

THE SINDH SALES TAX ON SERVICES ACT, 2011.

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[10th June, 2011]

An Act to provide for the levy of a tax on services provided, rendered, initiated, received or consumed in the Province of Sindh.

WHEREAS in accordance with the Constitution of the Islamic Republic of Pakistan 1973 the imposition, administration, collection and enforcement of taxes on services is the prerogative of the provinces.

Preamble.

WHEREAS it is expedient to provide for the levy of a tax on services provided, rendered, initiated, received or consumed in the Province of Sindh and for all matters incidental and ancillary thereto or connected therewith.

**CHAPTER I
PRELIMINARY**

1. (1) This Act may be called the Sindh Sales Tax on Services Act, 2011.

Short title, extent and commencement.

(2) It shall extend to the whole of the Province of Sindh.

(3) This Act shall come into force with effect from the first day of July, 2011.

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

Definitions.

(1) **“Assistant Commissioner SRB”** means a person appointed as an Assistant Commissioner of the Sindh Revenue Board under section 34;

(2) **“Appellate Tribunal SRB”** means the Appellate Tribunal of the Sindh Revenue Board established under section 60;

(3) **“arrears”**, in relation to a person, shall mean, 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;

(4) **“associates”** or **“associated persons”** refers to—

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- (i) two persons, where the relationship between them is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;

Provided that two persons shall not be associates solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;

- (ii) without limiting the generality of paragraph (i) and subject to paragraph (iii), the following persons shall always be treated as associates, namely: –

(a) an individual and a relative of that individual;

(b) members of an association of persons;

(c) a member of an association of persons and the association, where the member, either alone or together with an associate or associates under another application of this section controls fifty *per cent* or more of the rights to income or capital of the association;

(d) a shareholder in a company and the company, where the shareholder, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons–

- (i) fifty *per cent* or more of the voting power in the company;

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- (ii) fifty *per cent* or more of the rights to dividends; or
 - (iii) fifty *per cent* or more of the rights to capital; and
- (e) two companies, where a person, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons –
 - (i) fifty *per cent* or more of the voting power in both companies;
 - (ii) fifty *per cent* or more of the rights to dividends in both companies; or
 - (iii) fifty *per cent* or more of the rights to capital in both companies.
- (iii) two persons shall not be associates under sub-paragraph (a) or (b) of paragraph (ii) where the Commissioner SRB is satisfied that neither person may reasonably be expected to act in accordance with the intentions of the other.
- (iv) in this section, “relative” in relation to an individual, means–
 - (a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the individual, or of a spouse of the individual; or
 - (b) a spouse of the individual or of any person specified in sub-paragraph (a) above.
- (5) **“association of persons”** includes a firm, any artificial juridical person and body of persons formed under a foreign law, but does not include a company;

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- (6) **“banking company”** means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes any body corporate which transacts the business of banking in Pakistan;
- (7) **“Board”** means the Sindh Revenue Board established under the Sindh Revenue Board Act 2010;
- (8) **“Commissioner SRB”** means a person appointed as a Commissioner of the Sindh Revenue Board under section 34;
- (9) **“Commissioner (Appeals) SRB”** means a person appointed as a Commissioner (Appeals) of the Sindh Revenue Board under section 34;
- (10) **“common taxpayer identification number”** means the registration number or any other number allocated to a registered person;
- (11) **“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) a *modaraba*;
 - (d) a body incorporated by or under the law of a country other than outside Pakistan;
 - (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 this Act.

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- (12) **“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;
- (13) **“default surcharge”** means the default surcharge levied under section 44;
- (14) **“Deputy Commissioner SRB”** means a person appointed as a Deputy Commissioner of the Sindh Revenue Board under section 34;
- (15) **“document”** includes, but is not limited to, any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium for the storage of such data;
- (16) **“due date”** in relation to the furnishing of a return under Chapter IV means the 15th 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;
- (17) **“economic activity”** shall have the meaning given in section 4;
- (18) **“e-intermediary”** means a person appointed as e-intermediary under section 71;
- (19) **“exempt service”** means a service which is exempt from tax under section 10;
- (20) **“financial year”** means the period from 1 July of one year to 30 June of the following year.
- (21) **“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;
- (22) **“goods”** include every kind of movable property other than actionable claims, money, stocks, shares and securities; and would not include an service defined under class (35)

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- (23) **“Government”** means the Government of Sindh;
- (24) **“Inter-Bank Rate”** means the Karachi Inter-Bank offered rate prevalent on the first day of each quarter of the financial year;
- (25) **“officer of the SRB”** means any officer of the Sindh Revenue Board appointed under section 34;
- (26) **“open market price”** shall have the meaning given in section 6;
- (27) **“person”** means,—
- (a) an individual;
 - (b) a company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere;
 - (c) the Federal Government;
 - (d) a Provincial Government;
 - (e) a local authority in Pakistan; or
 - (f) a foreign government, a political subdivision of a foreign government, or public international organization;

Explanation: *The use of the word “he” in this Act shall be taken to refer to any or all of (a) to (f) as required in the context of the relevant section.*

- (28) **“place of business in Sindh”** means that a person—
- (a) owns, rents, shares or in any other manner occupies a space in Sindh from where it carries on an economic activity; or
 - (b) carries on an economic activity through any other person such as an agent, associate, franchisee, branch, office, or otherwise in Sindh but not including a liaison office.

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- (29) **“prescribed”** means prescribed by rules made under this Act;
- (30) **“registration number”** means the number allocated to a registered person for the purpose of this Act;
- (31) **“registered person”** means a person who is registered or is liable to be registered under this Act or any other person or class of persons notified by the Board in the official Gazette;
- (32) **“return”** means any return required to be furnished under Chapter-IV of this Act;
- (33) **“resident”** –
- (i) An individual shall be a resident for a financial year, if the individual-
 - 1. place of business; or
 - 2. has his permanent address, as listed in the individual's national identity card, in Sindh;
 - (ii) An association of persons shall be a resident for a financial year if:
 - 1. its registered office is in Sindh; or
 - 2. it has a place of business in Sindh; or
 - 3. the control or management of the affairs of the association of persons is situated wholly or almost wholly in Sindh at any time during the relevant financial years;
 - (iii) A company shall be a resident for a financial year if:
 - 1. its registered office is in Sindh; or
 - 2. it has a place of business in Sindh; or

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3. the control or management of the affairs of the company is situated wholly or almost wholly in Sindh at any time during the relevant financial years;
- (34) **“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; and
 - (c) any other sum payable under the provisions of this Act or the rules made there under;
- (35) **“service” or “services”** includes, but is not limited to, the activities listed in column (2) of the First Schedule to this Act read with Chapter 98 of the Pakistan Customs Tariff;
- (36) **“Schedule”** means a schedule appended to this Act;
- (37) **“short-paid”** means where a registered person pays an amount of tax less than the tax due as indicated in the person's return filed under section 30;
- (38) **“similar service”** means any other service which is the same as, or closely resembles, the other service in character, quality, quantity, functionality, materials, and reputation;
- (39) **“special audit”** means an audit conducted under section 29;
- (40) **“Special Judge”** means a special judge appointed under section 37;
- (41) **“tax fraud”** means knowingly, dishonestly or fraudulently and without any lawful excuse –
- (a) doing of any act or causing to do any act; or

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- (b) omitting to take any action or causing the omission of any action, including providing taxable services without being registered under this Act; or
 - (c) falsifying or causing falsification of tax invoices;
in contravention of the duties or obligations imposed under this Act or rules or instructions issued there under with the intention of understating the tax liability or underpaying the tax liability in any tax period;
- (42) **“tax period”** means a period of one month or such other period as the Board may, by notification in the official Gazette, specify;
- (43) **“taxable service”** shall have the meaning given in section 3;
- (44) **“value of a taxable service”** shall have the meaning given in section 5.
- (45) For the purposes of this Act, the provision of a service or providing a service shall include the rendering or initiation of that service where the context so requires.

3. (1) A taxable service is a service listed in the **Taxable Service.** Second Schedule to this Act, which is provided:

- (a) by a registered person from his registered office or place of business in Sindh;
- (b) in the course of an economic activity, including in the commencement or termination of the activity.

Explanation: This sub-section deals with services provided by registered persons, regardless of whether those services are provided to resident persons or non-resident persons.

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(2) A service that is not provided by a registered person shall be treated as a taxable service if the service is listed in the Second Schedule to this Act and:

- (a) is provided to a resident person
- (b) by a non-resident person in the course of an economic activity, including in the commencement or termination of the activity.

Explanation: This sub-section deals with services provided by non-resident persons to resident persons.

(3) For the purposes of sub-section (2), where a person has a registered office or place of business in Sindh and another outside Sindh, the registered office or place of business in Sindh and that outside Sindh shall be treated as separate legal persons.

(4) The Board may, with the approval of the Government and by notification in the official Gazette, prescribe rules for determining the conditions under which a particular service or class of services will be considered to have been provided by a person from his registered office or place of business in Sindh.

4. (1) An economic activity means any activity carried on continuously or regularly by a person that involves or is intended to involve the provision of services to another person and includes—

Economic activity.

- (a) an activity carried on in the form of a business, including a profession, calling, trade, or undertaking of any kind, whether or not the activity is undertaken for profit;
- (b) the supply of moveable property by way of lease, license or similar arrangement; and
- (c) a one-off adventure or concern in the nature of a trade.

(2) Anything done or undertaken during the commencement or termination of an economic activity is part of the economic activity.

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- (3) An economic activity does not include—
- (a) the activities of an employee providing services in that capacity to an employer;
 - (b) a private recreational pursuit or hobby of an individual;
 - (c) an activity of a person other than an individual, which is essentially carried on as a private recreational pursuit or hobby of a member, owner, or associate of the person; or
 - (d) an activity carried on without a reasonable expectation of profit by an individual or an association of persons, all of the members of which are individuals.

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5. (1) The value of a taxable service is: **Value of a Taxable Service.**
- (a) the consideration in money including all Federal and Provincial duties and taxes, if any, which the person providing a service receives from the recipient of the service but excluding the amount of sales tax under this Act:
- Provided that—
- (i) in case the consideration for a service is in kind or is partly in kind and partly in money, the value of the service shall mean the open market price of the service as determined under section 6 excluding the amount of sales tax under this Act; and
- (ii) in case the person provides the service and the recipient of the service are associated persons and the service is supplied for no consideration or for a consideration which is lower than the price at which the person provides the service to other persons who are not associated persons, the value of the service shall mean the price at which the service is provided to such other persons who are not associated persons excluding the amount of sales tax;
- (iii) in case a person provides a service for no consideration or for a consideration is lower than the price at which such a service is provided by other persons, the value of the service shall mean the open market price for such a service;
- (b) in case of trade discounts, the discounted price excluding the amount of sales tax under this Act, provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with customary business practice;

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- (c) in case there is reason to believe that the value of a service has not been correctly declared in the invoice or for any special nature of transaction it is difficult to ascertain the value of a service, the open market price, as determined under section 6;
- (d) notwithstanding any of the above, where the Board deems it necessary it may, by notification in the official Gazette, fix the value of any service or class of services and for that purpose fix different values for different classes or description of the same or similar types of services;

Provided that where the value at which the service is provided is higher than the value fixed by the Board, the value of the service shall, unless otherwise directed by the Board, be the value at which the service is provided.

6. (1) The open market price of a service is: **Open market price.**
- (a) the price the service would fetch in an open market transaction freely entered into between persons who are not associated persons; or
 - (b) if it is not possible to determine an amount under paragraph (a), the price a similar service would fetch in an open market transaction freely made between persons who are not associated persons, adjusted to take account of the differences between the similar service and the actual service, determined on the basis of the market conditions prevailing at the time and place at which the service is provided.

(2) If the open market price of a service cannot be determined under subsection (1), it may be determined using any method approved by the Board for calculating an objective approximation of the price the service would fetch in an open market transaction freely made between persons who are not associates.

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7. (1) Where a service is provided over a period of time and payment for the same is made on a periodic basis, the service shall be treated as comprising two or more separate and distinct services each corresponding to the part of the service to which each separate part of the consideration relates.

Provision of services over a period of time.

Illustrations

The following examples illustrate the application of sub-section (1). These examples are not comprehensive and are meant for illustrative purposes only:

- a) Where goods are leased for a two year period and payment is made on a semi-annual basis, the lease of goods for each six month period constitutes a separate service.
- b) Where a bank provides a customer with a credit card and charges a quarterly fee for providing the credit card, the provision of the credit card for each quarter is a separate service.
- c) Where an insurance company provides an insurance policy over a five year period and receives a premium on an annual basis, each premium relates to a separate service.

(2) This section does not apply to services for which payment is made on an instalment basis.

**CHAPTER-II
SCOPE OF TAX**

8. (1) Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed.

Scope of tax.

(2) The 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 service provided by a registered person or a class of registered persons, the tax shall be charged, levied and collected at such higher or lower rate or rates as may be specified in the said notification for any given tax period.

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9. (1) Where a service is taxable by virtue of sub-section (1) of section 3, the liability to pay the tax shall be on the registered person providing the service. **Person liable to pay tax.**

(2) Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Government may, by a notification in the official Gazette, specify the services or class of services in respect of which the liability to pay tax shall be on the person providing the taxable service, or the person receiving the taxable service or any other person.

(4) Nothing contained in sub-sections (1) and (2) shall prevent the collection of tax from a different person if that person is made separately or jointly or severally liable for this tax under section 18.

10. (1) Notwithstanding the provisions of section 8, the Board, may, with the approval of the Government and subject to such conditions and restrictions as it may impose, by notification in the official Gazette: **Exemptions.**

- (a) exempt any taxable service from the whole or any part of the tax chargeable under this Act;
- (b) exempt any taxable service provided by a specific person or a class of persons from the whole or any part of the tax chargeable under this Act;
- (c) exempt any recipient of services or class of such recipients, including international organizations and institutions, from the payment of the whole or any part of the tax payable under this Act; and
- (d) exempt any person or class of persons from the whole or any part of the tax chargeable under this Act.

(2) The exemption under sub-section (1) may be allowed from any previous date specified in the notification issued under sub-section (1).

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11. The Board may, with the approval of the Provincial Assembly of Sindh, amend any Schedule to this Act in order to include or exclude any service from the said Schedule or to increase or decrease the rate of tax applicable to any taxable service. **Power to amend Schedules.**
12. If there is a change in the rate of tax, taxable services shall be charged to tax at such rate as is in force at the time the service is provided. **Effect of change in the rate of tax.**
13. Notwithstanding anything contained in this Act, the Board may, by notification in the official Gazette, prescribe a special procedure for the payment of tax, registration, book keeping and invoicing requirements and returns in respect of such taxable services as may be specified therein. **Special procedure.**
14. (1) Notwithstanding anything contained in this Act, the Government may, by notification in the official Gazette, authorize the Federal Board of Revenue or any other Federal, provincial or other agency, department, organization or person to administer, collect and enforce the levy of sales tax on such taxable services as it may notify and in such mode and manner and for such period as it may prescribe and subject to such restrictions and conditions as it may impose. **Delegation of power to collect, administer and enforce sales tax on certain services.**
- (2) Notwithstanding anything contained in this Act, where the Government notifies any taxable services under sub-section (1) above, for the period specified therein, except for the provisions of Chapters I and II and sections 72, 74 and 78, the remaining provisions of this Act shall not be applicable to such taxable services.
- (3) At the end of the period specified in sub-section (1) above, the tax on taxable services notified under sub-section (1) shall be administered, collected and enforced by the Board in the same mode and manner as all other taxable services and all provisions of this Act shall be applicable to them.
15. The Board may, subject to such conditions and restrictions as it may prescribe and with the approval of the Government, allow registered persons to claim adjustments or deductions, including refunds arising as a result thereof, in respect of the sale tax paid on or in respect of any taxable services or class of taxable services provided by them. **Adjustments.**

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CHAPTER- III

PAYMENT AND COLLECTION OF TAX ON TAXABLE SERVICES

16. (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 person to whom the service is provided, shall pay the amount of tax or charge so collected to the Government. **Collection of excess sales tax.**

(2) Any amount payable to the 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.

(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 person to whom the service is provided shall be on the person collecting the tax or charge.

17. (1) The tax in respect of a taxable service provided during a tax period shall be paid by a person at the time of filing the return in respect of that period under Chapter-IV. **Time, manner and mode of payment.**

(2) For the purposes of sub-section (1), a taxable service shall be considered to have been provided in the tax period during which:

- (i) it was provided to the recipient;
- (ii) an invoice for the value of the taxable service was sent to the recipient; or
- (iii) consideration for the same was received;

whichever is earlier.

(3) Notwithstanding anything contained in sub-section (1), the Board may, by a notification in the official Gazette, direct that the tax in respect of all or such classes of taxable services, as may be specified in the aforesaid notification, shall be charged, collected and paid in any other way, mode, manner or time as may be specified therein.

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(4) The tax due on taxable services shall be paid by any of the following modes, namely:--

- (a) through deposit in a bank designated by the Board; or
- (b) through such other mode and manner as may be specified by the Board.

18. Where a registered person receiving a taxable service from another registered person is in the knowledge of or has reasonable grounds to suspect that some or all of the tax payable in respect of that taxable service or any previous or subsequent taxable service provided would go unpaid, such person as well as the person providing the taxable service shall be jointly and severally liable for payment of such unpaid amount of tax.

Joint and several liability of registered persons where tax unpaid.

Provided that the Board may by notification in the official Gazette, exempt any transaction or transactions from the provisions of this section.

19. In the case of sale or transfer of ownership of a business which provides taxable services to another person as an ongoing concern, any sales tax chargeable on taxable services or part thereof shall be accounted for and paid by the person to whom such sale is made or ownership is transferred.

Sales of taxable activity or transfer of ownership.

20. The tax liability of a deceased registered person under this Act shall be the first charge on his estate in the hands of his successors.

Estate of deceased person.

21. (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.

Estate in bankruptcy.

(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.

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22. Notwithstanding anything contained in the Companies Ordinance 1984 (No.XLVII of 1984), 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, the company or business enterprise during the relevant period shall, jointly and severally with such persons be liable for the payment of such tax.

Liability for payment of tax in the case of private companies or business enterprises.

23. (1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the SRB, not below the rank of Assistant Commissioner SRB is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of sales tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 43 and 44.

Assessment of Tax.

(2) No order under sub-section (1) shall be made by an officer of the SRB unless a notice to show cause is given to the person in default within five years from the end of the tax period to which the order relates specifying the grounds on which it is intended to proceed against him and the said officer shall take into consideration the representation made by such person and provide him with an opportunity of being heard if the person so desires.

(3) Any order under sub-section (1) shall be made within one hundred and twenty days of issuance of the show cause notice or within such extended period as the officer of the SRB may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed sixty days.

(4) In computing the period specified in sub-section (3), any period during which the proceedings are adjourned on account of a stay order or proceedings under section 65 or the time taken through adjournment by the person not exceeding thirty days shall be excluded.

(5) An order passed by an officer of the SRB under sub-section (1) may be further amended as may be necessary when on the basis of information acquired during an audit, inquiry, inspection or otherwise, the officer of the SRB is satisfied that:

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- (i) any sales tax has been under-assessed or assessed at too low a rate; or
- (ii) any taxable service provided by the person has escaped assessment.

(6) The Commissioner SRB may amend, or further amend, any order passed under sub-sections (1) or (5), if he considers that the order is erroneous or prejudicial to the interest of sales tax.

(7) Sub-sections (2), (3) and (4) shall be applicable to any order passed under sub-sections (5) or (6).

(8) Notwithstanding anything contained in this Act, Board may prescribe thresholds, parameters, standards and basis for assessment of supply value and the assessment of tax.

CHAPTER-IV REGISTRATION

24. (1) Registration will be required for all persons **Registration.**
who:

- (a) are residents;
- (b) provide any of the services listed in the Second Schedule from their registered office or place of business in Sindh and
- (c) fulfil any other criteria or requirements which the Board may prescribe under sub-section (2)

(2) Registration under this section will be regulated in such manner and subject to such conditions and restrictions and rules as the Board may, by notification in the official Gazette, prescribe.

(3) A person who receives a service, which is a taxable service by virtue of sub-section (2) of section 3, and is not a registered person shall be deemed to be a registered person for the purposes of the tax period in which such person:

- (i) receives the service;

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- (ii) an invoice for the value of the service is sent to the person; or
- (iii) consideration for the service is paid by the person;

whichever is earlier and all the provisions of this Act and rules made there under shall be applicable to such person for that particular tax period and any matters relating to, arising out of, or concerning that tax period as if that person had provided the service.

(4) The Board shall publish on its web site a list of persons registered under this Act.

(5) It shall not be reasonable for a person to believe that another person is registered under this Act if that other person is not on the list placed on the web site of the Board.

(6) It shall be reasonable for a person to believe that another person is registered under this Act if that other person is on the list placed on the web site of the Board.

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24-A. (1) A person who carries on an economic activity but is not required to be registered may apply for voluntary registration at any time. **Voluntary Registration.**

(2) If a person who is not required to be registered applies for voluntary registration, the Board may register the person if the Board is satisfied that—

- (a) the person is making, or will provide, services that are taxable services if the person were registered;
- (b) the person has a place of business at which he carries on an economic activity;
- (c) there are reasonable grounds to believe that the person will keep proper records and file regular returns as prescribed under this Act; and
- (d) if the person has commenced carrying on an economic activity, the person has—
 - (i) kept proper records in relation to his economic activity; and
 - (ii) complied with his obligations under other taxation laws

24-B. (1) If the Board is satisfied that a person is required to be registered and that person has not applied for registration, the Board shall register the person and shall, no later than fifteen days before the day on which the registration takes effect, notify the person of the registration, the day on which it takes effect, and the registration number issued to the person. **Compulsory Registration.**

(2) No person may be registered compulsorily without being given an advance notice and an opportunity of being heard.

25. (1) Subject to sub-section (3),— **Suspension of registration.**

- (a) the Board may suspend the registration of a person if it believes that the person—

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- (i) is not entitled to be registered; or
 - (ii) has failed to comply with its obligations under this Act; and
- (b) the suspension of registration shall be effected by removing the name of the person from the list of registered persons published on the Board's web site.

(2) The Board shall give notice to a registered person stating the reasons for the suspension and the remedial actions required to be taken by the person in such time as may be specified in the notice.

(3) In case the Board is not satisfied with the response of the person or the remedial actions taken by him or does not receive any response in the specified time, the Board may suspend that person's registration.

(4) At any time within a period of sixty days of suspension, the Board may withdraw the suspension if it is satisfied with the remedial actions taken by the person.

(5) Where, after sixty days, the suspension has not been withdrawn, the Board may—

- (a) institute proceedings against the person in respect of the alleged non-compliance under this Act;
- (b) reinstate the person's registration; or
- (c) if neither of the actions in clauses (a) and (b) is done, cancel the person's registration.

25-A. (1) The Board or any officer of the SRB, 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.

De-registration.

(2) Where any person registered under this Act believes that he does not satisfy the requirements for registration in section 24, he may, in the manner and mode provided in the rules, make an application to the Board to be de-registered. If upon receiving such an application, the Board is satisfied that the person is not required to be registered under this Act and has fulfilled any obligations under this Act it shall, subject to the rules, de-register such person.

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(3) Where the Board receives an application under sub-section (2), it must dispose of the same within a period of three months from the date of receipt of the application, or within such extended period, not exceeding sixty days, as the Board may, for reasons to be recorded in writing fix.

**CHAPTER-V
BOOK KEEPING AND AUDIT PROCEEDINGS**

26. (1) A registered person providing taxable services shall maintain and keep at his business premises or registered office in English or Urdu the following records of taxable services provided (including exempt services) 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-

Records.

- (a) records of taxable services provided indicating:
 - (i) the description and type of service;
 - (ii) the value of the service;
 - (iii) the name and address of the person to whom the service was provided; and
 - (iv) any other information as may be specified by the Board.
- (b) records of exempt services; and
- (c) such other records as may be specified by the Board.

(2) 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 providing and receiving payment for services for the purpose of this Act or rules made there under and to make payment of due tax from such accounts only.

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(3) The Board may, by notification in the official Gazette, specify that any class of persons registered under this Act should use such electronic fiscal cash registers as are approved by the Board in the manner prescribed.

(4) The Board may, by notification in the official Gazette, prescribe the procedure or software for electronic maintenance of records, filing of sales tax returns and for any other matter or approve any software for electronic maintenance of records and filing of returns by a registered person or class of such persons under this Act.

(5) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984, shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of sales tax due and any deficiency in the sales tax paid by the registered person.

27. (1) A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of five years after the end of the tax period to which such record or documents relate or till the final decision in any proceedings including proceedings for assessment, appeal, revision, reference or petition, whichever is later.

Retention and production of records and documents.

(2) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by an officer of the SRB, not below the rank of Assistant Commissioner SRB, produce records or documents which are in his possession or control or in the possession or control of his agent; and where such records or documents have been stored as electronic data, he shall allow access to such officer and use of any machine on which such data is kept.

28. (1) An officer of the SRB, not below the rank of Assistant Commissioner SRB, may, on the basis of the return submitted by a registered person or the records obtained under sub-section (2) of section 27 conduct an audit of such person once in a year.

Audit Proceedings.

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Provided that in case the Commissioner SRB has any information showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of the SRB, not below the rank of Assistant Commissioner SRB, to conduct an inquiry or investigation under section 48 which may or may not be in addition to any audit carried out for the same period.

(2) Where the officer of the SRB decides to conduct an audit under sub-section (1), he shall issue a notice of audit to the person informing him of the audit proceedings and direct him to produce any records or documents which such officer may require for conducting the audit.

(3) The officer of the SRB shall conduct a preliminary audit and issue an audit observation pointing out the contraventions of the Act or rules, as the case may be, and the amount of tax evaded therein, on the basis of scrutiny of such records. The registered person may, within a period of 21 days of the receipt of the audit observation, submit his point of view in writing.

(4) If, within the period prescribed in sub-section (3), no reply is received or the reply furnished by the registered person is found unsatisfactory, the officer of the SRB shall issue an audit report specifying the amount of tax or charge that has not been levied or has been short levied or any other violation of any provision of Act or rules made there under.

(5) After completion of the audit under this section or any other provision of law, the officer of the SRB, not below the rank of Assistant Commissioner SRB, may pass an order in accordance with the provisions of section 23 or section 47, as the case may be, imposing the correct amount of tax, charging default surcharge and imposing a penalty.

(6) Notwithstanding the penalties prescribed in section 43:

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- (a) if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge voluntarily, whenever it comes to his notice, he shall, before receipt of notice of audit, file a revised return and shall deposit the amount short paid or amount of tax evaded along with default surcharge, in which case no penalty shall be recovered from him;
- (b) 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 in lieu of the audit report, he shall file a revised return and shall deposit the evaded amount of tax, default surcharge under section 44, and twenty per cent of the penalty payable under section 43, in which case a show cause notice in lieu of the audit report will not be issued in the matter;
- (c) 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, he shall file a revised return and shall deposit the evaded amount of tax, default surcharge under section 44, and fifty per cent of the penalty payable under section 43 and thereafter, the show cause notice, shall stand abated.

29. (1) The Board may, by notification in the official Gazette, appoint a Chartered Accountant as defined under Chartered Accountants Ordinance, 1961 (X of 1961) or a firm of Chartered Accountants or a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966) or a firm of Cost and Management Accountants, for conducting a special audit of the records of any registered person.

**Special Audit by
Chartered
Accountants or
Cost
Accountants.**

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(2) Notwithstanding that the records of a registered person have been audited by an officer of the SRB appointed under section 34, the Board or a Commissioner SRB may direct an auditor appointed under sub-section (1) to audit the records of any registered person for the same period.

(3) An auditor appointed under sub-section (1), shall have the powers of an officer of the SRB under sections 19, 39 and 42.

CHAPTER-VI RETURNS

30. (1) Every registered person shall furnish, not later than the due date, a true and correct return in the prescribed form to a designated bank or any other office specified by the Board, indicating the tax due and paid during a tax period and such other information, as may be prescribed. **Return.**

(2) Notwithstanding anything in sub-section (1), the Board may, by notification in the official Gazette, require any registered person or class of registered persons to submit returns on a quarterly basis.

(3) Notwithstanding anything in sub-section (1), the Board may, by notification in the official Gazette, require any registered person or class of registered persons to submit such returns, as may be prescribed, on an annual basis in addition to or instead of the monthly return or quarterly return.

(4) A return filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Board shall be deemed to be a return for the purpose of sub-sections (1), (2) or (3) 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.

(5) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of tax period showing the application of different rates of tax shall be furnished.

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(6) A registered person may file a revised return within one hundred and twenty days of filing a return under sub-sections (1), (2) or (3), as the case may be, to correct any omission or wrong declaration made therein and to deposit any amount of tax short paid.

31. In addition to the return specified under section 30, the Assistant Commissioner SRB 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. **Special Returns.**

32. If a person applies for de-registration in terms of section 25, he shall before such de-registration, furnish a final return to the Commissioner SRB in the specified form in such manner and at such time as directed by the Commissioner SRB. **Final Return.**

33. A return purporting to be made on behalf of a person by his duly appointed representative or agent shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary. **Return deemed to have been made.**

CHAPTER-VII

APPOINTMENT OF AUTHORITIES AND THEIR POWERS

34. (1) For the purposes of this Act, the Board may, by notification in the official Gazette, appoint in relation to any area, any case or class of cases specified in the notification, any person to be- **Appointment of Authorities.**

- (a) a Director of the Sindh Revenue Board
- (b) a Commissioner of the Sindh Revenue Board
- (c) a Commissioner (Appeals) of the Sindh Revenue Board
- (d) a Deputy Commissioner of the Sindh Revenue Board
- (e) an Assistant Commissioner of the Sindh Revenue Board
- (f) an officer of the Sindh Revenue Board with any other designation.

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(2) The Commissioner (Appeals) SRB and the Commissioner SRB shall be sub-ordinate to the Board and any other officer of the SRB so designated by the Board.

(3) The Deputy Commissioners SRB, Assistant Commissioners SRB shall be sub-ordinate to the Commissioner SRB and any other officer of the SRB so designated by the Board.

35. (1) An officer of the SRB appointed under section 34 shall exercise such powers and discharge such duties as are conferred or imposed upon him under this Act and rules made there under and he shall also be competent to exercise all powers and discharge all duties conferred upon any officer subordinate to him.

Powers.

(2) 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.

36. (1) The Board may, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, empower by name or designation –

Delegation of powers.

- (a) any Deputy Commissioner SRB to exercise any of the powers of a Commissioner SRB under this Act; and
- (b) any Assistant Commissioner SRB to exercise any of the powers of a Deputy Commissioner SRB under this Act; and
- (c) any other officer of the SRB to exercise any of the powers of an Assistant Commissioner SRB under this Act.

(2) Unless the Board in any case otherwise directs, the Commissioner SRB may authorize an officer of the SRB subordinate to him to exercise within any specified area, any of the powers of the Commissioner SRB, or of any other officer of the SRB subordinate to the Commissioner SRB, under this Act.

(3) Board may delegate powers and functions of officer as additional duties to any officer of the SRB of the same rank or a step senior or junior in rank.

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(4) An officer of the SRB to whom any powers are delegated under this section shall not further delegate such powers.

37. (1) The Government may, by notification in the official Gazette, appoint as many Special Judges a person who is serving or has retired as District and Session Judge for a period of at least 5 years and, where it appoints more than one Special Judge, it shall specify in the notification the headquarters of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act and the rules made there under.

Special Judges.

(2) A person shall be appointed as a Special Judge, if he has served as Judge in BS 21 or above for at least a period of 7 Years and qualifies to be a Judge of High Court.

(3) If a Special Judge is, for any reasons, temporarily unable to perform his duties under this Act or the rules made there under, he may generally or specially authorize the Sessions Judge of the district to perform such duties of an urgent nature as he may deem proper and such Sessions Judge shall perform such duties.

38. (1) Notwithstanding anything contained in this Act, the rules made thereunder, 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 by a Special Judge under this Act—

Cognizance of offences by Special Judges.

- (a) upon a report in writing made by an officer of the SRB, not below the rank of Deputy Commissioner SRB with the approval of the Commissioner SRB, or by an officer especially authorized in this behalf by the Government;
- (b) upon receiving a complaint or information of facts constituting such offence made or communicated by any person; or
- (c) upon his knowledge acquired during any proceeding before him.

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(2) Upon receipt of a report under clause (a) of sub-section (1), the Special Judge shall proceed with the trial of the accused.

(3) Upon 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 shall, 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 police officer to hold such inquiry and submit a report, and such Magistrate or officer, shall conduct such inquiry and make a report accordingly.

(4) If, after conducting such an inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that –

- (a) there is insufficient ground for proceeding, he may dismiss the complaint, or
- (b) there is sufficient ground for proceeding, he may proceed against the person complained in accordance with law.

(5) A Special Judge or a Magistrate or an officer holding an inquiry under sub-section (3) may hold such inquiry, as nearly as possible, in accordance with the provisions of section 202 of the Code of Criminal Procedure, 1898 (No. V of 1898).

39. (1) The provisions of the Code of Criminal Procedure, 1898 (No.V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to all proceedings of the court of a Special Judge and such court shall be deemed to be a Court of Session for the purposes of the said Code and the provisions of Chapter XXII-A of the Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Act.

Application of the Code of Criminal Procedure, 1898 (No. V of 1898).

(2) For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (No.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 Code.

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40. Notwithstanding anything contained in this Act, the rules made thereunder or in any other law for the time being in force no court, other than a Special Judge having jurisdiction, shall try an offence punishable by a Special Judge under this Act.

Exclusive jurisdiction of Special Judge.

41. 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.

Place of Sitting.

42. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (No.V of 1898), an officer of the SRB, not below the rank of an Deputy Commissioner SRB shall be competent to conduct a prosecution before a Special Judge for and on behalf of the Government.

Persons who may conduct prosecutions.

(2) A prosecution conducted under this Act before the Special Judge may only be withdrawn on the directions of the Government.

CHAPTER-VIII OFFENCES AND PENALTIES

43. 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. The sections referred to in column (3) are meant for illustrative purposes only and the corresponding offence described in column (1) may fall and be prosecuted under other sections of this Act as well.

Offences and penalties.

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TABLE

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
<p>1. Any person who is required to apply for registration under this Act fails to make an application for registration before providing taxable services.</p>	<p>Such person shall be liable to pay a penalty of 10,000 rupees or five per cent of the amount of sales tax he would have been liable to pay had he been registered, whichever is higher.</p> <p>In the case of non-compliance of compulsory registration, the minimum penalty shall be 100,000 rupees.</p> <p>Provided that such person who is required to get himself registered under this Act, fails to get registered within ninety days of providing taxable services, he shall be further 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 the amount of sales tax he would have been liable to pay had he been registered, or with both.</p>	24
<p>2. Where any person fails to furnish a return within the due date.</p>	<p>Such person shall be liable to pay a penalty of 5,000 rupees provided that if a return is not filed within fifteen days of the due date, a penalty of 100 rupees for each day of default shall be paid.</p>	30

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<p>3. Where any person fails to deposit the amount of tax due or any part thereof in the time or manner laid down under this Act or the rules made there under.</p>	<p>(a) Such person shall be liable to pay a penalty of 10,000 rupees or five <i>per cent</i> of the total tax payable for that period, (if default is more than 3 days) whichever is higher.</p> <p>(2) 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 payment by an officer of the SRB, not below the rank of Assistant Commissioner SRB, the person 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 the amount of unpaid tax, or with both.</p> <p>(c) No penalty shall be payable if any miscalculation is made for the first time during a year.</p>	<p>8, 17, and 66</p>
<p>4. Any person who fails to maintain records required under this Act or the rules made there under.</p>	<p>Such person shall pay a penalty of 5,000 rupees or five <i>per cent</i> of the total tax payable for the tax period(s) for which he has failed to maintain the required record, whichever is higher.</p>	<p>26, 27 and 28</p>

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<p>5. Where a registered person who, without any reasonable cause, in non compliance with the provisions of this Act fails to produce records on receipt of a notice from the Board or any officer of the SRB directing him to produce such records.</p>	<p>Where such a person is a company, it shall be liable to pay a penalty of 5000 rupees;</p> <p>Where such person is not a company he shall be liable to pay a penalty of 1000 rupees.</p> <p>Provided that where such person fails to produce the record within 60 days of receipt of a notice, he shall be liable to pay the penalty prescribed for the offence in sub-section (4) above.</p>	<p>27 and 28</p>
<p>6. Any person who knowingly or fraudulently,—</p> <p>(a) submits a false or forged document to any officer of the SRB; or</p> <p>(b) destroys, alters, mutilates or falsifies the records; or</p> <p>(c) makes a false statement, false declaration, false representation, false personification, or gives any false information.</p>	<p>Such person shall be liable to pay a penalty of 25,000 rupees or one hundred per cent of the tax payable for the tax period(s) to which the offence relates, whichever is higher.</p> <p>Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the tax payable for the tax period(s) to which the offence relates, or with both.</p>	<p>2(41) and General</p>
<p>7. Where any person who denies or obstructs the access of an authorized officer to the business premises, registered office or</p>	<p>Such person shall be liable to pay a penalty of 25,000 rupees or one hundred per cent of the tax payable for the tax period(s) to which the offence relates, whichever is higher.</p>	<p>27, 28 and 51</p>

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<p>to any other place where records are kept, or otherwise refuses access to accounts or records.</p>	<p>Such persons shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with a fine which may extend to an amount equal to the tax payable for the tax period(s) to which the offence relates, or with both.</p>	
<p>8. Where any person commits, causes to commit or attempts to commit tax fraud, or abets or connives in the commission of tax fraud of 25,000 rupees or more.</p>	<p>Such person shall be liable to pay a penalty of up to 500,000 rupees, but not less than 25,000 rupees, or one hundred <i>per cent</i> of the tax payable for the tax period(s) to which the offence relates.</p> <p>Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the tax payable for the tax period(s) to which the offence relates, or with both.</p>	<p>2(41)</p>
<p>9. Where any person violates any embargo placed on removal of goods in connection with recovery of tax.</p>	<p>Such person shall be liable to pay a penalty of 25,000 rupees or ten <i>per cent</i> of the amount of the tax sought to be recovered, whichever is higher.</p> <p>Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or</p>	<p>66</p>

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	with fine which may extend to amount equal to the amount of tax sought to be recovered, or with both.	
10. Where any person who obstructs any officer of the SRB in the performance of his official duties under this Act or the rules made thereunder.	Such person shall be liable to pay a penalty of 25,000 rupees or one hundred <i>per cent</i> of the tax payable for the tax period(s) to which the offence relates, whichever is higher. Provided that such a person shall be further liable upon conviction by a Special Judge to imprisonment for a term which may extend to one year or with fine not exceeding 50,000 rupees or with both.	35
11. Where any person who fails to fulfil any of the conditions, limitations or restrictions prescribed in a notification issued under any of the provisions of this Act.	Such person shall be liable to pay a penalty of 5000 rupees or three <i>per cent</i> of the tax payable for the tax period(s) to which the offence relates, whichever is higher.	13 and General
12. Where any person who contravenes any provision of this Act or the rules made thereunder for which no penalty has, specifically, been provided in this section.	Such person shall be liable to pay a penalty of 10,000 rupees or three <i>per cent</i> of the tax payable for the tax period(s) to which the offence relates, whichever is higher.	General
13. Where any person repeats an offence for which a penalty is provided	Such person shall be liable to pay twice the amount of penalty provided under the Act for the said offence	General

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under this Act		
<p>14. Where any person –</p> <p>(a) knowingly and without lawful authority gains access to or attempts to gain access to the computerized system; or</p> <p>(b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; or</p> <p>(c) falsifies any record or information stored in the computerized system; or</p> <p>(d) knowingly or dishonestly damages or impairs the computerized system; or</p> <p>(e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; or</p> <p>(f) unauthorisedly uses unique user identifier of any other registered user to</p>	<p>Such person shall pay a penalty of 25,000 rupees or one hundred per cent of the amount equal to the loss caused to sales tax revenue.</p> <p>Such person shall, further be liable, upon conviction by the 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 loss caused to sales tax revenue, or with both.</p>	73

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authenticate a transmission of information to the computerized system; or (g) fails to comply with or contravenes any of the conditions prescribed for security of unique user identifier.		
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44. (1) Notwithstanding the provisions of section 23, 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 there under, he shall, in addition to the tax due and any penalty under section 43, pay default surcharge at the rate mentioned below:—

Default Surcharge.

- (a) the person liable to pay any amount of tax or charge, shall pay default surcharge at the rate of Inter-Bank Rate plus three per cent per annum of the amount of tax due; and
- (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, till such time the entire liability including the amount of default surcharge is paid.

(2) For the purpose of calculation of default surcharge, the period of default shall be reckoned from the sixteenth 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.

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45. The Board may, with the approval of the Government and by a notification in the official Gazette, exempt any registered person or class of registered persons from payment of the whole or any part of the penalty and default surcharge imposed under sections 34 and 35 subject to such conditions and limitations as may be specified in such notification or, as the case may be, special order.

Exemption from penalty and default surcharge.

46. Notwithstanding anything contained in any other provision of this Act, where any person has committed any offence warranting prosecution under this Act, the Government may, either before or after the institution of any proceedings for the prosecution of such offence, terminate the proceedings if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Act.

Compounding of offences.

47. (1) Where by reason of some inadvertence, error or miscalculation on the part of an officer of the SRB any tax or charge has not been levied or has been short-levied, the person liable to pay any amount of tax or charge shall be served with a notice, within five years of the relevant date, requiring him to show cause for payment of the amount specified in the notice.

Recovery of tax not levied or short-levied.

(2) The officer of the SRB empowered in this behalf shall, after considering the objections of the person served with a notice to show cause under sub-section (1), determine the amount of tax or charge payable by him and such person shall pay the amount so determined.

(3) Any order under sub-section (2) shall be made within one hundred and twenty days of issuance of the notice to show cause or within such extended period as the officer of the SRB may, for reasons to be recorded in writing, fix, provided that such extended period shall in no case exceed sixty days.

(4) In computing the period specified in sub-section (3), any period during which the proceedings are adjourned on account of a stay order or proceedings under section 65 or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded.

(5) For the purpose of this section, the expression "relevant date" means the time of payment of tax or charge as provided under section 17.

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48. (1) Any officer of the SRB shall have the power to summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any audit, inquiry or investigation, which such officer is making for any of the purposes of this Act.

Power to summon persons to give evidence and produce documents in inquiries under the 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 the SRB may direct.

(3) Notwithstanding anything in sub-section (1) and (2), a person who is exempted from personal appearance in a court under sections 132 and 133 of the Code of Civil Procedure (No.V of 1908), shall not be required to appear in person.

(4) Any inquiry or investigation before an officer of the SRB shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Pakistan Penal Code (No. XLV of 1860).

49. (1) An officer of the SRB, not below the rank of a Commissioner SRB, or any other officer of equal rank authorised by the Board in this behalf, who on the basis of material evidence has reasonable cause to believe that any person has committed a tax fraud or any offence warranting prosecution under this Act, may cause arrest of such person.

Power to arrest and prosecute.

(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (No.V of 1898).

(3) 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 the SRB 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 any penalty imposed under this Act.

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50. (1) When an officer of the SRB arrests a person under section 49, 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 the officer shall act accordingly.

Procedure to be followed on arrest of a person.

(2) Notwithstanding anything contained in subsection (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 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 the Magistrate.

(3) When any person is produced under subsection (2) before the Special Judge, the Special Judge 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 considers that the affording of such opportunity shall defeat the purpose of this Act.

(4) When such person is produced under subsection (2) before a 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.

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(5) Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Magistrate from remanding any such person to the custody of the officer of the SRB holding an inquiry against that person if such officer makes a request in writing to that effect, and the Special Judge or the 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 shall the period of such custody exceed fourteen days.

(6) When any person is arrested under this Act, the arresting officer of the SRB shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry 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 Magistrate, make a request for his further detention in his custody.

(7) While holding an inquiry under sub-section (6), the officer of the SRB shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (No.V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.

(8) If the officer of the SRB, after holding an inquiry 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 inquiry, 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.

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(10) The officer of the SRB holding an inquiry under this section shall maintain a register to be called the "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 inquiry 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 inquiry, the officer of the SRB shall, as early as possible, submit to the Special Judge a complaint in the same form and manner in which the officer in charge of a police station submits a report, before a court.

(12) Any Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with the provisions of section 164 of the Code of Criminal Procedure, 1898 (No. V of 1898).

51. (1) Any officer authorised in this behalf by the Board shall have free access to the business premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained by 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, 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.

Authorised officers to have access to premises, stocks, accounts and records.

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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) All other Government departments, 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.

52. (1) Notwithstanding anything contained in this Act or any other law for the time being in force, any person required to maintain any record under the Act, shall, on demand by an officer of the SRB, not below the rank of a Deputy Commissioner SRB, by notice in writing, as and when specified in the notice—

Obligation to produce documents and provide information.

- (a) produce for examination, such documents or records which the officer of the SRB considers necessary or relevant to the audit, inquiry or investigation under the Act;
- (b) allow the officer of the SRB to take extracts from or make copies of such documents or records; and
- (c) appear before the officer of the SRB and answer any question put to him concerning the documents and records relating to the audit, investigation, or inquiry referred to in clause (a) above.

(2) An officer of the SRB 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 the SRB, 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 or implementing this Act.

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(4) Every person, department, company or organization shall furnish the information requisitioned by the Board or the officer of the SRB 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 the SRB.

53. (1) Where any officer of the SRB 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.

Searches under warrant.

(2) The search made under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (No.V of 1898).

54. (1) Subject to such conditions and restrictions, as it deems fit to impose, the Board may post an officer of the SRB to the premises of a registered person or class of such persons to monitor the provision of services by such registered person or persons.

Posting of an officer of the SRB to business premises.

(2) Notwithstanding anything contained in sub-section (1), if a Commissioner SRB, on the basis of material evidence, has reasonable cause to believe that a registered person is involved in evasion of sales tax or tax fraud, he may, by recording the reason in writing, post an officer of the SRB to the premises of such registered person to monitor provision of services by such person.

55. (1) The Commissioner SRB may, of his own motion or on an application made in writing by a registered person for revision, call for and examine the record of any proceeding under this Act in which an order has been passed by an officer of the SRB other than the Commissioner (Appeals) SRB.

Revision by the Commissioner SRB.

(2) If after examining the record under sub-section (1), the Commissioner SRB is not satisfied with the legality or propriety of any order passed by an officer of the SRB, the Commissioner SRB may make such revision to the order as he may think fit.

(3) No order imposing or enhancing any penalty or fine requiring payment of a greater amount of sales tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

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(4) The Commissioner SRB shall not revise any order under sub-section (2) if:

- (i) an appeal under section 57 is pending or the matter has been referred to resolution under section 65.
- (ii) where an appeal against the order lies under section 57, the time within which such appeal may be made has not expired or the person has not waived his right of appeal;
- (iii) in the case of an application made by a person, the application has not been made within ninety days of the date on which on which such order was served on the person, unless the Commissioner SRB is satisfied that the person was prevented by sufficient cause from making the application within the time allowed;
- (iv) in the case where the Commissioner SRB has on his own motion called for and examined an order passed by a subordinate officer, more than five years have lapsed from the date of the original order.

(5) No application for revision of an assessment shall be made under sub-section (1) unless the amount of tax due under the assessment that is not in dispute has been paid by the taxpayer.

56. (1) The Board may, of its own motion, 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 the SRB other than the Commissioner (Appeals) SRB.

Revision by the Board.

(2) If after examining the record under sub-section (1), the Board is not satisfied with the legality or propriety of any decision or order passed by an officer of the SRB, it may pass such order as it may think fit.

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(3) No order imposing or enhancing any penalty or fine requiring payment of a greater amount of sales tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(4) No proceeding under this section shall be initiated in a case where an appeal under section 57 is pending or the matter has been referred to resolution under section 65.

(5) No order shall be made under this section after the expiry of five years from the date of the original decision or order of the sub-ordinate officer referred to in sub-section (1).

**CHAPTER-IX
APPEALS**

57. (1) Any person, other than the Board or any of its officers, aggrieved by any decision or order passed under sections 13, 18, 19 or 38 by an officer of the SRB may, within thirty days of the date of receipt of such decision or order, prefer an appeal to the Commissioner (Appeals) SRB. **Appeals.**

(2) 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 fee specified in sub-section (3); and
- (e) be lodged with the Commissioner (Appeals) SRB within the time set out in sub-section (4).

(3) The prescribed fee shall be –

- (i) where the appellant is a company, one thousand rupees; or
- (ii) where the appellant is not a company, two hundred rupees.

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(4) An appeal shall be preferred to the Commissioner (Appeals) SRB within thirty days of the following:-

- (a) where the appeal relates to any assessment or penalty including default surcharge, the date of service of the notice of demand relating to the said assessment or penalty including default surcharge, as the case may be; and
- (b) in any other case, the date on which the order to be appealed against is served.

(5) The Commissioner (Appeals) SRB may, upon application in writing by the appellant, admit an appeal after the expiration of the period specified in sub-section (4) if the Commissioner (Appeals) SRB is satisfied that the appellant was prevented by sufficient cause from lodging the appeal within that period.

58. (1) The Commissioner (Appeals) SRB shall give notice of the day fixed for the hearing of the appeal to the appellant and to the officer of the SRB against whose order the appeal has been made.

Procedure in appeal.

(2) The Commissioner (Appeals) SRB may adjourn the hearing of the appeal from time to time.

(3) The Commissioner (Appeals) SRB may, before the hearing of an appeal, allow an appellant to file any new ground of appeal not specified in the grounds of appeal already filed by the appellant where the Commissioner (Appeals) SRB is satisfied that the omission of the ground from the form of the appeal was not wilful or unreasonable.

(4) The Commissioner (Appeals) may stay the recovery of any sales tax due by virtue of the decision or order being appealed against and any such order made by the Commissioner (Appeals) shall remain operative for no more than fifteen days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Commissioner (Appeals) deems fit but the stay order so confirmed or varied shall remain operative for no more than sixty days, including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

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(5) The Commissioner (Appeals) SRB may, before disposing of an appeal, call for such particulars as the Commissioner (Appeals) SRB may require respecting the matters arising in the appeal or cause further inquiry to be made by the officer of the SRB.

59. (1) In disposing of an appeal lodged under section 57, the Commissioner (Appeals) SRB may pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against.

Decision in appeal.

(2) In deciding an appeal, the Commissioner (Appeals) SRB may make such further inquiry as may be necessary provided that he shall not remand the case for *denovo* consideration.

(3) The Commissioner (Appeals) SRB shall not increase the amount of any tax payable by the appellant unless the appellant has been given an opportunity of showing cause against such increase.

(4) As soon as practicable after deciding an appeal, the Commissioner (Appeals) SRB shall serve his order on the appellant and the officer of the SRB who made the order appealed against.

(5) An order passed by the Commissioner (Appeals) SRB under sub-section (3) shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period, not exceeding sixty days, as the Commissioner (Appeals) SRB may, for reasons to be recorded in writing fix.

(6) In computing the aforesaid time period, any period during which the proceedings are adjourned on account of a stay order or proceedings under section 65 or the time taken through adjournment by the appellant not exceeding thirty days shall be excluded.

(7) Where the Commissioner (Appeals) SRB has not made an order under sub-section (1) before the expiration of four months from the end of the month in which the appeal was lodged, the relief sought by the appellant in the appeal shall be treated as having been given and all the provisions of this Act shall have effect accordingly.

(8) For the purposes of sub-section (7), any period during which the hearing of an appeal is adjourned on the request of the appellant shall be excluded in the computation of the period of four months.

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60. (1) There shall be established an Appellate Tribunal to exercise the functions conferred on such Tribunal by this Act or the rules made thereunder.

Appointment of the Appellate Tribunal.

(2) The Appellate Tribunal shall consist of a Chairperson and such other judicial and accountant members as are appointed by the Government having regard to the needs of the Tribunal.

(3) A person may be appointed as a Judicial Member of the Appellate Tribunal if the person –

- (a) is qualified to be a Judge of High Court and has remained a Judge of the District court for at least 5 years,
- (b) is below the age of sixty-five years.

(4) A person may be appointed as an Accountant Member of the Appellate Tribunal if the person is an officer of the SRB/ FBR equivalent in rank to that of:

- (a) a Commissioner (Appeals) SRB/ FBR having at least three years experience as Commissioner SRB; or
- (b) a Commissioner SRB/FBR having at least five years experience as Commissioner SRB; and
- (c) is below the age of sixty-five years;

(5) Notwithstanding anything contained in sub-section (4), the Government may, for three years from the day this Act comes into effect, appoint any person who has worked for a minimum of three years:

- (i) in the Federal Board of Revenue or Provincial Excise and Taxation Department in the rank not below the Bs.20 for 5 years in aggregate, or
- (ii) as Collector of Sales Tax (Appeals) under sub-section (b) of section 30 of the Sales Tax Act 1990, for 3 years with service of at least 5 years in Bs. 20,

as an Accountant Member of the Appellate Tribunal.

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(6) The Government shall appoint a member of the Appellate Tribunal as Chairperson of the Tribunal and, except in special circumstances, the person appointed should be a judicial member.

(7) The powers and functions of the Appellate Tribunal shall be exercised and discharged by Benches constituted from members of the Tribunal by the Chairperson of the Tribunal.

(8) Subject to sub-section (7), a Bench shall consist of not less than two members of the Appellate Tribunal and shall be constituted so as to contain an equal number of judicial and accountant members, or so that the number of members of one class does not exceed the number of members of the other class by more than one.

(9) The Government may, by notification in the official Gazette, direct that all or any of the powers of the Appellate Tribunal shall be exercised by:

- (i) any one member; or
- (ii) more members than one, jointly or severally.

(10) Notwithstanding anything contained in sub-sections (7) and (8), the Chairperson may constitute as many Benches consisting of a single member as he may deem necessary to hear such cases or class of cases as the Government may by order in writing, specify.

(11) The Chairperson or other member of the Appellate Tribunal authorized, in this behalf by the Chairperson may, sitting singly, dispose of any case where the amount of tax or penalty involved does not exceed five million rupees.

(12) Subject to sub-section (10), if the members of a Bench differ in opinion on any point, the point shall be decided according to the opinion of the majority.

(13) If the members of a Bench are equally divided on a point, they shall state the point on which they differ and the case shall be referred by the Chairperson for hearing on that point to one or more other members of the Appellate Tribunal, and the point shall be decided according to the opinion of the majority of the members of the Tribunal who have heard the case including those who first heard it.

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(14) If there are an equal number of members on the Appellate Tribunal, the Government may appoint an additional member for the purpose of deciding the case on which there is a difference of opinion.

(15) Subject to this Act, the Appellate Tribunal shall have the power to regulate its own procedure, and the procedure of Benches of the Tribunal in all matters arising out of the discharge of its functions including the places at which the Benches shall hold their sittings.

61. (1) Where the taxpayer or the officer of the SRB objects to any order passed by the Commissioner (Appeals) SRB, including an order under sub-section (4) of Section 58, the taxpayer or officer may appeal to the Appellate Tribunal against such order.

Appeal to the Appellate Tribunal.

(2) An appeal under sub-section (1) shall be-

- (a) in the prescribed form;
- (b) verified in the prescribed manner;
- (c) accompanied, except in case of an appeal preferred by an officer of the SRB, by the fee specified in sub section (3); and
- (d) preferred to the Appellate Tribunal within sixty days of the date of service of order of the Commissioner (Appeals) SRB on the taxpayer or the officer of the SRB, as the case may be.

(3) The prescribed fee shall be two thousand rupees.

(4) The Appellate Tribunal may, upon application in writing, admit an appeal after the expiration of the period specified in clause (d) of sub-section (2) if it is satisfied that the person appealing was prevented by sufficient cause from filing the appeal within that period.

62. (1) The Appellate Tribunal may, before disposing of an appeal, call for such particulars as it may require in respect of the matters arising on the appeal or cause further inquiry to be made by the officer of the SRB.

Disposal of appeals by the Appellate Tribunal.

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(2) The Appellate Tribunal shall afford an opportunity of being heard to the parties to the appeal and, in case of default by any of the parties on the date of hearing, the Tribunal may, if it deems fit, dismiss the appeal in default, or may proceed *ex parte* to decide the appeal on the basis of the available record.

(3) The Appellate Tribunal shall decide the appeal within six months of its filing.

(4) The Appellate Tribunal may stay the recovery of any sales tax due by virtue of the decision or order being appealed against and any such order made by the Appellate shall remain operative for no more than thirty days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Appellate Tribunal deems fit but the stay order so confirmed or varied shall remain operative for no more than ninety days, including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

(5) In deciding the appeal, the Appellate Tribunal may, without prejudice to the powers specified in subsection (2), make an order to –

- (a) affirm, modify or annul the order being appealed against; or
- (b) remand the case to the officer of the SRB or the Commissioner (Appeals) SRB for making such inquiry or taking such action as the Tribunal may direct.

(6) The Appellate Tribunal shall not increase the amount of any tax payable, penalty or default surcharge unless the taxpayer has been given a reasonable opportunity of showing cause against such increase.

(7) The Appellate Tribunal shall communicate its order to the taxpayer and the concerned officer of the SRB.

(8) Save as provided in section 63, the decision of the Appellate Tribunal on an appeal shall be final.

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63. (1) Within sixty days of the communication of the order of the Appellate Tribunal under section 62, the aggrieved person or any officer of the SRB not below the rank of a Deputy Commissioner SRB, authorized by the Commissioner SRB may prefer an application in the prescribed form along with a statement of the case to the High Court, stating any question of law arising out of such order.

Reference to the High Court.

(2) The statement to the High Court referred to in sub-section (1), shall set out the facts, the determination of the Appellate Tribunal and the question of law, which arises out of its order.

(3) Where, on an application made under sub-section (1), the High Court is satisfied that a question of law arises out of the order referred to in sub-section (1), it may proceed to hear the case.

(4) A reference to the High Court under this section shall be heard by a bench of two judges of the High Court and, in respect of the reference, the provisions of section 98 of the Code of Civil Procedure 1908 (Act V of 1908), shall apply, so far as may be, notwithstanding anything contained in any other law for the time being in force.

(5) The High Court upon hearing a reference under this section shall decide the question of law raised by the reference and deliver a judgment thereon specifying the grounds on which the judgment is based and the order of the Tribunal shall stand modified accordingly. The Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.

(6) The cost of any reference to the High Court shall be in the discretion of the Court.

(7) Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the order of the Appellate Tribunal.

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Provided that, if the amount of tax is reduced as a result of the judgment in the reference, and amount of tax found refundable by the High Court, the High Court may on application by a Deputy Commissioner SRB authorized by the Commissioner SRB within thirty days of the receipt of the judgment of the High Court that he intends to seek leave to appeal to the Supreme Court, make an order authorizing the postponement of the refund until the disposal of the appeal by the Supreme Court.

(8) Where recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the reference is decided, or such order is withdrawn by the High Court before the expiry of six months.

(9) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

(10) An application under sub-section (1) by a person other than the Deputy Commissioner SRB authorized by the Commissioner SRB shall be accompanied by a fee of one hundred rupees.

(11) Notwithstanding anything contained in any provision of this Act, where any reference or appeal was filed with the approval of the Commissioner SRB by an officer of lower rank than the Commissioner SRB, and the reference or appeal is pending before an appellate forum or the Court, such reference or appeal shall always be deemed to have been so filed by the Commissioner SRB.

64. Where in any appeal, the decision or order appealed against relates to any sales tax demanded under this Act, the person who has filed the appeal shall, pending the appeal, deposit the admitted amount of sales tax based on the return filed under section 30 or as may be determined by the Commissioner (Appeals) SRB or the Appellate Tribunal where such return has not been filed.

Deposit of sales tax demand while appeal is pending.

65. (1) Notwithstanding any other provisions of this Act, or the rules made there under, any registered person aggrieved in connection with any dispute pertaining to:-

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- (a) the liability of sales tax against the registered person;
- (b) the extent of waiver of default surcharge and penalty;
- (c) relaxation of any procedural or technical irregularities and condonation of any prescribed time limitation; and
- (d) any other specific relief required to resolve the dispute,

may apply to the Board for the appointment of a committee for the resolution of any dispute mentioned in detail in the application.

(2) Notwithstanding anything contained in sub-section (1), the Board shall not accept an application under sub-section (1) where criminal proceedings have been initiated or where, the Board is of the opinion that the interpretation of a question of law having a larger impact on revenue or on a number of similar cases is involved.

(3) The Board may, after examination of the application of a registered person, appoint a committee within thirty days of receipt of such application, consisting of an officer of the SRB not below the rank of a Deputy Commissioner SRB and a second person from the notified panel consisting of chartered or cost accountants, advocates, representatives of trade bodies or associations, retired officers of the rank of not less than BS-20, retired judges, or any other reputable taxpayers, for the resolution of the dispute.

(4) The committee constituted under sub-section (3) shall examine the issue and may, if it deems fit, conduct an inquiry, seek expert opinions, direct any officer of the SRB or any other person to conduct an audit and shall make recommendations to the Board within ninety days of its constitution in respect of the dispute. If the committee fails to make recommendations within the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of that period the dispute is not resolved the matter shall be taken up by the appropriate forum provided under this Act for decision.

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(5) The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate within forty-five days of the receipt of the recommendations of the committee.

(6) The registered person may make payment of sales tax as determined by the Board in its order under sub-section (5), and such order of the Board shall be submitted before the forum, tribunal or the Court where the matter is *subjudice* for consideration of orders as deemed appropriate.

65-A. Government may appoint Ombudsmen or may assign duties and functions of ombudsmen to any officer retired or serving not below the rank of BS-21 officer to act as an ombudsmen with regard to the redressal of grievances of the tax payers or the registered persons for inordinate delays, maladministration within the field offices of Sindh revenue Board for delays, ineptitude or for misconduct, and may advise the Board to adopt corrective measures for implementation of such advice. Government may frame rules in consultation with the SRB for implementation of the provisions.

CHAPTER-X RECOVERY OF ARREARS

66. (1) Subject to sub-section (2), where any amount of tax is due from any person, the officer of the SRB may:- **Recovery of arrears of tax.**

- (a) deduct the amount from any money owing to the 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 the SRB;
- (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) require by a notice in writing any bank to attach that person's bank accounts;

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- (d) seal the persons business premises till such time as 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 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.

(2) If any arrears of tax, default surcharge, penalty or any other amount which is payable by any person cannot be recovered in the manner prescribed above, the Board or any officer authorized by the Board, may, write off the arrears or amount in the manner as may be prescribed by the Board.

(3) For the purpose of recovery of tax, penalty or any other demand raised under this Act, the officer of the SRB 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.

(4) Provision of Land Revenue Act, 1967 would mutatis mutandis apply for the recovery of the arrears of the taxable amount to any person under this Act

(5) The Deputy Commissioner and the Assistant commissioner, Sindh Revenue Board shall have and exercise the powers of the Collector and Assistant Collector respectively as defined in Land Revenue Act, 1967 for the purposes of recovery of arrears of Sales Tax.

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CHAPTER-XI

AGENTS, REPRESENTATIVES AND E-INTERMEDIARIES

67. (1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression "agent" in respect of a registered person, means— **Agent.**

- (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;
- (b) 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 accountant or any similar officer of the company;
- (c) where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust;
- (d) 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;
- (e) where the person is an association of persons, a director or a manager or secretary or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;
- (f) 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

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- (g) 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.
- (h) 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.

(2) 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 agent of the person for the purposes of this Act.

(3) Notwithstanding anything in this section, any registered person may expressly or impliedly authorise another person to be his agent for all or any of the purposes this Act.

68. (1) Every agent 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.

Liability and obligations of agents.

(2) Subject to sub-section (5) of this section, any tax that, by virtue of sub-section (1), is payable by an agent of a registered person shall be recoverable from the agent only to the extent of any assets of the registered person that are in the possession or under the control of the agent.

(3) Every agent 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 agent's possession or under the agent's control.

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(4) Any agent, or any person who apprehends that he may be assessed as an agent, 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 an agent or a person as to the amount to be so retained, such agent or person may obtain from the Commissioner SRB a certificate stating the amount to be so retained pending final determination of the tax liability, and the certificate so obtained shall be his authority for retaining that amount.

(5) Every agent shall be personally liable for the payment of any tax due by the agent if, while the amount remains unpaid, the agent—

- (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 registered person that is in the possession of the agent or which comes to the agent 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 agent of the person has failed to perform.

69. A registered person shall be responsible for any and all acts done by his agent.

Liability of the registered person for the acts of his agent.

70. A registered person required to appear before the Appellate Tribunal or an officer of the SRB in connection with any proceedings under this Act may, in writing, authorise any person having such qualification as may be prescribed in the rules to represent him or appear on his behalf.

Appearance by authorised representative.

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71. (1) Subject to such conditions, limitations and restrictions, the Board may, by a notification in the official Gazette, appoint a person to electronically file returns under Chapter IV and such other documents electronically, as may be prescribed from time to time, on behalf of a registered person.

**E-intermediaries
to be appointed.**

(2) A registered person may authorize an e-intermediary to electronically file returns or any other documents on his behalf, 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 a 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, such thing shall be deemed to have been done with the knowledge and consent of the 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 false or incorrect information or document or declaration with an intent to avoid payment of tax due or any part thereof, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid 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.

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CHAPTER-XII
GENERAL ADMINISTRATION

72. (1) The Board may, with approval of the Government, make rules for carrying out the purposes of this Act. **Power to make rules.**

(2) All rules made under this section or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions, directions, notifications and rulings, if any, at appropriate intervals and sold to the public at a reasonable price.

73. (1) The Board may prescribe the use of a 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. **Computerized system.**

(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 the grant of authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.

(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.

(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 or be provided any access to such information.

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74. The Government may, for the purposes of removing any difficulty or for bringing the provisions of this Act into effective operation, by order, direct that provisions of this Act shall, during such period as may be specified in the order, have effect subject to such adaptations whether by way of modification or addition or omission as it may deem to be necessary or expedient:

Removal of difficulties.

Provided that the power under this section shall not be exercised after expiry of five years from the commencement of this Act.

75. (1) Subject to this Act, any notice, order or requisition required to be served on an individual for the purposes of this Act shall be treated as properly served on the individual if:

Service of orders and decisions.

- (a) personally served on the individual or, in the case of an individual under a legal disability the agent of the individual;
- (b) sent by registered post or courier service to the individual's usual or last known address in Pakistan; or
- (c) served on the individual in the manner prescribed for service of a summons under the Code of Civil procedure, 1908 (No.V of 1908)

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than an individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on the person if:

- (a) personally served on the agent 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 sent by registered post to any office or place of business of the person in Pakistan; or

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(c) served on the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (No.V of 1908)

(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's who was the principal officer or a member of the association immediately before such dissolution.

(4) Where a 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 agent at the time of discontinuance.

(5) The validity of any notice issued under this Act or the validity any service of a notice under this Act shall not be called into question after the notice has been complied with in any manner.

(6) Any registered person may indicate, in the manner prescribed in the rules made hereunder, that it wishes to receive all or specific communications, including notifications, orders, assessments and requisitions, from the Board, the Appellate Tribunal or any officer of the SRB electronically.

(7) The Board may, by notification in the official Gazette, direct that all or specific communications, including notifications, orders, assessments and requisitions from the Board, the Appellate Tribunal or any officer of the SRB to a specific registered person or class of registered person shall be made electronically.

(8) For the purposes of sub-section (6) and (7), a registered person shall be considered to have received the electronic communication within seventy-two hours of the sending of the electronic communication by the Board, Appellate Tribunal or officer of the SRB.

(9) For the purposes of sub-sections (6), (7) and (8), an electronic communication is a communication sent by email.

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76. (1) Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of the SRB who made the assessment or adjudication or passed such order or decision or by his successor in office, through an order made under this section. **Correction of clerical errors.**

(2) Before any correction is made under subsection (1), a notice shall be given to the registered person affected by such correction.

77. An officer of the SRB not below the rank of Assistant Commissioner SRB may, on payment of 500 rupees, issue an attested duplicate of any document filed by a registered person with the department to that registered person. **Issuance of duplicate of sales tax documents.**

78. The Board may issue such orders, instructions and directions to all officers of the SRB, as it may deem necessary to administer and implement the provisions of this Act and any rules made thereunder. **Power to issue orders, instructions and directions.**

79. All officers of the SRB and other persons employed in the execution of this Act and the rules made there under shall observe and follow the orders, instructions and directions of the Board: **Officers of the SRB to follow Board's orders.**

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of officers of the SRB in the exercise of their quasi-judicial functions.

CHAPTER-XIII MISCELLANEOUS

80. 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. **Computation of limitation period.**

81. Where any time or period has been specified under any of the provisions of the Act or rules made there-under within which any act or thing, including submission of an application, filing of a return or payment of tax, is to be done, the Board may, 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: **Condonation of time-limit**

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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 SRB to exercise the powers under this section in any case or class of cases.

82. (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 or default surcharge imposed or collection of any tax made under this Act.

**Bar of suits,
prosecution and
other legal
proceedings.**

(2) No suit, prosecution or other legal proceeding shall lie against the Government or against any public servant in respect of any order passed in good faith under this Act.

(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 directions made or issued there under without the prior approval of the Board.

83. (1) The Sindh Sales Tax Ordinance, 2000 shall stand repealed with effect from the date this Act comes into force.

**Repeal and
Saving.**

(2) Subject to sub-section (3), in making any assessment in respect of any financial year ending prior to the date notified under sub-section (3) of section 1, the provisions of the repealed Ordinance shall in so far as these relate to the amount of sales tax payable in such financial year as if this Act had not come into force.

(3) The assessment, referred to in sub-section (2), shall be made by the officer of the SRB competent under this Act to make an assessment in respect of a financial year beginning after the date notified under sub-section (3) of section 1, in accordance with the procedure specified in this Act.

(4) The recovery of any sum found due as a result of the assessment under sub-section (2) shall be recovered under the provisions of this Act.

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(5) Any proceeding under the repealed Ordinance pending on the date notified under sub-section (3) of section 1 before any authority, the Appellate Tribunal or any Court by way of appeal, reference, revision or prosecution shall be continued and disposed off as if this Act had not come into force.

(6) Any proceeding relating to an assessment in respect of any financial year ending prior to the date notified under sub-section (3) of section 1 which is initiated after the date notified under sub-section (3) of section 1 will be initiated and conducted in accordance with the procedure specified in this Act.

(7) Any sales tax payable under the repealed Ordinance may be recovered under this Act, but without prejudice to any action already taken for the recovery of the amount under the repealed Ordinance.

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FIRST SCHEDULE

(see sub-section (35) of Section 2)

Number	Description
1.	2.
98.01	Services provided or rendered by hotels, restaurants, marriage halls, lawns, clubs and caterers.
9801.1000	Services provided or rendered by hotels
9801.2000	Services provided or rendered by restaurants
9801.3000	Services provided or rendered by marriage halls and lawns
9801.4000	Services provided or rendered by clubs
9801.5000	Services provided or rendered by caterers, suppliers of food and drinks
9801.6000	Ancillary services provided or rendered by hotels, restaurants, marriage halls, lawns, caterers
9801.7000	Services provided or rendered by messes and hostels
9801.9000	Other
98.02	Advertisement
9802.1000	Advertisement on T.V.
9802.2000	Advertisement on radio
9802.3000	Advertisement on closed circuit T.V.
9802.4000	Advertisement in newspapers and periodicals
9802.5000	Advertisement on cable T.V. network
	Advertisements on poles
	Advertisements on billboards
9802.9000	Other
98.05	Services provided or rendered by persons authorized to transact business on behalf of others.
9805.1000	Shipping agents
9805.2000	Stevedores
9805.2100	Ship management service
9805.3000	Freight forwarding agents
9805.4000	Customs agents
9805.5000	Travel agents
9805.5100	Tour operators
9805.6000	Recruiting agents
9805.7000	Advertising agents
9805.8000	Ship chandlers
9805.9000	Share transfer agent
9805.9100	Sponsorship services
9805.9200	Business support services
9805.9090	Other

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9807.0000	Services provided or rendered by property developers and promoters.
9808.0000	Courier services
98.06	Services provided or rendered in matters of hire.
9806.1000	Purchase or sale of moveable or immovable goods or property.
9806.2000	Property dealers
9806.3000	Car/automobiles dealers
9806.9000	Dealers of second hand goods other than automobiles other
9809.0000	Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.
9810.0000	Services provided or rendered for personal care by beauty parlours/clinics, slimming clinics and others.
9811.0000	Services provided or rendered by laundries, dry cleaners.
98.12	Telecommunication services.
9812.1000	Telephone services
9812.1100	Fixed line voice telephone service
9812.1200	Wireless telephone
9812.1210	Cellular telephone
9812.1220	Wireless Local Loop telephone
9812.1300	Video telephone
9812.1400	Payphone cards
9812.1500	Prepaid calling cards
9812.1600	Voice mail service
9812.1700	Messaging service
9812.1710	Short Message service (SMS)
9812.1720	Multimedia message service (MMS)
9812.1910	Shifting of telephone connection
9812.1920	Installation of telephone extension
9812.1930	Provision of telephone extension
9812.1940	Changing of telephone connection
9812.1950	Conversion of NWD connection to non NWD or vice versa
9812.1960	Cost of telephone set
9812.1970	Restoration of telephone connection
9812.1990	Others
9812.2000	Bandwidth services
9812.2100	Copper line based

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9812.2200	Fibre-optic based
9812.2300	Co-axial cable based
9812.2400	Microwave based
9812.2500	Satellite based
9812.2900	Others
9812.3000	Telegraph
9812.4000	Telex
9812.5000	Telefax
9812.5010	Store and forward fax services
9812.5090	Others
9812.6000	Internet services
9812.6100	Internet services including email services
9812.6110	Dial-up internet services
9812.6120	Broadband services for DSL connection
9812.6121	Copper line based
9812.6122	Fibre-optic based
9812.6123	Co-axial cable based
9812.6124	Wireless based
9812.6125	Satellite based
9812.6129	Others
9812.6130	Internet/email/Data/SMS/MMS services on WLL networks
9812.6140	Internet/email/Data/SMS/MMS services on cellular mobile networks
9812.6190	Others
9812.6200	Data Communication Network services (DCNS)
9812.6210	Copper Line based
9812.6220	Co-axial cable based
9812.6230	Fibre-optic based
9812.6240	Wireless/Radio based
9812.6250	Satellite based
9812.6290	Others
9812.6300	Value added data services
9812.6310	Virtual private Network services (VPN)
9812.6320	Digital Signature service
9812.6390	Others
9812.9000	Audiotext services
9812.9100	Teletext services
9812.9200	Trunk radio services
9812.9300	Paging services
9812.9400	Voice paging services
9812.9410	Radio paging services
9812.9490	Vehicle tracking services
9812.9500	Burglar alarm services
9812.9090	Others

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98.13	Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing in any such services.
9813.1000	Services provided or rendered in respect of insurance to a policy holder by an insurer, including a reinsurer.
9813.1100	Goods insurance
9813.1200	Fire insurance
9813.1300	Theft insurance
9813.1400	Marine insurance
9813.1500	Life insurance
9813.1600	Other insurance
9813.2000	Services provided or rendered in respect of advances and loans
9813.3000	Services provided or rendered in respect of leasing
9813.3010	Financial leasing
9813.3020	Commodity or equipment leasing
9813.3030	Hire-purchase leasing
9813.3090	Other
9813.3900	Services provided or rendered in respect of musharika financing
9813.4000	Services provided or rendered by banking companies in relation to:
9813.4100	Guarantee
9813.4200	Brokerage
9813.4300	Letter of credit
9813.4400	Issuance of pay order and demand draft
9813.4500	Bill of exchange
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer
9813.4700	Bank guarantee
9813.4800	Bill discounting commission
9813.4900	Safe deposit lockers
9813.4910	Safe vaults
9813.5000	Issuance,, processing and operation of credit and debit cards
9813.6000	Commission and brokerage of foreign exchange dealings
9813.7000	Automated Teller Machine operations, maintenance and management
9813.8000	Service provided as banker to an issue
9813.8100	Other
9813.9000	Service provided or rendered by a foreign exchange dealer or exchange company or money changer

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98.14	Services provided or rendered by architects, town planners, contractors, property developers or promoters, interior decorators.
9814.1000	Architects or town planners
9814.2000	Contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works (including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works.
9814.3000	Property developers or promoters
9814.4000	Landscape designers
9814.9000	Other
98.15	Services provided or rendered by professionals and consultants etc.
9815.1000	Medical practitioners and consultants
9815.2000	Legal practitioners and consultants
9815.3000	Accountants and auditors
9815.4000	Management consultants
9815.5000	Technical, scientific, engineering consultants
9815.6000	Software or IT based system development consultants
9815.9000	Other consultants
9816.0000	Services provided or rendered by pathological laboratories.
98.17	Services provided or rendered by medical diagnostic laboratories including X-Rays, CT Scan, M.R. Imaging etc.
9817.1000	Scientific laboratories
9817.2000	Mechanical laboratories
9817.3000	Chemical laboratories
9817.4000	Electrical or electronic laboratories
9817.9000	Other such laboratories
98.18	Services provided or rendered by specialized agencies.
9818.1000	Security agency
9818.2000	Credit rating agency
9818.3000	Market research agency
9818.9000	Other such agencies
98.19	Services provided or rendered by specified persons or businesses
9819.1000	Stockbrokers
9819.1100	Under writers

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9819.1200	Indenters
9819.1300	Commission agents
9819.1400	Packers
9819.2000	Money exchanger
9819.3000	Rent a car
9819.4000	Prize bond dealers
9819.5000	Surveyors
9819.6000	Designers
9819.7000	Outdoor photographer
9819.8000	Art painter
9819.9000	Cable TV operators
9819.9100	Auctioneers
9819.9200	Public relations services
9819.9300	Management consultants
9819.9400	Technical testing and analysis service
9819.9500	Service provided by a registrar to an issue
9819.9090	Others
98.20	Services provided or rendered by specialized workshops or undertakings
9820.1000	Auto-workshops
9820.2000	Workshops for industrial machinery construction and earth-moving machinery or other special purpose machinery etc.
9820.3000	Workshops for electric or electronic equipments or appliances etc including computer hardware
9820.4000	Car washing or similar service stations
9820.9000	Other workshops
98.21	Services provided or rendered in specified fields.
9821.1000	Healthcare center, gyms or physical fitness center etc.
9821.2000	Indoor sports and games center
9821.3000	Baby care center
9821.4000	Body massage center
9821.5000	Pedicure center
98.22	Services provided or rendered for specified purposes.
9822.1000	Fumigation services
9822.2000	Maintenance or cleaning services
9822.3000	Janitorial services
9822.4000	Dredging or desilting services
9822.9000	Other similar services
9823.0000	Franchise services
9824.0000	Construction services

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	Consultancy services
	Management services including fund and asset management services
	Market Research agencies
	Program producers
	Brokerage and indenting services
	Race Clubs
	General Insurance Agents
	Exhibition or convention services
	Data Processing and Provision of information, services of Engineers, handling and storage of goods
	Fashion designers
	Cable Operators
	Internet Café
	Pandal and Shamiana service
	Airport services
	Intellectual Property services
	Forward Contract services
	Packaging services
	Services provided or rendered in matters of hire
	Purchase or sale of moveable or immovable goods or property
	Property dealers
	Car/automobile dealers
	Dealers of second hand goods other than automobiles

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	Cosmetic and Plastic Surgery
	Beauty Parlour/ Beauty Clinics
	HR Consultants
	Corporate Law Consultants
	Tax Consultants
	Human Resources & Personal Development Services
	Coaching Centres
	Vocational Centres
	Actuarial Services
	Training Services
	Tracking Services
	Security Alarm Services
	Human Resource Development
	Building Maintenance & Service Provider
	Quality Control Services (ISO certification Board)
	Services provided by Motels/guest houses & Farm houses.
	Debt collection Agencies
	Amusement Parks
	Call centres
	Film and Drama studios
	Entertainment Services
	Services provided in the matter of manufacturing or processing for other toll basis.

SECOND SCHEDULE

(Taxable Services)

[see Sections 3 & 8 and general]

Part A

98.12	Telecommunication services.	19.5%
9812.1000	Telephone services	19.5%
9812.1100	Fixed line voice telephone service	19.5%
9812.1200	Wireless telephone	19.5%
9812.1210	Cellular telephone	19.5%
9812.1220	Wireless Local Loop telephone	19.5%
9812.1300	Video telephone	19.5%
9812.1400	Payphone cards	19.5%
9812.1500	Prepaid calling cards	19.5%
9812.1600	Voice mail service	19.5%

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9812.1700	Messaging service	19.5%
9812.1710	Short Message service (SMS)	19.5%
9812.1720	Multimedia message service (MMS)	19.5%
9812.1910	Shifting of telephone connection	19.5%
9812.1920	Installation of telephone extension	19.5%
9812.1930	Provision of telephone extension	19.5%
9812.1940	Changing of telephone connection	19.5%
9812.1950	Conversion of NWD connection to non NWD or vice versa	19.5%
9812.1960	Cost of telephone set	19.5%
9812.1970	Restoration of telephone connection	19.5%
9812.1990	Others	19.5%
9812.2000	Bandwidth services	19.5%
9812.2100	Copper line based	19.5%
9812.2200	Fibre-optic based	19.5%
9812.2300	Co-axial cable based	19.5%
9812.2400	Microwave based	19.5%
9812.2500	Satellite based	19.5%
9812.2900	Others	19.5%
9812.3000	Telegraph	19.5%
9812.4000	Telex	19.5%
9812.5000	Telefax	19.5%
9812.5010	Store and forward fax services	19.5%
9812.5090	Others	19.5%
9812.6000	Internet services	19.5%
9812.6100	Internet services including email services	19.5%
9812.6110	Dial-up internet services	19.5%
9812.6120	Broadband services for DSL connection	19.5%
9812.6121	Copper line based	19.5%
9812.6122	Fibre-optic based	19.5%
9812.6123	Co-axial cable based	19.5%
9812.6124	Wireless based	19.5%
9812.6125	Satellite based	19.5%
9812.6129	Others	19.5%
9812.6130	Internet/email/Data/SMS/MMS services on WLL networks	19.5%
9812.6140	Internet/email/Data/SMS/MMS services on cellular mobile networks	19.5%
9812.6190	Others	19.5%
9812.6200	Data Communication Network services (DCNS)	19.5%
9812.6210	Copper Line based	19.5%
9812.6220	Co-axial cable based	19.5%
9812.6230	Fibre-optic based	19.5%

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9812.6240	Wireless/Radio based	19.5%
9812.6250	Satellite based	19.5%
9812.6290	Others	19.5%
9812.6300	Value added data services	19.5%
9812.6310	Virtual private Network services (VPN)	19.5%
9812.6320	Digital Signature service	19.5%
9812.6390	Others	19.5%
9812.9000	Audiotext services	19.5%
9812.9100	Teletext services	19.5%
9812.9200	Trunk radio services	19.5%
9812.9300	Paging services	19.5%
9812.9400	Voice paging services	19.5%
9812.9410	Radio paging services	19.5%
9812.9490	Vehicle tracking services	19.5%
9812.9500	Burglar alarm services	19.5%
9812.9090	Others	19.5%

Part B

No.	Type of Service	Rate of tax
98.01	Services provided or rendered by hotels, restaurants, marriage halls, lawns, clubs and caterers.	
9801.1000	Services provided or rendered by hotels	16%
9801.2000	Services provided or rendered by restaurants	16%
9801.4000	Services provided or rendered by clubs	16%
9801.5000	Services provided or rendered by caterers, suppliers of food and drinks	16%
9801.6000	Ancillary services provided or rendered by hotels, restaurants, caterers	16%
98.02	Advertisement	
9802.1000	Advertisement on T.V	16%
9802.2000	Advertisement on radio	16%
9802.3000	Advertisement on closed circuit T.V.	16%
9802.4000	Advertisement in newspapers and periodicals, excluding classified advertisements.	16%

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9802.5000	Advertisement on cable T.V. network	16%
	Advertising on poles	16%
	Advertising on Billboards	16%
	Other Advertisements like on web/internet etc	16%
9805.1000	Shipping agents	16%
9805.2000	Stevedores	16%
9805.2100	Ship management service	16%
9805.3000	Freight forwarding agents	16%
9805.4000	Customs Agents	16%
9805.8000	Ship chandlers	16%
9807.0000	Services provided or rendered by property developers or promoters for a)development of purchased or leased land for conversion into residential or commercial plots. b)construction of residential or commercial units.	16%
9808.0000	Courier services	16%
9809.0000	Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.	16%
		16%
98.13	Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing in any such services.	16%
9813.1000	Services provided or rendered in respect of insurance to a policy holder by an insurer, including a reinsurer.	16%
9813.1100	Goods insurance	16%
9813.1200	Fire insurance	16%
9813.1300	Theft insurance	16%
9813.1400	Marine insurance	16%

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9813.1500	Life insurance	16%
9813.1600	Other insurance including reinsurance.	16%
	Services provided or rendered in respect of musharika financing and mudarba or leasing and non banking and any other leasing institution and non banking financial institutions. In case of such non banking financial institutions including but not limited to all non-interest based services provided or rendered against a consideration in the form of a fee or commission or charge.	16%
9813.4000	Services provided or rendered by banking companies in relation to:	16%
9813.4100	Guarantee	16%
9813.4200	Brokerage	16%
9813.4300	Letter of credit	16%
9813.4400	Issuance of pay order and demand draft	16%
9813.4500	Bill of exchange	16%
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer	16%
9813.4700	Bank guarantee	16%
9813.4800	Bill discounting commission	16%
9813.4900	Safe deposit lockers	16%
9813.4910	Safe vaults	16%
9813.5000	Issuance,, processing and operation of credit and debit cards	16%
9813.6000	Commission and brokerage of foreign exchange dealings	16%
9813.7000	Automated Teller Machine operations, maintenance and management	16%
9813.8000	Service provided as banker to an issue	16%
9813.8100	Other	16%
9813.9000	Service provided or rendered by a foreign exchange dealer or exchange company or money changer	16%

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98.19	Services provided or rendered by specified persons or businesses	
9819.1000	Stockbrokers	16%
9819.2000	Money exchanger	16%
9823.0000	Franchise services	16%
9824.0000	Construction services	16%
	Services provided by terminal operators except terminal fee charges.	16%