sales Tax Act, 1990

Serial Description Heading Nos. of the First  
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Act, 1969 (IV of 1969)  
(1) (2) (3)  
Customs Computerized

(B).

procedure

System on daily \_ basis,  
whereas entry of the data  
obtained from the customs  
stations which have not yet  
been computerized shall be  
made on weekly basis,  
provided that this condition  
shall not apply to ship  
bunker oils; and

(iii) The goods so imported  
§32fand also those already  
imported under Notification  
No. S.R.O. 115(1/2008,  
dated the 6th February,  
2008] shall not be sold or  
disposed of without prior  
approval of the FBR and  
payment of sales tax  
leviable at the '[applicable  
rate on residual value],  
provided that this condition  
shall not apply to ship  
bunker oils.

Conditions and  
for local supply.—

(i) This exemption shall be

admissible only to  
China Overseas Ports  
Holding Company  
Limited © (COPHCL)  
and its operating  
companies, their

contractors and sub-  
contractors which hold  
Concession  
Agreement;

2020.

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Sales Tax Act, 1990

(iii)

(iv)

exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the

materials and equipment for the construction of

833(Gwadar] Port and development of Free Zone for '[Gwadar] Port from the sales tax

registered persons only; invoice of the exempt

supply, containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the — registered person to the operating company mentioning thereon that the said invoice is being issued under this notification; a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the — registered persons making the exempt supplies and shall be signed by the authorized person of the registered person.

Serial Description Heading Nos. of the First No Schedule to the Customs Act, 1969 (IV of 1969)  
(1) (2) (3)

(ii) for claiming

833 Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017

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Sales Tax Act, 1990

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Act, 1969 (IV of 1969)  
(1) (2) (3)

All three copies of the  
said signed monthly  
statement shall be got  
verified by the  
registered person from  
the person authorized  
to receive the supplies  
in the office of  
operating company,  
confirming that  
supplies mentioned in  
the monthly statement  
have been duly

received;

(v) after verification from  
the operating  
company, original

copy of the monthly  
statement will be  
retained by the  
registered person,  
duplicate by the  
operating company  
and the \_ triplicate  
provided by \_ the  
registered person to  
the Collector of Sales  
Tax having  
jurisdiction, by  
twentieth day of the  
month following the  
month in which  
exempt supplies to the  
operating companies  
were made; and

(vi) the registered person  
making the exempt  
supplies shall keep the  
aforesaid record for  
presentation to the  
sales tax department as  
and when required to  
do so.



Sales Tax Act, 1990

Serial

No

Description

Heading Nos. of the First  
Schedule to the Customs  
Act, 1969 (IV of 1969)

(1)

(2)

(3)

T100B]

Supplies made by the businesses  
to be established in the Gwadar  
Free Zone for a period of twenty-  
three years within the Gwadar  
Free Zone, subject to the  
condition that the sales and  
supplies outside the Gwadar Free  
Zone and into the territory of  
Pakistan shall be subjected to  
sales tax.

Respective headings

54100.

Vehicles imported by China  
Overseas Ports Holding Company  
Limited (COPHCL) and its  
operating companies namely (i)  
China Overseas Ports Holding  
Company Pakistan (Private)  
Limited (ii) Gwadar International  
Terminal Limited, (iii) Gwadar  
Marine Services Limited and (iv)  
Gwadar Free Zone Company  
Limited, for a period of twenty-  
three years for construction,  
development and operations of  
Gwadar Port and Free Zone Area  
subject to limitations, conditions  
prescribed under PCT heading  
9917 (3)]

Respective headings

TM57100D

Machinery, equipment, materials and goods imported either for exclusive use within the limits of Gwadar Free Zone, or for making exports therefrom, subject to the conditions that such machinery, equipment, materials and goods, are imported by investors of Gwadar Free Zone, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs

Respective headings

834 New S.No. 100C and entries relating thereto inserted through Finance Act, 2017

835 New serial number 100D inserted by Finance Act, 2020 shall have effect from the 1\* June, 2020.

Serial Description Heading Nos. of the First

No Schedule to the Customs

Act, 1969 (IV of 1969)

dd) (2) (3)

Act, 1969 (Act IV of 1969) and  
rules made thereunder - shall,  
mutatis mutandis, apply provided  
that if any of such goods is taken  
out of the Zone for purpose other  
than the export, the tax on the same  
shall be paid by the importer.]

377102.\_| \*\*\*] omitted

[104. \*\*\*] omitted

[105. \*\*\*] omitted

107. Import and supply of iodized salt | 2501.0010

bearing brand names and  
trademarks whether or not sold in  
retail packing.

[108. ileal |

847109. | \*\*\*] omitted

[110. \*\*\*] omitted

111. BAT eee ] omitted [eee ]

112. Following cardiology/cardiac | Respective headings  
surgery, neurovascular,  
electrophysiology, endosurgery,  
endoscopy, oncology, urology,  
gynaecology, disposables and  
other equipment:--

A. ANGIOPLASTY

PRODUCTS

1. Coronary Artery Stents

Drugs Eluting Coronary  
Artery Stents

3. Coronary Artery Dilatations

Catheters (Balloons)

836 Serial number 101 omitted by Finance Act, 2021.

837 Serial number(s) 102, 104 and 105 omitted by Finance (Supplementary) Act, 2022.

838 Serial number 103 omitted by Finance Act, 2021.

839 Serial numbers 106 and 108 omitted by Finance Act, 2021.

840 Serial number(s) 109 and 110 omitted by Finance (Supplementary) Act, 2022.

S41 Serial No. 111, expression "White crystalline sugar" omitted through Finance Act, 2016.

Sales Tax Act, 1990

Serial

No

Description

Heading Nos. of the First  
Schedule to the Customs  
Act, 1969 (IV of 1969)

(1)

(2)

(3)

10.

11.

12.

13.

14.

15

. Covered

PTCA Guide Wire

PTCA Guiding Catheters  
Inflation Devices/Priority  
Packs

27 Optical Coherence  
Technology (OCT) System  
OCT Catheters  
Intravascular  
(IVUS)  
Fractional Flow Reserve  
(FFR/IFR) System  
IVUS/FFR/IFR — Catheters  
and wires

Support Micro Catheters  
(Straight and Angled)

Drug Coated Angioplasty  
Balloon  
Coronary  
Micro Coils

Ultrasound

and Peripheral

. Thrombectomy Device

16.

Thrombus

Catheters

Aspiration

Stents

(Coronary/Peripheral)

. Vessel Closure Devices

. Embolic Protection Devices

. Renal Stents

. Vena-cava Filters

. Coronary

and Peripheral

Snares

. Atherectomy Devices

. IABP Consoles & Catheters

. Intracardiac

Echocardiography Machine

& Catheters]

. ANGIOGRAPHY

PRODUCTS

Angiography Catheters

Sheaths

2 New sub-serial No(s) 7 to.25 under entry A of S.No. 112 and entries relating thereto added by Finance Supplementary (Ame

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Sales Tax Act, 1990

Serial Description Heading Nos. of the First  
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(1) (2) (3)

Guide Wires

Contrast Lines

Pressure Lines

Mannifolds

83°Wrist Bands for Radial  
Vessel Closure]

NAMB Y

C. CONTRAST  
FOR  
ANGIOGRAPHY/ANGIO  
PLASTY

MEDIA

Angiography Accessories  
ASD Closure Devices  
ASD Delivery Systems  
VSD Closure Devices  
VSD Delivery System  
Guide Wires  
Sizing Balloons  
Sizing Plates  
PDA Closure Devices

. PDA Delivery System

Srerna uwFYyne

So

S

. TEMPORARY  
PACEMAKERS

(with leads, connectors and  
accessories)

E. PERMANENT

PACEMAKER.

(with leads, connectors and  
accessories)

F. HEART  
DEVICES  
(with leads, connectors and  
accessories)

FAILURE

G. IMPLANTABLE  
CARDIOVERTES

43 New sub-serial No. 7 under entry B of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendmen

145

**Sales Tax Act, 1990**

**Serial Description Heading Nos. of the First  
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Act, 1969 (IV of 1969)  
(1) (2) (3)**

**(with leads, connectors and  
accessories)**

**H. CARDIAC ELECTRO-  
PHYSIOLOGY  
PRODUCTS**

**1. Electrophysiology catheters**

**2. Electrophysiology cables**

**3. Electrophysiology  
connectors**

**4. \*4[Excimer Laser System  
with Accessories**

**5. Laser Sheath, Occlusion  
Balloons, Dilator Sheaths  
(Rotation & Manual)**

**6. Intra Cardiac  
Echocardiography (ICE)  
System and Accessories**

**7. Lead Locking Devices and  
Accessory Kit**

**8. Remote EP Monitoring  
Device and Accessories**

**9. Ablation catheters**

**10. 3-D Cardiac Mapping  
System**

**11. Cryoballoon System and  
Accessories]**

**I. LEAR CARDIOLOGY  
PRODUCTS**

**1. Radioactive isotopes**

**I. Cold kits (cardiolotic MAA,  
DTPA etc.)**

**J. CARDIAC SURGERY**

## PRODUCTS

"4 New sub-serial No(s) 4 to 11 under entry H of S.No. 112 and entries relating thereto added by Finance Supplementary (Am)

146

Device / System (LVAD)  
and Catheters

Serial Description Heading Nos. of the First

No Schedule to the Customs

Act, 1969 (IV of 1969)

(1) (2) (3)

1. Oxygenators

2. Cannulas

3. Prosthetic Heart Valves

4. Luminal shunts for heart  
surgery

5. Artificial limbs and

appliances

6. <sup>TM</sup>S[High-Flow, Low-Profile

Percutaneous Heart Pump

PHP Console and Catheters

7. Tandem Heart / Tandem

Lung and Accessories

8. Ventricular Assist Device

System

(a) Heart Mate-II

(b) Heart Mate-III

(c) Centri Meg LEOV

9. Beating Heart Surgery

stabilizers & Coronary

Shunts

10. Minimally invasive surgery  
equipment & Instruments

11. RF Ablation equipment for  
AF (Surgical)

12. Heart Lung Machines]

K. EQUIPMENT

1. Cardiac Angiography

Machine

2. Echocardiography Machines

3. ETT Machines

4. Gamma Camera for Nuclear  
Cardiology Studies

5. [Left Ventricular Assist

5 New sub-serial No(s) 6 to 12 under entry J of S.No. 112 and entries relating thereto added by Finance

46 New sub-serial No(s) 5 to 18 under entry K of S.No. 112 and entries relating thereto added by Finance

**Sales Tax Act, 1990**

**Serial Description Heading Nos. of the First  
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(1) (2) (3)**

**6. MitraClipTranscatheter  
Mitral Valve System**

**7. MitraClip Guide Catheter,  
Clip and Delivery System**

**8. Patent Foramen Ovale  
(PFO) Closure Device**

**9. Left Atrial Appendage  
(LAA) Occluder**

**10. Transcatheter Aortic / Heart  
Valve System  
(TAVI/TAVR)**

**11. Cerebral Retrievable Stents**

**12. Aortic Stent Grafts**

**13. Embolization Coils,  
Delivery System, Filling  
Coil**

**14. Abdominal Aortic  
Aneurysm (EVAR) System  
and Accessories/ thoracic  
EVAR' extension**

**15. Insertable Cardiac Monitor  
(ICM)**

**16. Carotid Stents**

**17. Vascular Clips**

**18. MRI Compatible Cardiac  
Monitor, Infusion Pump,  
Anesthesia Machine with  
Accessories]**

**L. PERIPHERAL  
INTERVENTIONS  
EQUIPMENT**

**Disposables and other equipment  
for peripheral \_interventions  
including stents (including carotid**

and wall stents), balloons, sheaths, catheters, guide wires, filter wires, coils, needles, valves (including rotating homeostatic valves), connecting cables, \_ inflation

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dd) (2) (3)

devices adapters \*"[“Drug Eluting Peripheral Stents”).

8487113. | [\*\*\*] omitted

[114. \*\*\*] omitted

[116. \*\*\*] omitted

[117. \*\*\*] omitted

850118. | [omitted] L..-]

119. 851...) omitted [.-]

121. Blood Bag CPDA-1 with blood | Respective headings  
transfusion set pack in aluminium  
foil with set.

8537Explanation.— For removal of  
doubt, it is clarified that the blood  
transfusion sets not packed in  
aluminum foil imported with  
blood bags CPDA-1, in  
corresponding quantity in same  
consignment are also exempt]

122. Urine drainage bags Respective headings

[124. il

[125. ial

8557126. | [\*\*\*] omitted

127. \*\*\*]) omitted

129. \*\*\*]) omitted

\$577130. | [\*\*\*] omitted

[131. \*\*\*]) omitted

“7 Words “Drug Eluting Peripheral Stents” under entry L of S.No. 112 added by Finance Supplementary (Amendment) Act, 2018.

848 Serial number(s) 113, 114, 116, and 117 omitted by Finance (Supplementary) Act, 2022.

849 Serial number 115 omitted by Finance Act, 2021.

850 S.No. 118 omitted by Finance Supplementary (Second Amendment) Act, 2019

8S! Serial No. 119, expression “Tubular day..” omitted through Finance Act, 2016.

852 Serial number 120 omitted by Finance Act, 2024.

853 Explanation added by Finance Act, 2023

854

Serial numbers 123 to 125 omitted by Finance Act, 2021.

855 Serial number(s) 126, 127 and 129 omitted by Finance (Supplementary) Act, 2022.

856

Serial number 128 omitted by Finance Act, 2021.

857 Serial number(s) 130 to 132 omitted by Finance (Supplementary) Act, 2022.



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@) (2) (3)

[132. \*\*\*] omitted

133. Pesticides and \_ their active | 38.08

ingredients registered by the

Department of Plant Protection

under the Agricultural Pesticides

Ordinance, 1971(II of 1971),

stabilizers, emulsifiers and

solvents, namely:—

Xylol (xylenes) 2707.3000

- Beta Pinene / Agrotin 527 / | 2902.1990

Terpenic derivative

Toluene 2902.3000

Mixed xylene isomers 2902.4400

Naphthalene 2902.9010

Solvesso-100, 150, 200 2902.9090

Methanol (methyl alcohol) 2905.1100

Propylene glycol (propane-1, 2- 2905.3200  
diol)

- Adhesives Polyvinyl Acetate 2905.4900

- Polyvinyl Alcohol

Ingredients for pesticides 2906.2910

Other ingredients for pesticides 2906.2990

- Solvenon MP / 1-Methoxy 2- 2909.4910

Propanol

- Methylglycol Acetate

Methanal (formaldehyde) 2912.1100

Cyclo-hexanone and methyl- 2914.2200

cyclo-hexanones

- Cyclohexanon 2914.2990

- Cyclohexanone Mixed petroleum

Xylene (1,2 & 1,3 & 1,4 dimethyl

benzene and ethyle benzene)

Acetic anhydride 2915.2400

Ingredients for pesticides 2916.3920

Dioctyl orthophthalates 2917.3200

858 The words “ingredients for pesticides” and the figure “2903.3040” omitted by Finance Act, 2017

85° The words “Cadusafos Technical Material” and figure “2903.6900” omitted by Finance Act, 2017

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dd) (2) (3)

Endosulfan Technical Material 2920.9020  
Other ingredients for pesticides 2920.9090  
Diethylamine and its salts 2921.1200  
Ingredients for pesticides 2921.4310  
Other Ingredients for pesticides 2921.4390  
Ingredients for pesticides 2921.5110  
Dimethyl Formamide (DMF) 2924.1990  
Other Ingredients for pesticides 2924.2990  
Alpha cyano, 3-phenoxybenzyl (-) 2926.9010  
cis, trans 3-(2,2-dicloro vinyl) 2,2  
dimethyl cyclopropane  
carboxylate  
(S) Alpha cyano, 3-phenoxybenzyl 2926.9020  
(S)-2-(4, chloro phenyl)-3 methyl  
butyrate  
Cyano, 3-phenony benzyl 2,2,3,3 2926.9030  
tetra methyl cyclopropane  
carboxalate  
- Cypermethrin, Alpha 2926.9050  
Cypermethrin, Beta-  
Cypermethrin, Zeta-  
Cypermethrin, Lambda  
Cylathrin, Deltamethrin,  
Fenpropathrin, Esfenvalerate,  
Bifenthrin  
Technical Material- Acetamiprid,  
Imidacloprid Technical Material-  
Monomehypo, Chlorothalonil  
Technical Material-  
Bromoxynil Technical Material  
Other nitrite compounds- 2926.9090  
Cyfluthrin, Beta Cyfluthrin  
Technical Material

86 The words “ingredients for pesticides” and the figure “2918.9010” omitted by Finance Act, 2017

‘ds “ingredients for pesticides” and the figure “2919.0010” omitted by Finance Act, 2017

“other ingredients for pesticides” and the figure “2919.0090” omitted by Finance Act, 2017

“ethanolamine and its salts” and the figure “2922.1300” omitted by Finance Act, 2017

864 The words “ingredients for pesticides” and the figure “2924.2930” omitted by Finance Act, 2017

Sales Tax Act, 1990

Serial Description Heading Nos. of the First  
No Schedule to the Customs  
Act, 1969 (IV of 1969)  
dd) (2) (3)

2-N, N-Dimethyl amino-1 sodium 2930.2010

thiosulphate, 3-thiosulfourropane

Ingredients for pesticides 2930.2020

2- N,N-dimethyamino 1,3 2930.9010

disodium thiosulphate propane

Other organosulphur compounds 865[Respective headings]

- Ethion, Methamidophos

Technical Material

- Dimethylsulfoxid

Ingredients for pesticides 866/Respective headings]

Other Ingredients for pesticides 867/Respective headings]

Ingredients for pesticides 868 Respective headings]

2,3 Dihydro 2-2 dimethyl-7 benzo 2932.9910

furanyl methyl-carbamate

Other ingredients for pesticides 2932.9990

- Carbosulfan Technical Material

Fipronil 2933.1900

Ingredients for pesticides 86°(Respective headings]

Other Ingredients for pesticides 2933.3990

- Chlorpyrifos, Triazophos, 2933.5950

Diazinon Technical Material

Other Ingredients for pesticides 2933.5990

Pyrimethanine 2933.6910

Ingredients for pesticides 2933.6940

- Atrazine Technical Material 2933.6990

Isatin (lactam of istic acid) 2933.7910

1-Vinyl-2-pyrrol-idone 2933.7920

- Triazophos Technical Material 2933.9910

Ingredients for pesticides 2934.1010

Ingredients for pesticides 2934.9920

-Methyl benzimidazol — 2 — 2938.9010

ylcarbamate.

-Dicopper chloride trihydroxide

Ingredients for pesticides 879F2939.8010]

85 For expression, words “respective headings” substituted by Finance Act, 2022.

866 For expression, words “respective headings” substituted by Finance Act, 2022.

867 For expression, words “respective headings” substituted by Finance Act, 2022.

868 For expression, words “respective headings” substituted by Finance Act, 2022.

869 For expression, words “respective headings” substituted by Finance Act, 2022.

87 Substituted for the figure “2939.9910” by Finance Act, 2017

Sales Tax Act, 1990

Serial Description Heading Nos. of the First

No Schedule to the Customs

Act, 1969 (IV of 1969)

(1) (2) (G3)

- Abamectin, Emamectin | \*"[Respective headings]

Technical Material

Other Ingredients for pesticides 2941.9090

Sulphonic acid (Soft) 872/Respective headings]

Other surface active agents 873/Respective headings]

Catonic 8747 Respective headings]

Non ionic surface active agents 875[Respective headings]

Other organic surface active | \*'[Respective headings]

agents 3402.9000

Chemical preparations 877[3824.9999]

Solvent C-9 2707.5000

878! White spirit 2710.1240

Solvent oil 2710.1250]

877134. | \*\*\*] omitted

[135. \*\*\*] omitted

[136. \*\*\*) omitted

8897137. | Paper weighing 60 g/m<sup>2</sup>, art paper, | 4802.5510, 4810.1990, printing paper and art card for | 4810.1910, 4802.6990 and printing of Holy Quran imported 4810.2900.]

by Federal or Provincial

Governments and Nashiran-e-

Quran as per quota determined by

I0CO

8817138. | \*\*\*] omitted

[139. \*\*\*) omitted

[140. \*\*\*) omitted

[141. \*\*\*) omitted

[142. \*\*\*] omitted

143. (i) Hearing aids (all types and 9937

kinds) (ii) Hearing assessment

equipment;

(a) Audiometers

(b) Tympanometer

87! For expression, words “respective headin;

8? For expression, words “respective headin;

83 For expression, words “respective headin;

84 For expression, words “respective headin;

875 For expression, words “respective headin;

substituted by Finance Act, 2022.

876 For expression, words “respective headings” substituted by Finance Act, 2022.

877 Substituted for the figure “3824.9099” by Finance Act, 2017

878 New entries inserted by Finance Act, 2021.

8 Serial number(s) 134 to 136 omitted by Finance (Supplementary) Act, 2022.

889 S.No. 137 and entries relating thereto substituted by Finance Act, 2022.

88! Serial number(s) 138 to 142 omitted by Finance (Supplementary) Act, 2022.

153

Sales Tax Act, 1990

Serial Description Heading Nos. of the First

No Schedule to the Customs

Act, 1969 (IV of 1969)

(1) (2) (3)

(c) ABR

(d) Oto Acoustic Omission

144. Liquefied Natural Gas imported by 2711.1100

fertilizer manufacturers for use as

feed stock

145. Plant, machinery, equipment Respective heading

including dumpers and\_ special

purpose motor vehicles, if not

manufactured locally, imported by

M/s China State Construction

Engineering Corporation Limited

(M/s CSCECL) for the

construction of Karachi —

Peshawar Motorway (Sukkur —

Multan Section) and M/s China

Communication Construction

Company (M/s CCCC) for the

construction of Karakorum

Highway (KKH) Phase-II (Thakot

- Havellian Section) subject to the

following conditions:

(i) that the exemption under  
this serial number shall  
only be available to  
contractors named above;

(ii) that the equipment and  
construction machinery  
imported under this serial  
number shall only be used  
for the construction of the  
respective allocated  
projects;

(iii) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-A, at the time of import to the extent of sales tax exempted under this serial number on consignment to consignment basis;

Sales Tax Act, 1990

Serial

No

Description

Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)

(1)

(2)

(3)

(iv)

(vy)

that the Ministry of Communications shall certify in the prescribed manner and format as set out in Annex-B that the imported equipment and construction machinery are bona fide requirement for construction of Sukkur — Multan Section (392.0 km) of Karachi — Peshawar Motorway or for the construction of Karakorum Highway(KKH) Phase-II - Thakot to Havellian Section (118.057 km) as the case may be;

for the clearance of imported goods through Pakistan Customs Computerized System the authorized officer of the Ministry shall furnish all relevant information, as set out in Annex-B, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the Pakistan Customs

Computerized System is not operational, \_ the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on

Sales Tax Act, 1990

Serial Description Heading Nos. of the First  
No Schedule to the Customs  
Act, 1969 (IV of 1969)  
(1) (2) (3)

(vi)

(vii)

(viii)

daily basis, whereas entry  
of the data obtained from  
the customs stations which  
have not yet been  
computerized shall be  
made on weekly basis;  
that the equipment and  
construction machinery,  
imported under this serial  
number, shall not be re-  
exported, sold or  
otherwise disposed of  
without prior approval of  
the FBR. In case goods are  
sold or otherwise disposed  
of with prior approval of  
FBR the same shall be  
subject to payment of  
sales tax as may be  
prescribed by the FBR;

in case the equipment and  
construction machinery,  
imported under this serial  
number, is sold or  
otherwise disposed of  
without prior approval of  
the FBR in terms of para  
(vi) above, the same shall  
be subject to payment of  
statutory rates of sales tax  
as were applicable at the  
time of import;  
notwithstanding the  
condition at para (vi) and  
(vii) above, equipment  
and construction  
machinery, imported  
under this serial number,  
may be surrendered at any  
time to the Collector of  
Customs having

jurisdiction, without  
payment of any sales tax ,

156

Serial

No

Description

Heading Nos. of the First  
Schedule to the Customs  
Act, 1969 (IV of 1969)

(1)

(2)

(3)

for further disposal as may  
be prescribed by the FBR;

(ix) the indemnity bond  
submitted in terms of para  
(iii) above by the importer  
shall be discharged on the  
fulfillment of conditions  
stipulated at para (vi) or  
(vii) or (viii) above, as the  
case may be; and

(x) that violation of any of the  
above mentioned  
conditions shall render the  
goods liable to payment of  
statutory rate of sales tax  
leviable on the date of  
clearance of goods in  
addition to any other penal  
action under relevant  
provisions of the law.

8827146,

\*\*\*) omitted

147.

Goods supplied to German  
Development Agency (Deutsche  
Gesellschaft für Internationale  
Zusammenarbeit) GIZ

Respective heading

148.

Imported construction materials and goods imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions, limitations and restrictions as are specified under S. No. 145 of this table, provided that total incidence of exemptions of all duties and taxes in respect of construction materials and goods imported for

Respective heading

882 Serial number 146 omitted by Finance (Supplementary) Act, 2022.

157

Sales Tax Act, 1990

Serial

No

Description

Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)

(1)

(2)

(3)

the project shall not exceed ten thousand eight hundred ninety-eight million rupees including the benefit of exemption from duties and taxes availed before 30th June, 2018 under the provisions of the Sales Tax Act, 1990, the Customs Act, 1969, the Federal Excise Act, 2005 and the Income Tax Ordinance, 2001 and Notifications issued thereunder;

5837149,

\*\*\*) omitted

[150

\*\*\*) omitted

7151,

\*\*\*) omitted

152.

Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 885730th June, 2026], to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or cooking oil industries

2716.0000

886[153.

aie

8871154,

Dietetic foods intended for consumption by children suffering from inherent metabolic disorder subject to the conditions that the importer shall acquire approval and quota from Ministry of National Health Services, Regulations and Coordination.

Respective heading

5155,

\*\*\*) omitted

883 Serial number 149 and 150 omitted by Finance (Supplementary) Act, 2022

884 Serial number 151 omitted by Finance Act, 2025.

aes Expression substituted by Finance Act, 2025.

886

umber 153 omitted by Finance Act, 2021

ial numbers 154 to 156 inserted by Finance Act, 2020.

88 Serial number 155 omitted by Finance (Supplementary) Act, 2022.

158

Sales Tax Act, 1990

Serial

No

Description

Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)

(1)

(2)

(3)

897156,

Import of CKD kits by local manufacturers of following Electric Vehicles:—

Respective heading]

(i) Road Tractors for semi-trailers (Electric Prime Movers)

(ii) Electric Buses

(iii) Three Wheeler Electric Rickshaw

(iv) Three Wheeler Electric Loader

(v) Electric Trucks

(vi) Electric Motorcycle

890157,

Import of CKD (in kit form) of following electric vehicles (4 wheelers) by local manufacturers

till 30" June, 2026:

(i) Small cars/SUVs with 50 Kwh battery or below; and

(ii) | Light commercial vehicles

(LCVs) with 150 kwh  
battery or below

Respective headings

17158,

\*\*\*) omitted

927159.

\*\*\*) omitted

F160.

\*\*\*) omitted

161.

Import of plant, machinery,  
equipment and raw materials for  
consumption of these items within  
Special Technology Zone by the  
Special Technology Zone  
Authority, zone developers and  
zone enterprises

Respective headings

162.

Import of raw \_ materials,  
components, parts and plant and  
machinery by registered persons  
authorized under Export  
Facilitation Scheme, 2021  
notified by the Board with such

Respective headings]

88 Serial number 156 substituted by Finance (Supplementary) Act, 2022.

\*<sup>oo</sup> New serial numbers 157 to 162 inserted by Finance Act, 2021.

89! Serial number 158 omitted by Finance (Supplementary) Act, 2022.

8 Serial numbers 159 & 160 omitted by Finance Act, 2023

Sales Tax Act, 1990

conditions, limitations and restrictions.

31163.

Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations made thereunder; and agreements by the Federal Government:

Provided that such goods are charged to zero-rate of customs duty under the Customs Act, 1969 (IV of 1969), and the conditions laid therein.

Provided further that exemption under this serial shall be available with effect from the 15<sup>th</sup> day of January, 2022.

99.01, 99.02, 99.03 and 99.06

894164.

\*\*\*) omitted

165.

Goods imported by or donated to hospitals run by the non-profit making institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969).

99.13 and 99.14,

166.

Goods excluding electricity and natural gas supplied to hospitals run by the charitable hospitals of fifty beds or more.

Respective headings

167.

Goods temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969 (IV of 1969).

99.19, 99.20 and 99.21

8°3 New serial number(s) 163 to 174 added by Finance Act, 2022.

894 Serial number 164 omitted by Finance Act, 2025.

160

168. Fertilizers [excluding DAP] Respective headings

86169. | \*\*\*] omitted

170. \*\*\*) omitted

171. Seeds for sowing Respective heading

172. Machinery, equipment and | Respective headings materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall mutatis mutandis, apply.

173. Goods produced or manufactured | Respective headings in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, —\_ provided conditions of section 22 of the Customs Act, 1969 (IV of 1969), are complied with.

174. []

871175. | Import of all goods received, in | 9908(i) and 9911 the event of a natural disaster or other catastrophe, as gifts and relief consignments or any goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector \_ organization. Subject to the recommendations of the Minister Incharge and concurrence by the Federal Board of Revenue subject to condition that the concerned Ministry shall

Serial numbers 169, 170 and 174 omitted by Finance Act, 2024.  
87 Serial number(s) 175 to 180 inserted by Finance Act, 2024.

161

**Sales Tax Act, 1990**

verify the genuineness of such cases and furnish an undertaking to the effect that donated goods shall not be sold, utilized or 9908(i) and 9911.". disposed of otherwise than for the purpose for which the same have been imported.

176. POL products:

- (i) — MS (Petrol) 2710.1210,
- (ii) | High Speed Diesel Oil 2710.1931,
- (iii) Kerosene 2710.1911 and
- (iv) Light Diesel Oil 2710.1921

177. Supply of electricity to Azad | Respective headings Jammu and Kashmir

178. Import of gold under entrustment | Respective heading scheme under SRO 760(1)/2013

179. Import of cystagon, cysta drops | 3004.9099 and trientine capsules \*\*[omitted]

180. Bovine semen 0511.1000.]

897181. Import or lease of aircrafts and | 8802.1200 parts thereof by Pakistan | 8802.3000 International Airlines Corporation | 8802.4000"; Limited (PIACL)

8°8 The expression "(for personal use only)" omitted by Finance Act, 2025.

89 §.No. 181 and entries relating thereto in columns (1), (2) and (3) inserted by Finance Act, 2025

Sales Tax Act, 1990

9007 Annex-I

[See serial No. 100A & 100B]

Header Information

NTN/FTN of Importer Approval No.

d) (2)

Details of materials and equipments (to be filled in | Goods imported (Collectorate by the authorized officer of the Ministry of Ports | of import) and Shipping)

2 n Z

=] n s = b= 2 Sod

x A\ a o#/2/2/0/5 1/695 | 0s/ 45

(3) (4 | (5 | (6) (7 | (8 | 9) | do | di | a2) a3) | 4

) |) ) |) ) |) J) )

Header Information

NTN/FTN of Importer Approval No.

dQ) (2)

Details of materials and equipments | Goods imported (Collectorate (to be filled in by the authorized officer | of import) of the Ministry of Ports and Shipping)

ray 8 Zz

g B=} 2 g

8 ° g Os

3/e| |2 4s 2)\_ | 222) 452

Oo] 'h n 5 : = PI Ss Ss oO > a

5 5 o| = o = Z 2

2/6) Bo 2 xz) s|6 S | E 22

2) a/G/S89292/5/5 548 | 5545

3B | (4 16 | (6) (7) | (8 | (9 | G0} 1 | G2 | G3 | 4)

) |) D ) |) Dp | |) PD

NOTE 1.— Before certifying, the authorized officer of the Ministry of Ports and Shipping shall ensure that the goods are genuine

and bona fide requirement for construction and operation

of Gwadar Port and development of Free Zone for

Gwadar Port.

Signature

Designation

NOTE 2.— In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user ID. and password obtained under section 155D of the Customs Act, 1969 (IV of 1969).

900 Annexure-I inserted through Finance Act, 2016.

°°I Annex-A

[See condition 145(i1i)]

**INDEMNITY BOND**

(On appropriately stamped non-judicial paper)

THIS DEED OF INDEMNITY is made on\_ the date of  
BETWEEN Messrs having registered office at  
(hereinafter called "the importers" which means and includes their  
successors, administrators, executors and assignees) of the one part, AND the  
President of Pakistan through the Collector of Customs (hereinafter

called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number  
145 or serial number 148 of this table, as the case may be, and subject to the  
conditions given in the said serial number 145 or serial number 148 of this table,  
as the case may be, has been pleased to direct that such equipment and construction  
machinery, as are not manufactured locally, shall be exempt from the whole of  
sales tax leviable thereon, in accordance with the said serial number 145 or serial  
number 148 of this table, as the case may be, if imported for :-

(i) construction of Sukkur — Multan Section (392.0 km) of Karachi —  
Peshawar Motorway or

(ii) for the construction of Karakorum Highway (KKH) Phase-II - Thakot to  
Havelian Section (118.057 km).

AND WHEREAS M/S. having registered office at  
(hereinafter called the importers) have imported the equipment and/or construction  
machinery mentioned in the said serial number 145 or serial number 148 for  
purposes of construction of above mentioned project(s) in accordance with the  
conditions given in the said serial number 145 or serial number 148 of this table,  
as the case may be;

NOW, THEREFORE, in consideration of the release of the equipment and/or  
construction machinery without recovery of leviable sales tax, the importers bind  
themselves to pay on demand to the Government of Pakistan the sum of Rs.  
being the sales tax and charges leviable on the machinery, if the  
importers fail to fulfill the condition (vi) or (vii) or (viii) of the said serial number  
145 or serial number 148 of this table, as the case may be.

The importers further agree and bind themselves that the amount covered by this  
Bond shall be recovered as arrears of sales tax under section 202 of the Customs  
Act, 1969. This Bond shall become void when the Collector of Customs is satisfied  
that the importers have fulfilled all the conditions of the said serial number 145 or  
serial number 148 of this table, as the case may be.

Signed by importers on this day of 201.

°0| New Annexures A, B, C & D inserted by Finance Act, 2018.

**Sales Tax Act, 1990**

Managing Director  
(Name and permanent address)  
Collector of Customs (On behalf of  
President)

Witness

(signature, name, designation and full address)

Witness

(signature, name, designation and full address)

**Note:** The bond shall be written on appropriate non-judicial stamp paper and shall be witnessed by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Schedule Bank.

**Annex-B**

[See condition 145 (iv) and (v)]

NTN or FTN of Importer Approval No.

0) ce)

Details of input goods (to be filled by the authorized officer of the Regulatory Authority) to be imported

Description Quantity/UOM | L/CNo. or | IGM No. Remarks, if and bank Date & any.

specifications. contract Index No.

No. and

B/L.

(1) (2) GQ) (4) (5)

**CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY:**

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirement and are bona fide requirement of the project. It is further certified that the above items shall not be used for any other purpose except for the project.

Signature:

Name & Designation:

Official Stamp:

Date:

**Note:** -For the purposes of this serial number 145, the expression "not manufactured locally" shall mean the goods which are not listed in the locally manufactured items in the Customs General Order issued by the Federal Board of Revenue from time to time.

Annex-C



[See condition 146(b)]

**INDEMNITY BOND**

(On appropriately stamp non-judicial paper attested by a Government servant in

BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Scheduled Bank)

THIS DEED OF INDEMNITY is made on\_ the date of  
BETWEEN Messrs having registered office at  
(hereinafter called "the importers" which means and includes their

successors, administrators, executors and assignees) of the one part, AND the

President of the Islamic Republic of Pakistan through the Collector of Customs  
(hereinafter called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number 146 and subject to the conditions given in the said serial number 146, has been pleased to direct that such equipment shall be exempt from the whole of sales tax leviable thereon, in accordance with the said serial number 146, if imported for Lahore Orange Line Metro Train Project.

AND WHEREAS M/S. , the importers have imported the equipment mentioned in the said serial number 146 for the above mentioned project in accordance with the conditions given in the said serial number 146;

NOW, THEREFORE, in consideration of the release of the equipment without recovery of leviable sales tax, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. being the sales tax and charges leviable on the equipment, if the importers fail to fulfill the condition (f) or (g) or (h) of the said serial number 146, as the case may be.

The importers further agree and bind themselves that the amount covered by this Indemnity Bond shall be recovered as arrears of sales tax under section 202 of the Customs Act, 1969. This Bond shall stand revoked automatically when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said serial number 146.

Signed by importers on this day of 201.

Managing Director or person next in hierarchy duly authorized by MD

(Name and permanent address)

Collector of Customs

(On behalf of President)

Witness(1)

(signature, name, designation and full address)

Witness(2)

Sales Tax Act, 1990

(signature, name, designation and full address)

Annex-D

[See conditions 146 (c) and (e)]

NTN or FTN of Importer Approval No.

Details of equipment (to be filled by the authorized officer of the Regulatory Authority) to be imported

Description | Quantity/UOM | L/C No. or IGM No. Remarks, if and bank Date & any.

specifications. contract Index No.

No. and

BIL.

ie) (2) (3) (4) (5)

#### CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY

AUTHORITY:

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirements and are bona fide requirement of the Project under the Contract. It is further certified that the above items shall not be used for any other purpose except

for the Project.

Signature:

Name and Designation:

Official Stamp:

Date:

Table-2

(Local Supplies only)

Serial No Description Heading Nos. of the First

Schedule to the Customs

Act, 1969 (IV of 1969)

(1) (2) (G3)

9rd, 7] omitted

[2. \*\*\*] omitted

90373. °°4[Supplies made by cottage | Respective headings. ]

industry. ]

[4. \*\*\*] omitted

0575, rd

6. Supply of fixed assets against | Respective headings.

which input tax adjustment is

not available under a

notification issued in terms of

clause (b) of sub-section (1) of

section 8 of the Sales Tax Act,

1990.

9067 rd

08. Foodstuff cooked or prepared | Respective headings.

in-house and served in messes

run on the basis of mutuality

and industrial canteens for

workers.

[9. \*\*\*] omitted

10. Agricultural produce of | Respective headings.

Pakistan, not subjected to any

further process of

manufacture.

9097910713. FRR

TLS, \*\*\*] omitted

° Serial number(s) 1, 2 and 4 omitted by Finance (Supplementary) Act, 2022.

°3 §. No. 3 substituted by the Finance Act, 2007

°°4 Substituted by the Finance Act, 2014

°°5 §. No. 5 omitted by the Finance Act, 2011

9v6 Serial number 7 omitted by Finance Act, 2024.

°°7 §. No. 11 omitted by the Finance Act, 2022.

°°' S\_ No. 12 omitted by the Finance Act, 2013

90'S. Nos. 13 to 16 added by the Finance Act, 2014

°10 S.No. 13 & 14 omitted by the Finance Act, 2015

°"! Serial number(s) 9, 15 and 16 omitted by Finance (Supplementary) Act, 2022.

Serial No Description Heading Nos. of the First

Schedule to the Customs

Act, 1969 (IV of 1969)

d) (2) (G3)

[16. \*\*\*) omitted

9127 17. oR

214722. \*\*\*) omitted

[23. \*\*\*) omitted

(24. 2K

[25. aK

15126. Supply of locally produced silos | Respective heading  
till 30.06.2026

27. Wheat Bran °!\*[This exemption | 2302.3000

shall apply from the 1st day of

July, 2018]

28. Sugar beet 1212.9100

29. Fruit juices, whether fresh, | 2009.1100, 2009.1200,  
frozen or otherwise preserved but | 2009.1900, 2009.2100,  
excluding those bottled, canned | 2009.2900, 2009.3100,  
or packaged. 2009.3900, 2009.4100,  
2009.4900, 2009.5000,  
2009.6100, 2009.6900,  
2009.7100, 2009.7900,  
and 2009.9000

30. Milk and cream, concentrated or | 04.02

containing added sugar or other  
sweetening matter, excluding  
that sold in retail packing under a  
brand name

31. Flavored milk, excluding that | 0402.9900

sold in retail packing under a  
brand name

32. Yogurt, excluding that sold | ?!\*[Respective heading]

9177] under a brand name

°!2'§\_ Nos. 17 to 20 and 24, 25 omitted by Finance Act, 2021.

3 Serial number 21 omitted by Finance Act, 2024.

°4 Serial number(s) 22, 23 and 33 omitted by Finance (Supplementary) Act, 2022.

°5 New serial numbers 26 to 39 inserted by Finance Act, 2021.

°16 Expression added by Finance Act, 2023

°!7 Under serial number(s) 32 and 34 to 37 words omitted by Finance Act, 2023

°8 Words substituted by Finance Act, 2022.

Sales Tax Act, 1990

[33. \*\*\*] omitted

34. Butter, excluding that sold | 0405.1000  
9327 \*\*\*] under a brand name

35. Desi ghee, excluding that sold | 0405.9000  
9327 \*\*\*] under a brand name

36. Cheese, excluding that sold | 0406.1010  
9327] under a brand name

37. Processed cheese not grated or | 0406.3000  
powdered, excluding that sold  
9327] under a brand name

[38. \*\*\*) omitted?!"

39. Products of meat or meat offal | 1602.3200, 1602.3900,  
excluding sold °°[\*\*\*] under a | 1602.5000, 1604.1100,  
brand name or trademark 1604.1200, 1604.1300,  
1604.1400, 1604.1500,  
1604.1600, 1604.1900,  
1604.2010, 1604.2020  
and 1604.2090]

21°40 Live Animals and live poultry Respective headings

41 Meat of bovine animals, sheep, | Respective headings  
goat and uncooked poultry meat  
excluding those sold °°[\*\*\*]  
under a brand name

42 Fish and crustaceans excluding | Respective headings  
those sold °°>[\*\*\*] under a brand  
name

43 Live plants including bulbs, roots | 0601.1010, 0601.1090,  
and the like 0601.2000, 0602.1000,  
0602.2000, 0602.3000,  
0602.4000,  
0602.9010 and  
0602.9090

44 Cereals other than rice, wheat, | Respective headings

wheat and meslin flour  
2745 Edible vegetables including roots | Respective heading]  
and tubers whether fresh, frozen  
or otherwise reserved (e.g. in  
cold storage) but excluding those

bottled or canned.

46 Edible fruits Respective headings

47 Sugar cane 1212.9300

919 Serial number 38 omitted by Finance (Supplementary) Act, 2022.

520 Under serial number(s) 39, 41 and 42 words omitted by Finance Act, 2023

971 Serial number(s) 40 to 51 inserted by Finance (Supplementary) Act, 2022.

922 Serial number 45 substituted by Finance Act, 2022.

(a) supplied by manufacturer cum-exporter of recycled copper, authorized under Export Facilitation Scheme, 2021 directly supplied to a registered steel melter subject to such apportionment, conditions and restrictions as may be specified by the Board through a Sales Tax General Order; and

(b) supplied directly by the importer (verifiable from the goods declaration form) to a

48 Eggs including eggs for hatching | 0407.1100, 0407.1900  
0407.2100 and 0407.2900

49 Compost (non-commercial | Respective headings  
fertilizer)

50 Locally manufactured laptops, | 8471.3010 and 8471.3020  
computers, notebooks whether or  
not incorporating multimedia kit  
and personal computers

51. Newspaper Respective headings

923752, Raw hides and skins Respective headings

53. Prepared food or foodstuff | Respective heading  
supplied by Restaurants and  
caterers

54, All types of breads, nans and | Respective headings.]  
chapattis

PATS5. Single cylinder agriculture diesel | Respective headings.]  
engines (compression ignition  
internal combustion piston  
engines) of 3 to 36 HP.

5156. Milk excluding: 04.01

(i) that sold under a brand  
name; or

(ii) supplied by corporate  
dairy farms

57. Iron and steel \_ scrap | 7204.4100,  
excluding:— 7204.3000,  
7204.4990.]

erial number(s) 52 to 54 added by Finance Act, 2022.

number 55 added by Tax Laws (Second Amendment) Ordinance, 2022.  
rial number(s) 56 and 57 added by Finance Act, 2024.

%6 Against S. No. 57, in column (2), substituted by Finance Act, 2025.



registered steel melter subject to such apportionment, conditions and restrictions as may be specified by the Board through a Sales Tax General Order.

Notes:--

1. For the purpose of this Schedule, for entries against which classification of headings or sub-headings has been specified, exemption shall be admissible on the basis of description of goods as mentioned in column 2 of the Schedule Pakistan Customs Tariff classification of headings is provided for ease of reference and commodity classification purposes only.
2. For the purposes of determining classification of any goods, the general rules for interpretation of the First Schedule to the Customs Act, 1969 (IV of 1969) and Explanatory Notes to the Harmonized Commodity Description and Coding System (relevant version) as amended from time to time shall be considered authentic source of interpretation.
3. For the purposes of exemption of sales tax under serial numbers 46, 47, 49, 50, 51, 52, 53, 56, 57, 59, 60 and 62 of this Schedule, the definitions, restrictions, limitations, conditions and procedures and all the provisions of Chapter 99 of the First Schedule to the Customs Act, 1969 (IV of 1969), for the purposes of applying zero-rate of customs duty shall, mutatis mutandis, apply and shall be deemed and construed to be part of this Schedule.

°(TABLE-3

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:-

- (i) The imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board.
- (ii) except for S. No. 9, 14, °8[14A and 15] of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the

"Inserted by Finance Act, 2014

°28 The figure and words inserted through Finance Act, 2017

(iii)

### Sales Tax Act, 1990

Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's bona fide requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and

in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, layout plan and drawings:

Explanation.- For the purpose of Table-3, capital goods mean any plant, machinery, equipment, spares and accessories, classified in Chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

- (a) the manufacture or production of any goods and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or
- (b) used in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

### °° ANNEXURE

Ss. Description PCT Conditions  
No heading

@) Q) Q) (4)  
81. | \*\*\*] omitted

2& | \*\*\*] omitted

2A

3. \*\*\*) omitted

°°? Inserted by Finance Act, 2014.

930 Serial number(s) 1 to 9 and 11 omitted by Finance (Supplementary) Act, 2022.

including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar.

Ss. Description PCT Conditions

No heading

(1) (2) GB) (4)

4. \*\*\*) omitted

5. \*\*\*) omitted

6. \*\*\*) omitted

7. \*\*\*) omitted

8. \*\*\*) omitted

9. \*\*\*) omitted

3110 | \*\*\*) omitted

1. | \*\*\*) omitted]

12. | Machinery, equipment and | Respective | 1. The Division dealing other project related items | Headings | with the subject matter

of Industries \_ shall certify in the prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The authorized officer of the Ministry shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.

2. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.

93! Serial number 10 omitted by Finance Act, 2015.



Ss. Description PCT Conditions

No heading

dq) Q) (6) (4)

3271 | \*\*\*] omitted

3.

4. \*\*\*) omitted

4A | \*\*\*] omitted

[15& | \*\*\*] omitted

5A

5B.\_| \*\*\*] omitted

933116 |]

[17.\_| \*\*\*] omitted

8. The following parts for If imported by assembling and manufacturers and manufacturing of personal assemblers of computers and laptops: computers and laptops,  
(i) Bare PCBs 8534.0000 | registered with and  
(ii) Power Amplifier 8542.3300 | certified by  
(iii) Microprocessor/ 85.42 | Engineering Controllers Development Board in  
(iv) Equipment for SMT 8486.2000 | accordance with quota Manufacturing determined by IOCO  
(v) Laptop batteries 8506.5000  
(vi) Adopters 8504.4020  
(vii) Cooling fans 8414.5190  
(viii) Heat sink 7616.9920  
(ix) Hard Disk SSD 8471.7020  
(x) RAM/ROMS 8471.7060  
and  
8471.7090  
(xi) System on 85.42  
Chip/FPGA-IC  
(xii) LCD / LED Screen 8528.7211  
(xiii) Motherboards 8534.0000  
(xiv) power supply 84.73  
(xv) Optical Drives 8471.7040  
(xvi) External Ports 8536.2090  
(xvii) Network cards 8517.6990  
(xviii) Graphic cards 8471.5000  
(xix) wireless cards 8517.6970  
(xx) micro phone 8518.3000

<sup>o</sup>32 Serial number(s) 13 to 15B and 17 omitted by Finance (Supplementary) Act, 2022.

<sup>o</sup>83 §.No. 16 and entries relating thereto omitted by Finance Act, 2015

(xxi) Trackpad

8471.6020

19. Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribed in the SEZ Act, 2012 and rules thereunder subject to such condition, limitations and restriction as a Federal Board of Revenue may impose from time to time.

9917(2)

Nil]

°34(20 | Plant and machinery for the assembly/ manufacturing of electric vehicles

Respective heading

The exemption shall be admissible on one time basis for setting up the new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicles specific plant and machinery, duly approved/ certified and determined by \_ the Engineering Development Board (EDB).]

%5[21 | \*\*\*] omitted

an

°36[22 | 1.Machinery, equipment  
and spares meant for

Respective  
Headings

(i) This concession  
shall also be

initial installation, available to  
balancing, primary  
modernization, contractors of the  
replacement or project upon  
expansion of projects fulfilment of the  
for power generation following

°34 New serial number 20 inserted by Finance Act, 2020.

935 Serial number 21omitted by Finance (Supplementary) Act, 2022.

936

New serial number 22 inserted by Finance Act, 2022.

176

Sales Tax Act, 1990

2.

through hydel, oil,  
gas, coal, nuclear and

renewable energy  
sources including  
under —\_ construction

projects entered into  
an \_ implementation  
agreement with the  
Government of  
Pakistan prior to 15"  
day of January, 2022.  
Construction

machinery, equipment and

specialized  
excluding

ve

temporary

vehicles,  
passenger  
imported on  
basis as

ehicles,

required for the  
construction of project.

conditions,

namely:-

- (a) the contractor shall submit a copy of the contract or agreement under which he intends to import the goods for the project;
- (b) the Chief Executive or head of the contracting company shall certify in the prescribed manner and format as per Annex-A that the imported goods are the projects bona

fide requirement; and  
(c) the goods shall not be sold or otherwise disposed of without prior approval of the FBR on payment of sales tax leviable at the time of import;  
(ii) temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of sales tax and the amount payable along with an undertaking to pay the sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.]

937/Annex-A

Header Information

NTN/FTN of Importer

Regulatory Authority no.

Name of Regulatory authority

Q)

(2)

(3)

°37 Annex-A substituted by Finance Act, 2022.

## Sales Tax Act, 1990

Details of Input goods (to be filled by the chief executive | Goods imported (Collectorate of import) of the importing company)

2 2

& & ~

o

2 5

a x a Zz

g Ag |as & 2 S eZ

2/3 3 =) > > 5 Zz Sd

S/F], |S S| | s |= 3 s. 6

1S) 5 is) sa Na q | 2 Zz o

a 7) iz] = 2 = lan} Ss o is =l 8 22.

2/8 |&F/SE/GF/2/656 |S 16 |S | 5S |ASz

(4) | (5) | © | @ (8) | (9) | G0) | G1) | G2) | (3) (14) (15)

CERTIFICATE. It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that

the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy duly  
authorized by the Chief Executive

Name

N.LC. No.

NOTE:- In

case of clearance through Pakistan Customs

Computerized System, the above information shall be furnished online against a specific user ID, and password obtained under section 155D of the Customs Act, 1969.

Explanation.—

Chief Executive means.—

1.

owner of the firm, in case of sole proprietorship;  
or

2. partner of firm having major share, in case of  
partnership firm; or

3. Director, in case of private limited company; or

4. Chief Executive Officer or the Managing

Director in case of limited company or

multinational organization; or

5. Principal Officer in case of a foreign company. ]

Header Information

NTN/FTN of Importer Approval No.

ie) (2)

°38 Inserted by the Finance Act, 2014

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## Sales Tax Act, 1990

Details of Input goods (to be filled by the | Goods imported authorized officer of the Regulatory | (Collectorate of import)

Authority)

oO van) 2 a ho g

3/6 gs Ele 2 2s 2 = '3

S/S |g) sere J) eZ) 282 Z8|2Z3

n oO n = Q = a= 3

SIAgS FSA EBE/65 SESHSEa/ATS

3B} 4 |G} © | M |] @ FC) G0] 1) ) 2); G3) } 4)

) ) )}9} )

)

**CERTIFICATE** Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and bona fide requirement of the project and that the same are not manufactured locally.

Signature

Designation

**NOTE:-** In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.

### 3° Table-4

The goods specified in column (2) of the Annexure below falling under the PCT codes specified in column (3) of the said Annexure, when supplied within the limits of the Border Sustenance Markets, established in cooperation with Iran and Afghanistan, shall be exempted from the whole of the sales tax, subject to the

following conditions, namely:—

(i) Such goods shall be supplied only within the limits of Border Sustenance Markets established in cooperation with Iran and Afghanistan;

(ii) If the goods, on which exemption under this Table has been availed, are brought outside the limits of such markets, sales tax shall be charged on the value assessed on the goods declaration import or the fair market value, whichever is higher;

(iii) Such items in case of import, shall be allowed clearance by the Customs Authorities subject to furnishing of bank guarantee equal to the amount of sales tax involved and the same shall be released after presentation of consumption certificate issued by the Commissioner Inland Revenue having jurisdiction;

939 Table-4 added by Finance Act, 2021.



- (iv) The said exemption shall only be available to a person upon furnishing proof of having a functional business premises located within limits of the Border Sustenance Markets; and
- (v) Breach of any of the conditions specified herein shall attract relevant legal provisions of this Act, besides recovery of the amount of sales tax alongwith default surcharge and penalties involved.

Annexure

S.No Description Heading Nos of the  
First Schedule to  
the Customs Act,  
1969 (IV of 1969)  
(@) (2) (GB)

- 1 Seed (Potatoes) 0701.1000
- 2 Tomatoes, fresh or chilled 0702.0000
- 3 Onions and shallots 0703.1000
- 4 Garlic 0703.2000
- 5 Cauliflowers cabbage 0704.9000
- 6 Carrots and turnips 0706.1000
- 7 Cucumbers and gherkins fresh or chilled 0707.0000
- 8 Peas (pisum sativum) 0708.1000
- 9 Beans (vigna spp., phaseolus spp.) 0708.2000
- 0 | other leguminous vegetables 0708.9000
- 1 Peas (Pisum sativum) 0713.1000
- 2 Grams (Dry/Whole) 0713.2010
- 3 Dried leguminous vegetables 0713.2090,  
0713.9090
- 4 | Beans of the species Vigna mungo (L.) 0713.3100  
Hepper or Vigna radiata (L.) Wilczek
- 5 Small red (Adzuki) beans (Phaseolus or 0713.3200  
Vigna angularis)
- 6 | Kidney beans including white beans 0713.3300
- 7 | Bambara vigna subteranea or 0713.3400  
vaahdzeia subterrea
- 8 Beans vigna unguiculata 0713.3500
- 9 | Other 0713.3990
- 20 | Lentils (Dry/Whole) 0713.4010

- 21 Broad beans (Vicia faba var. major) and 0713.5000
- horse beans (Vicia faba var. equina,  
Vicia faba var. minor)
- 22 Pigeon peas (cajanus cajan) 0713.6000
- 23 Vanilla (Neither crushed nor ground) 0905.1000
- 24 Cinnamon 0906.1100
- 25 Other (Cinnamon And Cinnamon Tree 0906.1900  
Flowers)
- 26 Neither crushed nor ground (Cloves) 0907.1000
- 27 Crushed or ground (Cloves) 0907.2000
- 28 | Neither Crushed nor ground (Nutmeg) 0908.1100
- 29 | Crushed or ground (Nutmeg) 0908.1200
- 30 Neither crushed nor ground (Maze) 0908.2100
- 31 Crushed or ground (Maze) 0908.2200
- 32 Large (Cardammoms) 0908.3110
- 33 Small (Cardammoms) 0908.3120
- 34 Crushed or ground (Cardammoms) 0908.3200
- 35 Neither crushed nor ground (Coriander) 0909.2100
- 36 Crushed or ground (Coriander) 0909.2200
- 37 | Neither crushed nor ground (Seeds of 0909.3100  
Cumins)
- 38 Crushed or ground (Seeds of Cumins) 0909.3200
- 39 | Neither crushed nor ground (Seeds of 0909.6100  
Anise, Badian, Caraway, Fennel etc)
- 40 Crushed or ground (Seeds of Anise, 0909.6200  
Badian, Caraway, Fennel etc)
- 41 Thyme; bay leaves 0910.9910
- 42 Barley (Seeds) 1003.1000,  
1003.9000
- 43 Sunflower seeds ,whether or not broken 1206.0000
- 44 Locust beans 1212.9200
- 45 Cereal straws and husks 1213.0000
- 46 | Knives and cutting blades for paper and 8208.9010  
paper board
- 47 Of a fat content, by weight, not 0401.1000  
exceeding | % (milk and cream)
- 48 Of a fat content, by weight, exceeding 1 0401.2000

% but not exceeding 6 % (milk and  
cream)

49 | Ofa fat content, by weight, exceeding 6 0401.4000

% but not exceeding 10% (Milk and

Cream)

50 | Of a fat content, by weight, exceeding 0401.5000

10 % (Milk and Cream)

51 Leeks and other alliaceous vegetables 0703.9000

52 Cauliflowers and headed broccoli 0704.1000

53 Brussels sprouts 0704.2000

54 Cabbage lettuce (head lettuce) 0705.1100

55 Lettuce 0705.1900

56 | Chicory 0705.2100,

0705.2900

57 | Fruits of the genus Capsicum or of the 0709.6000

genus Pimenta

58 | Figs 0804.2000

59 | Fresh (grapes) 0806.1000

60 Dried (Grapes) 0806.2000

61 Melons 0807.1100,

0807.1900

62 | Apples 0808.1000

63 Green Tea 0902.1000

64 | Other Green Tea 0902.2000

65 Crushed or ground (Ginger) 0910.1200

66 Turmeric (curcuma) 0910.3000

67 Other (spice) 0910.9990

68 Lactose (Sugar ) 1702.1110

69 | Sugar Syrup 1702.1120

70 | Sugar Other 1702.1900

71 Caramel 1702.9020

72 Oil-cake and other solid residues, 2304.0000

whether or not ground or in the form of

pellets, resulting from the extraction of

soya bean oil.

73 Other (animal feed) 2309.9000

74 | For Sewing (Thread) 5204.2010

75 For embroidery (Thread) 5204.2020

76 Spades and shovels 8201.1000

77 Tools for masons, watchmakers, miners 8205.5900

and hand tools nes

78 | For kitchen appliances or for machines 8208.3000

used by the food industry

79 | Other kitchen appliances 8208.9090

80 | Yogurt °49T0403.2000]

81 Other (Potatoes) 0701.9000

82 Sweet corn 0710.4000

83 Mixtures of vegetables 0710.9000

84 Fresh (Dates) 0804.1010

85 | Dried (Dates) 0804.1020

86 | Apricots 0809.1000

87 Sour cherries (Prunus cerasus) 0809.2100

88 Other (Apricots) 0809.2900

89 Peaches, including nectarines 0809.3000

90 | Plums and sloes 0809.4000

91 Strawberries 0810.1000

92 | Kiwi Fruit 0810.5000

93 Neither crushed nor ground (Ginger) 0910.1100

94 Wheat and Meslin(Other) 1001.1900

95 Wheat and Meslin (Other ) 1001.9900

96 | Of Wheat (Flour) 1101.0010

97 | Of Meslin 1101.0020

98 | Vermacelli 1902.1920

99 Other (Packed Cake) 1905.9000

100 | Homogenised perparations 2007.1000

101 | Citrus Fruit 2007.9100

102 | Other (jams) 2007.9900

103 | Organic surface-active products and 3401.3000

preparations for washing the skin, in the

form of liquid or cream and put up for

retail sale, whether or not containing

soap

104 | Preparations put up for retail sale 3402.2000

105 | Other (washing preparations) 3402.2000

°40 Expression substituted by Finance Act, 2022.

Sales Tax Act, 1990

106 | Tableware and kitchenware of porcelain 6911.1090  
or china

107 | Household articles nes & toilet articles 6911.9000  
of porcelain or china

108 | Glassware for table or kitchen purposes 7013.4900  
(excl. glass having a linear c

109 | Glassware nes (other than that of 70.10 7013.9900  
or 70.18)

110 | Spoons 8215.9910

111 | Tableware articles not in sets and not 8215.9990  
plated with precious metal

112 | Bicycles and other cycles (including 8712.0000  
delivery tricycles), not motorised

113 | Vacuum flasks 9617.0010

114 | Vacuum flasks/vacuum vessels 9617.0020.]

complete w/cases; parts o/t glass inners  
(others)

Sales Tax Act, 1990

The  
SEVENTH SCHEDULE

941 [ eK \*]  
°?1 The

EIGHTH SCHEDULE

[See clause (aa) of sub-section (2) of section 3]

Table-1

S. Description Heading Rate of Condition

No. Nos. of the Sales

First Tax  
Schedule to  
the Customs  
Act, 1969  
(IV of 1969)

qd) (2) (3) (4) (5)

TL, bahakad |

54a. ok RK

94573, ok RK

94674. | \*\*\*] omitted

[5. bahakad |

6. \*\*\*) omitted

7. \*\*\*) omitted

8. \*\*\*) omitted

9. \*\*\*) omitted

10. | \*\*\*] omitted

11. | \*\*\*] omitted

12. | \*\*\*] omitted

47713 | \*\*\*] omitted

[14. | \*\*\*] omitted

°41 The seventh schedule omitted by the Finance Act, 1997

°42 The eighth schedule inserted by the Finance Act, 2014

ial numbers 1 and 5 omitted by Finance Act, 2021

ial number 2 omitted by Finance Act, 2020.

io. 3 and entries relating thereto omitted by Finance Act, 2015

ial number(s) 4 and 6 to 12 omitted by Finance (Supplementary) Act, 2022.

ial number(s) 13 to 17, 20, 26 to 30 and 34 omitted by Finance (Supplementary) Act, 2022.

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Sales Tax Act, 1990

Ss. Description Heading Rate of Condition

No. Nos. of the Sales

First Tax

Schedule to

the Customs

Act, 1969

(IV of 1969)

dd) (2) (3) (4) (5)

15. | [\*\*\*] omitted

16.\_| [\*\*\*] omitted

17. | [\*\*\*] omitted

48718, 28 eK

949719 28 eK

20. | [\*\*\*] omitted

950721 ok RK

TDD ok RK

23. | Second hand and| 6309.0000 5%  
worn clothing or  
footwear

95275 lalall|

6. 2K

] omitted

27 =| [\*\*\*] omitted

28 | [\*\*\*] omitted

29\_| [\*\*\*]) omitted

30 | [\*\*\*] omitted

BBL | Pose. J] omitted

954732 | [\*\*\*] omitted

733, [sesseeeee J] omitted

34. | [\*\*\*] omitted

ial number 18 and entries relating thereto is omitted through Finance Act, 2019.

ial number 19 omitted by Finance Act, 2021.

ial number 21 and entries relating thereto is omitted through Finance Act, 2019.

ial number 22 omitted by Finance Act, 2021.

ial number 25 omitted by Finance Act, 2022.

ial number 31 omitted through Finance Act, 2016.

ial number 32 and entries relating thereto is omitted through Finance Act, 2019.

Sales Tax Act, 1990

S. Description Heading Rate of Condition

No. Nos. of the Sales

First Tax

Schedule to

the Customs

Act, 1969

(IV of 1969)

(1) (2) (G3) (4) (5)

95573 | [oelseeee J] omitted

5 to

42].

43. | Natural gas Respective 95%] | If supplied to heading fertilizer plants for use as feed stock in manufacturing of fertilizer

44. | Phosphoric acid 2809.2010 5% If imported by fertilizer company for manufacturing of DAP

5745 | \*\*\*) omitted

46. | \*\*\*) omitted

47. | Locally produced | 27.01 Rs. Nil coal 587700]

per

metric

tonne or

9597 1 8%]

ad

valorem,

whichever

er is

higher

960TA | [eeeee J] omitted

8&

49

9615 | eR]

0.

(51. | \*\*\*)

98S §.No(s) 33 & 35 to 42 omitted by Finance Act, 2018.

°S6 For the figure “10” the figure “S” substituted through Finance Act, 2018.

ial number(s) 45 and 46 omitted by Finance (Supplementary) Act, 2022

ion substituted by Finance Act, 2022

ion substituted by Finance (Supplementary) Act, 2023

s) 48 & 49 omitted by Finance Act, 2018.

S.No(s) 50 to 51 omitted by Finance Act, 2021



S. Description Heading Rate of Condition

No. Nos. of the Sales

First Tax

Schedule to

the Customs

Act, 1969

(IV of 1969)

(0) (2) (G3) (4) (5)

96275 | eR]

2.

53.\_| \*\*\* °[Omitted]

96454 | \*\*\*) Omitted

55. | \*\*\*) omitted

56. | Potassium Chlorate | Respective °65118%] | Import and supply

(KCLO3) headings alongwit | thereof. Provided

hruepes | that rate of rupees

660] | °°7[60] per kilogram

per shall not apply on

kilogram | imports made by and

supplies made to

organizations under

the control of

Ministry of Defence

Production.

57. | Rock phosphate Respective 10% If imported by

headings fertilizer

manufacturers \_ for

use in the

manufacturing of

fertilizers.

96875 |

8.

[59. | \*\*\*) omitted

616 | \*\*\*) omitted

0.

61. | \*\*\*) omitted

62. | \*\*\*) omitted

63. | \*\*\*) omitted

64. | \*\*\*) omitted

°2 Serial number 52 omitted by Finance Act, 2022.

°3 Serial number 53 omitted by Finance Act, 2025,

°4 Serial number(s) 54, 55, 59 and 61 to 64 omitted by Finance (Supplementary) Act, 2022

°5 Expression substituted by Finance (Supplementary) Act, 2023.

°6 The figure substituted by Finance Act, 2022.

°7 The figure substituted by Finance Act, 2022.

%68 § No. 58 omitted by Finance Act, 2024

°8 Serial number 60 “Fat filled Milk” omitted by Finance Act, 2022.



S. Description Heading Rate of Condition

No. Nos. of the Sales

First Tax

Schedule to

the Customs

Act, 1969

(IV of 1969)

d) (2) (G3) (4) (5)

916 KK

5.

9166 Fe RK

\*\*\*) omitted

9716

6A

66B | \*\*\*) omitted

67. ROKK

68. | \*\*\*) omitted

69. | \*\*\*) omitted

°°°7 | Following locally | Respective 1%

0. | manufactured Heading Local supplies only]

electric vehicles

(i) Road

Tractors for semi-

trailers (Electric

Prime Movers)

(ii) Electric

Buses

(iii) Three

Wheeler Electric

Rickshaw

(iv) Three

Wheeler Electric

Loader

(v) Electric

Trucks

(vi) Electric

Motorcycle

°TM47 | Following locally | Respective 1% If supplied locally

1. manufactured or heading

assembled \_\_ electric

970 serial numbers 65 and 67 omitted by Finance Act, 2021.

°°°! S.No, 58 omitted by Finance Act, 2024,

97? Serial number(s) 66A, 66B and 68, 69 omitted by Finance (Supplementary) Act, 2022

Serial number 70 substituted by Finance (Supplementary) Act, 2022

"4 New serial numbers 71 to 74 inserted by Finance Act, 2021.

## Sales Tax Act, 1990

vehicles (4 wheelers)

till 30" June, 2026:

(i) Small cars/

SUVs with 50 Kwh

battery or below; and

(ii) ~~ Light

commercial vehicles

(LCVs) with 150 kwh

battery or below

72.\_\_\_\_| \*\*\*75[Omitted]

°7617 | Locally

3. manufactured Hybrid

electric vehicle °" [till

30th June, 2026]:

(a) Upto 1800 cc

(b) From 1801 cc to  
2500 cc 87.03

87.03

8.5%.

12.75%

74. Goods supplied from | Respective  
tax-exempt areas of | headings  
erstwhile  
FATA/PATA to the  
taxable areas

16%]

O87 lala

977 -| \*\*\*\*] omitted

°8°7 | Imported personal | 8471.3020  
7 computers and | and  
Laptop computers, | 8471.3010  
notebooks whether or  
not incorporating  
multimedia kit

10%

17 | Supply of locally | 71.13

8. manufactured articles

of jewellery, or parts  
thereof, of precious  
metal or of metal clad

with precious metal.

3%

No input tax shall be  
adjusted

79. Electric vehicle in | 8703.8090  
CBU condition of 50

kwh battery or below

12.5%

75 Serial number 72 omitted by Finance Act, 2025

ial number 73 substituted by Finance (Supplementary) Act, 2022  
Expression inserted by Finance Act, 2024.

\* Serial number 75 omitted by Finance Act, 2022.

rial number 76 omitted by Finance (Supplementary) Act, 2022

°80 Serial number 77 substituted by Finance Act, 2024.

°8! New serial number(s) 78 to 82 added by Finance Act, 2022

190

Sales Tax Act, 1990

80. EV transport buses of | Respective 1%

25 seats or more in | heading

CBU condition

°82/8 | Substances registered | Respective 1% Subject to the

1. as drugs under the | heading conditions that:

Drugs Act, 1976 (i) Tax charged and

(XXXI of 1976) deposited by the

983 Here] manufacturer or

importer, as the case

may be, shall be

final discharge of tax

in the supply chain

(ii) No input tax

shall be adjusted in

the supply chain.

82. Raw materials for the | Respective 1% Subject to the

basic manufacture of | heading conditions that: (i)

pharmaceutical active DRAP shall certify

ingredients and for item-wise

manufacture of requirement of

pharmaceutical manufacturers of

products, provided drugs and APIs and

that in case of import, in case of import

only such = raw shall furnish all

materials shall be relevant information

entitled to reduced to Pakistan Customs

rate as specified in Computerized

column (4) which are System; and (ii) No

liable to customs duty input tax shall be

not exceeding eleven adjusted in the

per cent ad valorem, supply chain.]

either under the First

Schedule or Fifth

Schedule to the

Customs Act, 1969

(IV of 1969) or under

a notification issued

under section 19

thereof.

8478 | DAP Respective 5% Subject to the

3 headings condition that no

refund of excessive

input tax, if any,

shall be admissible. ]

°®? Serial numbers 81 & 82 substituted by Finance Act, 2023

sion omitted by Finance Act, 2024.

983 By

°8 New serial number added by Finance Act, 2023



import of

°8584 | (i) Colors in sets 3213.1000  
(ii) Writing, drawing | 3215.9010  
and marking inks and  
3215.9090  
(iii) Erasers 4016.9210  
and  
4016.9290  
(iv) Pencil sharpeners | 8214.1000  
(v) other drawing, | 9017.2000  
marking out or  
mathematical 10%  
calculating  
instruments  
| (geometry box)  
(vi) Pens, ball pens, | 96.08  
markers and porous  
tipped pens  
(vii) Pencils | 96.09  
including color  
pencils  
85. Oil cake and other | 2306.1000 10%  
solid residue  
86. Tractors 8701.9220 10%  
and  
8701.9320  
87. Local supply of | Respective 10%  
vermicillies, sheer | headings  
mal, bun and rusk  
excluding those sold  
in bakeries, and sweet  
shops falling in the  
category of Tier-1  
retailers.  
88. Local supply \_ of | 2306.3000, 10%  
poultry feed, cattle | 2306.4900  
feed, sunflower seed | and  
meal, rape seed meal | respective  
and canola seed meal | headings  
986 (i) imports of plant, | Respective 10%  
[89. machinery, and | heading (for 2025-  
equipment for 26)  
installation in the  
tribal areas, and 12%

°85 Serial number(s) 84 to 88 inserted by Finance Act, 2024.

°86 Serial number 89 and 90 entries relating thereto inserted by Finance Act, 2025

Sales Tax Act, 1990

industrial inputs  
by industries  
located in the  
tribal areas, as  
defined in the  
Constitution of  
the Islamic  
Republic of  
Pakistan; and

(ii) and supplies  
within the tribal  
areas

Provided that, in  
case of imports,  
the same shall be  
allowed  
clearance by the  
Customs  
authorities in  
accordance with  
quota determined  
by IOCO.

Provided further  
that if plant,  
machinery and  
equipment, on  
which reduced  
rate is availed  
under this serial  
number, is  
transferred or  
supplied outside  
the tribal areas,  
the differential  
amount of tax  
shall be paid at  
applicable rate.

(for 2026-  
27)

14%  
(for 2027-  
28)

16%  
(for 2028-  
29)

Photovoltaic cells  
whether or not  
assembled in modules  
or made up \_ into  
panels

8541.4200  
and  
8541.4300

10%.";  
and

193

°87(Table-2 \*\*\*]

Annex-A

Header Information

NTN/FTIN of | Regulatory authority no. | Name of Regulatory authority

Importer

( ) (2) (3)

Details of Input goods (to be filled by the chief | Goods imported (Collectorate executive of the importing company) of import)

» |e | ¥ - S

g/ B ela 2 2 E 3

oO} 8 8) 2|/e\}e]s = eg 2 >a] o5d

na Oo a}, v fan) 3 S sqa ra 8 2s ra 8

2) ae Fl odG22/5 S\$ |S6aS¥SS1 855)

(4) | G) |) 1M I (8) |) | 0) | GA) | G2) | 3) | 4) | 5)

CERTIFICATE. It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not

manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy duly  
authorized by the Chief Executive

Name

N.L.C. No.

NOTE:-- In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user ILD. and password obtained under section 155D of the Customs Act, 1969.

Explanation.—

Chief Executive means.—

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

Annex-B

°87 Table -2 omitted by Finance (Supplementary) Act, 2022.

Header Information

NTN/FTN of Importer \_\_\_| Approval No.

d) (2)

Details of Input goods (to be filled by the | Goods imported  
authorized officer of the Regulatory Authority) | (Collectorate of import)

els 228 a x. | 2] s

3/8 gEQe 2 2s 2/5

O}3 |¢|eeae¢l5/8/2)88 | 2 2422

n () aod 24 a. = 4+

ZiASF/64ASH41E|S6/5 | 6 1515) 45

GB (8) @ ay} d

4 5 6 7 10 11 14

) 4) 6) | © | @ 1) (10) | (1) 2) | 3) (14)

CERTIFICATE. Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and bona fide requirement of the project and that the same are not manufactured locally.

Signature

Designation

NOTE:-- In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user ILD. and password obtained under section 155D of the Customs Act, 1969.

88 The  
NINTH SCHEDULE

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

°89(Table-I

Sales Tax on supply (payable at the time of supp

ly by CMOs):

Module (SIM) Cards

S. No. Description / Specification of | Sales tax on supply  
Goods (payable at the time of  
supply by CMOs)  
qd) (2) (3)  
1. Subscriber Identification Rs. 250

°°°[Provided that the provisions of Table-I shall not be applicable from 1“  
July, 2020 onwards.

Explanation.— For removal of doubt, it is clarified that the above  
amendment in law shall not prejudicially affect, the Board's stance or  
position in pending cases on the issue of chargeability of sales tax on SIM  
cards before any court of law.]

°88 The Ninth Schedule added by the Finance Act, 2015

°8° Table-I, Table-II and conditions substituted by Finance Act, 2020.

°° Proviso and Explanation to Table-1 inserted by Finance Act, 2021.

## Sales Tax Act, 1990

### °1/Table-II

Cellular mobile phones in CKD/CBU form:

Ss. Description / | Sales tax on | Sales tax on | Sales tax on supply  
No. | Specification of | CBUs at the | import in | of locally  
Goods time of import | CKD/SKD | manufactured

or registration | condition mobile phones in

(IMEI number CBU condition in

by CMOs) addition to tax

under column (4)

d) (2) (3) (4) (5)

1. 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 | 18% ad | 18% ad | 18% ad valorem

US\$ 500 valorem valorem

B. exceeding US\$ | 25% ad | 18% ad | 18% ad valorem

500 valorem valorem

## LIABILITY, PROCEDURE AND CONDITIONS

The liability to pay the tax on the goods specified in this Schedule shall be—

(a) in case of the goods specified in Table-I, of the Cellular Mobile

(b) in case of goods specified in columns (3) and (4) of Table-II, of the

(c) in case of goods specified in column (5) of Table-II, of the local

[@  
Operator (CMO);  
importer; and  
manufacturers of the goods.  
(ii)

specified in section 6;

9921 (ii), (iv) and (v).]

°°! Table-II substituted by Finance Act, 2024.

The time of payment of tax due under this Schedule shall be the same as

°°? Clauses (iii), (iv) and (v) under Table-II omitted by Finance Act, 2024.

°31 The

**TENTH SCHEDULE**

[See sub-section (1B) of section 3]

°°4((1)|The tax on bricks, falling in PCT heading \*°°[6901.0000], shall be paid on fixed basis, \*\*\*[ ] at the rates specified in Table below:—

**TABLE**

S. Region or area Tax

No. payable

per month

qd) (2) (3)

1. | Lahore, Rawalpindi and Islamabad districts Rs. 12,500

2. | Attock, Chakwal, Jehlum, Mandi | Rs. 10,000

Bahauddin, Sargodha, Gujrat, Sialkot,

Narowal, Gujranwala, Hafizabad,

Sheikhupura, Kasur, Nankana Sahib,

Chiniot, Faisalabad, Jhang, Toba Tek Singh,

Okara and Sahiwal districts

3. | Khushab, Mianwali, Bhakar, Layyah,| Rs. 7,500

Muzaffargarh, Dera Ghazi Khan, Rajanpur,

Multan, Lodhran, Khanewal, Vehari,

Bahawalpur, Pakpattan, Bahawalnagar,

Rahim Yar Khan districts; and Sindh,

Khyber-Pakhtunkhwa and Baluchistan

provinces

°° The new Tenth Schedule, the Eleventh Schedule and the Twelfth Schedule added through Finance Act

994 Existing paragraph renumbered as paragraph (1) by Finance Act, 2020.

°°S PCT heading “6901.1000” substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

°6 Expression “on monthly return,” Omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

°°7[(2) Tax on cement or concrete blocks falling in PCT heading 6810.1100, shall

be charged on fixed basis as per the following Table, namely:-

TABLE

S. No. Item Tax

(1) (2) (3)

1. Paver Rs. 2 per sq.ft

2. Hollow block Rs. 3 per piece  
(volume less than 1 cubic feet)

3. Solid block Rs. 3 per piece  
(volume less than 1 cubic feet)

4. Kerb Stone Rs. 5 per piece  
(volume less than 1 cubic feet)

5. Kerb stone Rs. 10 per piece]  
(volume greater than 1 cubic  
feet)

Note: No input tax adjustment shall be allowed against the tax paid under this  
Schedule.]

°°7 New paragraph (2) and its Table along with Note inserted by Finance Act, 2020.

81 The

**ELEVENTH SCHEDULE**

[See sub-section (7) and (7A) of section 3]

**TABLE**

The rates for withholding or deduction by the withholding agents !°[are specified as below provided that withholding of tax under this Schedule shall not be applicable to the goods and supplies specified vide clauses 1001/7 after the Table]

S. Withholding agent Supplier Rate or extent of

No. category deduction

dQ) (2) (3) (4)

1. | (a) Federal and provincial | °[Active 1/5" of Sales Tax as shown government departments; | Taxpayers] on invoice

autonomous bodies; and

public sector organizations

(b) Companies as defined  
in the Income Tax

Ordinance, 2001 (XLIX of

2001)

2. | (a) Federal and provincial | 7[Active 1/10" of Sales Tax as government departments; | Taxpayer] shown on invoice

autonomous bodies; and | registered as a  
public sector organizations | wholesaler,

dealer or

(b) Companies as defined | distributor  
in the Income Tax

Ordinance, 2001 (XLIX of

2001)

3. | Federal and provincial | \*[persons Whole of the tax involved  
government departments; | other than | or as applicable to  
autonomous bodies; and | Active supplies on the basis of  
public sector organizations | Taxpayers] gross value of supplies

4. | Companies as defined in | [persons 5% of gross value of  
the Income Tax | other than | supplies

Ordinance, 2001 (XLIX of | Active  
2001) 1003Texcluding | Taxpayers]  
companies exporting

surgical instruments]

°8 Eleventh Schedule inserted by Finance Act, 2019.

° After the expression "(7)", the expression "and (7A)" inserted by Finance Act, 2025.  
1000 The

1001 Expy

100 Words substituted by Finance Act, 2020.

1003 Words added by Finance Act, 2022.

sion substituted by Finance Act, 2020.

omitted by Finance Act, 2022.

200

Sales Tax Act, 1990

S. Withholding agent Supplier Rate or extent of

No. category deduction

Q) (2) (3) (4)

5. | Registered persons as | Person Whole of sales tax  
recipient of advertisement | providing applicable  
services advertisement  
services

6. Registered persons | \*[persons Whole of sales tax  
purchasing cane molasses. | other than | applicable.

Active

Taxpayers]

100477 | Registered persons | Persons 10067 80)% of the sales tax  
manufacturing lead | supplying any | applicable".

batteries kind of lead

under chapter

78 (PCT

Headings:

7801.1000,

7801.9100,

7801.9900,

7802.0000,

78.03,

7804.1100,

7804.1900,

7804.2000,

78.05,

7806.0010,

7806.0020,

7806.0090) or

scrap batteries

under chapter

85 (PCT

Headings:

10057 Respective

headings]

Payment intermediaries | Persons 2% of gross value of

[8. and couriers in respect of | supplying supplies.".

digitally ordered goods | digitally

from within Pakistan. ordered goods

from within

Pakistan

through online

market \_ place,

1007

I numbers 7 and 8 inserted by Finance Act, 2021

ided by Finance Act, 2022.

n substituted by Finance Act, 2024.

Sales Tax Act, 1990

website,  
software  
applications

10089

Registered

persons  
manufacturing cement

Persons  
supplying any  
kind of  
gypsum under  
chapter 25  
(PCT headings  
2520.1010,  
2520.1020,  
2521.0000) or  
limestone flux  
under chapter  
25 (PCT  
headings  
2520.1010,  
2520.1020,  
2521.0000)

80% of the sales tax  
applicable

Registered persons

Persons  
supplying any  
kind of coal  
under chapter  
27 (PCT  
headings  
2701.1100,  
2701.1200,  
2701.1900,  
2701.2000,  
2704.0010,  
2704.0020,  
2704.0090)

80% of the sales tax  
applicable

Registered persons

Persons

supplying any  
kind of waste  
of paper and  
paper board  
(Respective  
headings)

80% of the sales tax  
applicable

1008 New serial number(s) 9 to 13 inserted by Finance Act, 2024.

202

Sales Tax Act, 1990

Registered persons Persons 80% of the sales tax

supplying any | applicable  
kind of plastic  
waste  
(Respective  
headings)

Registered persons Persons 80% of the sales tax

supplying applicable  
crush stone and  
silica

(i)  
(ii)  
(iii)

(iv)  
(v)  
(vi)  
(vii)

Electrical energy;

Natural Gas;

Petroleum Products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;

Vegetable ghee and cooking oil;

Telecommunication services;

Goods specified in the Third Schedule to the Sales Tax Act, 1990;

Supplies made by importers who paid value addition tax on such goods at the time of import;

Sales Tax Act, 1990

(viii) '°°[Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered person with the exception of supplies referred to in S. Nos. 5, 7, 9, 10, 11, 12 and 13 of the Table]; and

'1(Gx) Supply of sand, stone, gravel/crush and clay to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority.]

1009 Clause (viii) substituted by Finance Act, 2024.

1010 New clause (ix) inserted by Finance Act, 2020.

The  
TWELFTH SCHEDULE  
[See sub-section (2) of section 7A]

TABLE  
S. No. | Goods or class of goods PCT Rate  
Heading  
qd) Q) (3) (4)

1. All imported goods Respective | 3% ad  
subject to exclusions as \_\_| Heading valorem  
in conditions and  
procedure given after the  
Table

Procedure and conditions:—

(1) The sales tax on account of minimum value addition as payable under this Schedule (hereinafter referred to as value addition tax), shall be levied and collected at import stage from the importers on all taxable goods as are chargeable to tax under section 3 of the Act or any notification issued thereunder at the rate specified in the Table in addition to the tax chargeable under section 3 of the Act or a notification issued thereunder:

(2) The value addition tax under this Schedule shall not be charged on,—

10127) Raw materials and intermediary goods imported by a manufacturer for in-house consumption !<sup>o</sup>3[excluding compressor scrap (PCT heading 7204.4940), motor scrap (PCT heading 7204.4990) and copper cable cutting scrap (PCT heading 7404.0090)]

(ii) The petroleum products falling in Chapter 27 of Pakistan Customs Tariff as imported by a licensed Oil Marketing Company for sale in the country;

(iii) Registered service providers importing goods for their in-house business use for furtherance of their taxable activity and not intended for further supply;

1011 Twelfth Schedule inserted by Finance Act, 2019.

1012 Clause (i) substituted by Finance Act, 2020.

1013 Expression added by Finance Act, 2022.

(iv) Cellular mobile phones or satellite phones <sup>‘o’\*</sup>[(PCT headings 8517.1419, 8517.1430 and 8517.1390)];

(v) LNG/RLNG;

(vi) Second hand and worn clothing or footwear (PCT Heading 6309.000);

(vii) Gold, in un-worked condition; !<sup>o</sup>5[\*\*\*]

(viii) Silver, in un-worked condition;

(ix) <sup>‘o’</sup>6[The goods as specified in the Third Schedule on which tax is paid on retail price basis.!"][:and

'018'(x) plant, machinery and equipment falling in Chapters 84 and 85 of the First Schedule to the Customs Act, 1969 (IV of 1969), as are imported by a manufacturer for in-house installation or use.

10197 (xi) Electric vehicles (4 wheelers) CKD kits for small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of below till 30" June, 2026;

(xii) Electric vehicles (4 wheelers) small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of below in CBU condition till 30" June, 2026";

(xiii) Electric vehicles (2-3 wheelers and heavy commercial vehicles) in CBU condition till 30" June, 2025; and

(xiv) motor cars of cylinder capacity upto 850cc]

(3) The value addition tax paid at import stage shall form part of input tax, and the importer shall deduct the same from the output tax due for the tax period, subject to limitations and restrictions under the Act, for determining his net liability. The excess of input tax over output tax shall be carried forwarded to the next tax period as provided in section 10 of the Act.

1020°(4) The refund of excess input tax over output tax, which is attributable to tax paid under this Schedule, shall not be

1014 Expression inserted by Finance Act, 2024.

1015 The word “and” omitted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020

1016 Clause (ix) inserted vide SRO 1321(1)/2019 dated 08" November, 2019.

‘017 The word “and” inserted by Tax Laws (Amendment) Act, 2020, dated 30-3-2020.

1018 Clause “(x)” inserted by Tax Laws (Amendment) Act, 2020, dated 30-3-2020

1019 New clauses inserted by Finance Act, 2021.

1020 Clause (4) substituted through Tax Laws (Amendment) Act, 2020, dated 30-3-2020 the substituted “(4) In no case, the refund of excess input tax over output tax, which is attributable to tax paid at import stage, shall be refunded to a registered person.”

refunded to a registered person in any case, except that as used for making of zero-rated supplies.”]

(5) The registered person, if also dealing in goods other than imported goods, shall be entitled to file refund claim of excess carried forward input tax for a period as provided in section 10 or in a notification issued there under by the Board after deducting the amount attributable to the tax paid at import stage i.e. sum of amounts paid during the claim period and brought forward to claim period. Such deducted amount may be carried forward to subsequent tax period. ]

**1021/ THIRTEENTH SCHEDULE”**

(Minimum Production)

[See sub-section (9AA) of section 3]

Minimum production of steel products.—

The minimum production for steel products shall be determined as per criterion specified against each in the Table below:

Table

Ss. Product Production criteria

No.

d) (2) (G3)

1. | Steel billets and ingots One metric ton per 700 kwh of

electricity consumed

2. | Steel bars and other re- | One metric ton per 110 kwh of  
rolled long profiles of steel\_| electricity consumed

3. | Ship plates and other re- | 85% of the weight of the vessel  
rollable scrap imported for breaking”; and

Procedure and conditions:—

(i) both actual and minimum production and the local supplies shall be declared in the monthly return. In case, the minimum production exceeds actual supplies for the month, the liability to pay tax shall be discharged on the basis of minimum production:

Provided that in case, in a subsequent month, the actual supplies exceed the minimum production, the registered person shall be entitled to get adjustment of excess tax on account of excess of minimum production over actual supplies:

Provided further that in a full year, as per financial year of the company or registered person, or period starting from July

101 New Thirteenth Schedule inserted by Finance Act, 2021.



Sales Tax Act, 1990

to June of next year, in other cases, the tax actually paid shall not be less than the liability determined on the basis of minimum production for that year and in case of excess payment no refund shall be admissible:

Provided also that in case of ship-breaking, the liability against minimum production, or actual supplies, whichever is higher, shall be deposited on monthly basis on proportionate basis depending upon the time required to break the vessel;

(ii) the payment of tax on ship plates in aforesaid manner does not absolve ship breakers of any tax liability in respect of items other than ship plates obtained by ship-breaking;

(iii) the melters and re-rollers employing self-generated power shall install a tamperproof meter for measuring their consumption. Such meter shall be duly locked in room with keys in the custody of a nominee of the Commissioner Inland Revenue having jurisdiction. The officers Inland Revenue having jurisdiction shall have full access to such meter;

(iv) the minimum production of industrial units employing both distributed power and self-generated power shall be determined on the basis of total electricity consumption.]

oie 2 2k 2k 2 2k 2 OK

PCPPI—4310(19) FBR—19-09-2019—2000.