

**THE SINDH DEVELOPMENT AND MAINTENANCE OF
INFRASTRUCTURE CESS (AMENDMENT) ACT, 2026**

SINDH ACT NO. X OF 2026.

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THE SINDH CODE

THE SINDH DEVELOPMENT AND MAINTENANCE OF INFRASTRUCTURE CESS (AMENDMENT) ACT, 2026

SINDH ACT NO. X OF 2026.

[23RD FEBRUARY, 2026.]

AN ACT to amend the Sindh Development and Maintenance of Infrastructure Cess Act 2017.

WHEREAS it is expedient to further amend the Sindh Development and maintenance of Infrastructure Cess Act 2017 in the manner hereinafter appearing; **Preamble.**

It is hereby enacted as follows:-

1. (1) This Act may be called the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026. **Short title and commencement.**

(II) It shall come into force at once.

2. In the Sindh Development and Maintenance of Infrastructure Cess Act, 2017, hereinafter referred to as the said Act, in section 2, after clause (a), the following new clause shall be inserted:- **Amendment of section 2 of Sindh Act No. XVIII of 2017.**

“(b(1)) “Department” means the Excise, Taxation and Narcotics Control Department, Government of Sindh;”.

(k(1) “Settlement Agreement” means any agreement entered into between the Department and the owner or person under Section 10-A to 10-F to settle any matters in respect of the cess levied under the Act.

3. In the said Act, after section 10, the following new sections shall be inserted:- **Insertion of new section 10A to 10F in Sindh Act No. XVIII of 2017.**

“10A. Settlement of liabilities. - (1) Notwithstanding anything contained in this Act or any other law, for the time being in force, the Government may enter into a Settlement Agreement with any owner or person liable to pay Cess under this Act.

Provided that the government may authorize the Department to enter into the Settlement Agreement.

(2) Any owner or person who has filed any appeal, constitutional petition, suit or proceedings against the levy of cess before any court of law may, within two months from the commencement of this Act, enter into such agreement on the terms specified in this Act.

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Provided that the Government may, by notification in the official Gazette, extend the said period for specified owners or persons, subject to such conditions as it may deem fit.

Provided further that such extension shall not exceed six months in aggregate.

10B. Payment of liabilities. - Where an owner or person enters into a Settlement Agreement under section 10A, such liabilities shall be payable in installments as follows:-

- (a) fifteen percent (15%) of the liability shall be paid by 15th July, 2026;
- (b) fifteen percent (15%) of the liability shall be paid by 15th October, 2026;
- (c) fifteen percent (15%) of the liability shall be paid by 15th July, 2027; and
- (d) the remaining amount after payments under clauses (a), (b) and (c) shall be paid in forty-eight (48) equal quarterly installments, commencing from 15th July, 2028; and failure to pay any such installment under clauses (a), (b), (c) or (d) shall constitute default for the purposes of section 10D.

Provided that where an owner or person pays the entire outstanding cess liability in a single lump sum on or before 15 July, 2026, such owner or person shall be charged cess at the rate of zero-point eight per cent (0.80%) of the value of goods from the date of full payment until 30th June 2029 and thereafter shall be charged cess at the rate of zero-point eight five percent (0.85%), unless otherwise provided by law.

Explanation: For the purposes of this proviso, entire outstanding cess liability means the full amount of cess assessed or payable under this Act.

10C. Withdrawal of litigation. - The execution of a Settlement Agreement under section 10A shall be subject to –

- (a) unconditional withdrawal of all pending litigation by the owner or person or anyone acting on their behalf; and

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- (b) waiver of all claims, refunds, damages or costs against Government under this Act.

10D. Default. – In case of default by an owner or person in payment of any installment-

- (a) the Settlement Agreement so executed under section 10A shall stand terminated immediately; and
- (b) the defaulting owner or person shall be charged cess at the rate specified under section 3 from the date of default; and
- (c) the outstanding liability shall become immediately recoverable under this Act.

10E. Bar on refund. – No refund or adjustment shall be admissible for any amount paid under the settlement agreement executed pursuant to section 10A.

10F. Reduced rates of cess. – (1) Any owner or person already paying cess and not involved in any litigation against the cess shall be charged cess at the rate of zero-point eight percent (0.80%) of the value of goods from the commencement of this Act until 28 February 2029 and thereafter shall be charged cess at the rate of zero-point eight five percent (0.85%), unless otherwise provided by law.

(2) An owner or person involved in any litigation against the cess shall, upon entering into a Settlement Agreement under section 10A, unconditional withdrawal of all legal proceedings, and payment of the first installment, be charged cess at the rate of zero-point eight five percent (0.85%) of the value of goods, unless otherwise provided by law.

(3) An owner or person, involved in any litigation against the cess and has not entered into a Settlement Agreement under section 10A, shall be liable to pay cess at the rate specified under section 3.

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4. (6A) An owner or person registered under the Export Facilitation Scheme (EFS) with the Federal Board of Revenue (FBR), Revenue Division, Government of Pakistan, shall be exempted from payment of the cess on shipments imported into the country exclusively for the purpose of re-export: **Insertion of new section 6A in Sindh Act No. XVIII of 2017.**

Provided that this Section shall be applicable for future consignment(s) of goods only. The owner or person shall apply to the Director General for such exemption:

Provided that the Director General (Excise & Taxation) shall, after verification of the owner or person registered under the EFS with FBR, exempt the owner or person from payment of the cess on shipments imported into the country exclusively for the purpose of re-export”.

5. In the said Act, after section 17, the following new section shall be inserted:- **Insertion of new section 17-A of Sindh Act No. XVIII of 2017.**

“17-A. Removal of difficulties. In the event of any difficulty in giving effect to the provisions of this Act, the Chief Minister may, on the recommendations of the Department, issue such directions not inconsistent with the provisions of this Act.”

6. In the said Act, the existing provisions of section 18 shall be renumbered as sub-section (1) and the following new sub-section shall be added:- **Amendment of section 18 of Sindh Act No. XVIII of 2017.**

“(2) Notwithstanding anything contained in this Act or any other law for the time being in force or any judgment, order or decree of nay court, the provisions of Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 shall have over-riding effect.”