



NOTIFICATION

No: _____/2011: In exercise of the powers conferred by section 72 read with section 13 of the Sindh Sales Tax on Services Act, 2011, with the approval of Government of Sindh, the Sindh Revenue Board is pleased to make the following rules.

CHAPTER- I

PRELIMINARY

1. Short title, application and commencement_

- (1). These rules may be called the Sindh Sales Tax on Services Rules, 2011
- (2). They shall come into force on and from the first day of July 2011.

2. Definitions:(1) In these rules, unless there is anything repugnant in the subject or context-

- i. **“Act”** means the Sindh Sales Tax on Services Act 2011;
- ii. **“Advertising Agency”** means any person engaged in providing or rendering any service connected with the making, preparation, display or exhibition of advertisement and includes an advertising consultant;
- iii. **“Agent”** means a person who is authorized to act on behalf of another (called the principal) to create a legal relationship with a third party;
- iv. **“Aggrieved person”** means a person or a class of persons who has brought a dispute for resolution under section 65 of the Act;
- v. **“Cable TV operator”** means a person, a company, a firm, an establishment or an organization involved in the collection and distribution or dissemination of audio-video signals for public viewing whether through a cable, MMDS, LMDS or DTH (through satellite receiver);
- vi. **“Commisionerate”** means the office of the commissioner of Sindh Sales Tax on Services having jurisdiction.

- vii. **“Courier Services”** means any person engaged in the transportation of documents, goods or articles to carry or accompany such documents, goods or articles.
- viii. **“Foreign exchange dealer”** includes an exchange, company or money changer;
- ix. **“Franchise”** means an authority given by a franchiser under which the franchisee is contractually granted any right to produce, manufacture, sell or trade in or do any other business activity relating to goods or provide service or to undertake any process identified with franchiser against a fee or consideration including royalty, technical fee, trademark, service mark, trade name, logo, brand name or any such symbol, as the case may be, is involved;
- x. **“Freight Forwarders”** A Freight forwarder for the purpose of the Act, is a ‘person’ who is registered and provides or renders or makes arrangement for his principals or client for providing or rendering of services, for fee or charges or commission, for some or all the services being provided by the Shipping agents, Clearing agents, Stevedore, Ship chandeliers, Terminal operators, warehousing or container provision services or cover or guarantee in respect of imports or exports of goods independently or in partnership or in arrangement with any such service provider or renderer;
- xi. **“Insurer”** means any person carrying on an insurance business or general insurance business and includes a reinsurer under the General Insurance Act;
- xii. **“Non-banking finance company”** means a company or a body corporate licensed under the Non-Banking Finance companies (Establishment and Regulation) Rules, 2003;
- xiii. **“Post paid telecommunication service”** means the service charges collected by the service provider after the use of the telecommunication service;
- xiv. **“Pre-paid telecommunication service”** means the service charges collected by the service provider prior to the use of the telecommunication service;
- xv. **“Shipping agent”** means a person, who holds the license under the Custom Act, 1969 (IV of 1969), or the rules made there under, provides or renders any service to entrance or clearance of a conveyance at a customs port and issues line or carrier bill of lading, for or on behalf of a shipping line and includes non-vessel operating common carriers, slot carriers charters, international freight forwarders and consolidators, rendering services in relation to import and export of cargo, independently or as subsidiary of shipping line, carrier and non-vessel operating common carriers;
- xvi. **“Terminal operator”** includes Karachi International Container Terminal, Pakistan International Container Terminal and Qasim International Container Terminal or any other person doing the same activities.

xvii. **“Port Operator”** includes Karachi Port Trust, Port Qasim Authority or any other person or organization managing the operations of any customs port as declared under section 9 of the Customs Act, 1969 (IV of 1969).

(2) The word and expressions used but not defined herein, shall have the same meaning as assigned to them in the Act.



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CHAPTER- II

REGISTRATION AND DE-REGISTRATION

3. **APPLICATION:** The provisions of this chapter shall apply to a person required to be registered under the Sindh Sales Tax on Services Act 2011 and “taxable services” means the services listed in the Second schedule to the Sindh Sales Tax on Services Act, 2011
4. **REQUIREMENT OF REGISTRATION.(1)** The providers of taxable services are required to be registered in the manner specified in this Chapter.

(2).Where service provider provides one or more taxable services from one or more premises or a registered person having a centralized billing systems or centralized accounting systems in the Province, such service from more than one premises or offices, require one registration.

(3).Where a registered person is providing more than one taxable service, he may make a single application mentioning therein all the taxable services provided by him. Certificate of Registration in the prescribed form shall indicate details of all taxable services provided by him.
5. **APPLICATION FOR REGISTRATION:** A person required to be registered under the Act shall apply electronically to the **Board** in the prescribed Form SST-01, and the applicant shall immediately be issued provisional certificate of registration. The Board may cause further verification or inquiry and on completion of such verification or inquiry, it may register the applicant and issue a certificate of registration containing the National Tax Number of the applicant in the prescribed form, not later than thirty days of application. In case of rejection, Board shall inform the applicant specifying the reasons for such rejection within thirty days from the date on which complete application is received in the Board.
6. **AUTOMATIC GRANT OF REGISTRATION:** The existing taxpayers shall not be required to file application for registration. They will be automatically registered for Sindh Sales Tax on Services and the registered person shall be intimated through email or SMS and by courier or post assigning them S as prefix to NTN(S+NTN).

7. Change in particulars of Registration: In case there is a change in the name, address or other particulars as stated in the registration certificate, including the registered person related to rule 6, the registered person shall intimate the proposed change in the prescribed form to the Board, and Board shall either approve or reject the request for change within thirty days of receipt of the application.

8. Transfer of Registration: (1) the Board may subject to such conditions, limitations or restrictions as it may deem fit to impose, by an order, transfer the registration of a registered person from the jurisdiction of one Commissionerate to another Commissionerate.

(2) In case a registered person intends to shift his business activity from the jurisdiction of one commissionerate to another, or he has any other valid reason for such transfer, he shall apply to the Board for transfer of his registration along with the requirement in the prescribed form. The Board after necessary verifications shall take necessary action accordingly.

(3) In case of transfer of registration, the Board shall issue intimation letter to the registered person along with the copy to the Commissionerate concerned, within fifteen days of receipt of the application.

9. DE-REGISTRATION: Every registered person who ceases to provide taxable service shall apply to the Board through an application for the cancellation of the registration on a prescribed Form SST-02. The Form shall be filled in by the applicant keeping in view the relevant provisions of the Act and their rules made there under. The Board after making such enquiries as necessary shall cancel the registration of such person from such date as may be specified in such application or the date, all the dues outstanding against such person are deposited by him, whichever is the later.

10. SUSPENSION AND CANCELLATION OF THE REGISTRATION: Where a registered person commits any fraud, deliberate and intentional, non-payment, short payment or evasion without prejudice to any other action under the law for the time being in force, his registration shall be suspended by the Board for which reasons or basis will be communicated to him and after necessary inquiry and after giving an opportunity of hearing, his registration shall be cancelled.

CHAPTER- III

FILING OF RETURNS

11. APPLICATION: The provisions of this Chapter shall apply to all registered persons required to file a return under section 30 of the Act.

12. Filing of return (1) Every person registered under the provision of the Act, shall file the return as specified in the Form SST-03, along with all its annexures provided there in, in accordance with the instructions given therewith, in the manner as specified in rule 13.

13. Electronic filing of return: Every registered person required to file return, shall file such return along with its annexures electronically in the manner as given below:-

- i. A registered person shall obtain a unique User-ID and password by e-Enrolling with Sindh Revenue Board web portal and electronically file a return (available on the website) from the web portal. The return data shall be filled in a web form and will be submitted online to Sindh Revenue Board by using e-SRB Web portal at <http://e.srb.gos.pk>. The Sindh Revenue Board web portal would also provide instructions on how to fill this e-return.
- ii. The electronic return can be filed by a registered person (self) or through an e-intermediary licensed under rule 19 of these rules.
- iii. To file the return, the registered user shall logon to e-portal of Sindh Revenue Board at <http://e.srb.gos.pk> using the assigned User ID and password. Stepwise procedure for electronic filing of return would be as follows-
 - (a) select Sales Tax on Services return from declaration menu;
 - (b) select the Tax Period, month, quarter from the drop down list;
 - (c) click the monthly or quarterly return link to open the return Form;
 - (d) return Form will be displayed which will be filled in accordance with the instructions provided;

- (e) taxpayer shall fill out the relevant Annexes of return Form by providing the invoices details, amount value and sales tax charged. The uploading facility for data files is available in all Annexure forms;
 - (f) based on the details entered in the relevant annexes of return, the total values of main Return Form will be auto calculated.
 - (g) the payable Sales Tax column will be showing the Sales Tax payable by the registered person.
 - (h) registered person shall verify all the details displaying in the prepared return Form.
 - (i) the e-payment Challan in Form (SST04) shall be generated automatically from the system after verification of the prepared return by the registered person.
- iv. E-filing can be completed in the following stages-
- (a) the user shall fill in all the relevant fields. (The return may be saved at any time during preparation process to avoid data loss)
 - (b) the returns may be verified by the person having access to Personal Identification Number (PIN) code. He shall press the Verify Button given at the bottom of form and follow the instructions.
 - (c) this option may be availed by person opting to deposit tax amount in an National Bank of Pakistan branch or other designated bank which is online with Sindh Revenue Board server for e-payments. After verifying the return, e-payment button can be clicked which will generate the payment Challan Form (SST04) with payment slip identifier (PSID) and SID number. Registered person should print the Challan Form (PSID) and deposit the payable amount against the same. The bank shall accept the payment and provide computerized payment receipt (CPR) to the registered person as an acknowledgement.
- v. The user will be required to enter the CPR ID received from National Bank of Pakistan Branch on his return Form. On entry of CPR ID the submit button on Return will be enabled. The registered person will click the submit button and a message shall appear at the top of screen, stating that your return has been submitted. Acknowledgement shall be printed by clicking the Print Acknowledgement button. The submitted return shall also be printed and saved on user's computer in PDF format. The registered person are advised to quote the Computer generated number of the e-filing acknowledgement in all their future correspondence with Board.
- vi. The responsibility for filing the returns and all the information contained therein is that of registered person. Registered person should hence keep his user ID and Password allotted by the department strictly confidential.
- vii. The electronic Sales Tax return and its relevant attachment, if any, shall be kept in electronic record of the registered person and shall be produced to the officer-in-charge in demand along with supportive documents.

14. A registered person filing return electronically as stipulated in rule 13 shall make payment of the amount of sales tax due, if any, in any of the designated branches of the National Bank of Pakistan or any other designated Bank on the prescribed payment challan as specified in Form SST-04 or through electronic payment system devised for this purpose. In cases where due date has been prescribed as 15th of a month, the tax due shall be deposited by the 15th and the return shall be submitted electronically by 18th of the same month.

15. The registered person having the status of 'individual' or 'proprietor' shall mention his computerized National Identity Card.

16. Where, the input tax claimed on goods used, consumed, or utilized for providing services exceeds 20% of output tax, the registered person shall be required to file scanned attachment, as evidence.

17. Revised return: (1) Where any registered person requires to revise his return, resulting in payment of tax over the tax already paid on the original return, he may file his revised return and pay the differential amount of tax along with the default surcharge, if any.

(2) Any return not covered under sub-rule (1) shall be revised with the permission of the Board or any Officer authorized by the Board subject to conditions or restrictions as the Board may impose.

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CHAPTER IV

ELECTRONIC INTERMEDIARIES

18. Application: This Chapter shall apply to the persons appointed as e-intermediaries by the Board under section 71 of the Act to electronically file return and such other documents as may be prescribed from time to time, on behalf of a person registered under section 24 of the Act.

19. Appointment of e-intermediary: ____ (1) A person having experience in the relevant field of providing taxation service desirous of being appointed as e-intermediary, shall apply to the Board or any Officer authorized by it:

Provided that the professional experience shall mean as follows:-

- (a) A firm or sole proprietorship approved by the Institute of Chartered Accountant of Pakistan or Institute of Cost and Management Accountant of Pakistan, Association of Chartered Certified Accountants (ACCA) or Certified Public Accountants (CPAs).
- (b) A person appointed as authorized representative under chapter IX of the Sales Tax Rules, 2006,
- (c) A person or firm approved to practice as Income Tax Practitioner under the Income Tax Ordinance, 1979; or
- (d) Any other person approved by the Board.

(2) The e-declaration Administrator, after receipt of application for appointment of an e-intermediary, and after verification, as aforesaid, shall forward the application along with his specific recommendation of the Board for appointment of the applicant as e-intermediary.

(3) The Board, after receipt of the recommendations from the e-declaration Administrator, may appoint the applicant as an e-intermediary and issue him a unique identifier, subject to such conditions, restrictions and limitations as may be prescribed:

Provided that the Board may refuse to entertain an application for appointment of as e-intermediary for reasons to be recorded and conveyed in writing.

(4) In case of any change in the particulars or information provided by the e-intermediary in the application for registration, he shall immediately inform the concerned e-declaration Administrator about such change.

20. Cancellation of appointment: (1) Where the Board is satisfied that the e-intermediary has:

- (a) failed to comply with any of the conditions prescribed by the Board; or
- (b) acted in contravention of any of the provisions of the Act or these rules; or
- (c) failed to take adequate measures for security and confidentiality of the Unique User Identifier; or
- (d) been convicted in an offence under the Act or any other Law for the time being in force;

the Board may cancel the appointment of such e-intermediary after affording him an opportunity of being heard.

(2) Pending consideration whether the appointment of the e-intermediary be cancelled under sub-rule (1), the Board may suspend the appointment.

(3) An e-intermediary who intends to surrender his appointment, shall file an application to this effect to the Board.

(4) The Board may, on receipt of an application referred to in sub-rule (3), cancel the appointment of the e-intermediary after necessary inquiry, as it may deem proper to conduct.

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CHAPTER V

ADJUSTMENT OF INPUT TAX AND TAX PAID

21 Application: The provision of this chapter shall apply to the registered persons who provide or render taxable and exempt supplies simultaneously or claim adjustment or deduction in respect of tax paid under the provision of section 15 of the Act.

22 Determination of Input Tax: ___ (1) Input tax paid on the inputs relating wholly to the taxable services shall be admissible under the law and the input tax paid on inputs relating wholly to exempt services shall not be admissible. The amount of input tax incurred on both exempt and taxable services shall be apportioned according to the following formula namely:

$$\text{Residual input tax credit on taxable services} = \frac{\text{value of taxable services}}{\text{value of taxable} + \text{exempt services}} \times \text{admissible input tax}$$

(2) Monthly adjustment of input tax claim based on sub rule (1) of rule 22 by a registered person shall on the basis of taxable and exempt services and proportionately basis on services provider in Sindh and elsewhere; will be subject to reconciliation and audit (where required) during the year. The registered person claiming input Tax of goods used, consumed or utilized in providing of services at more than 20% of the output shall file scanned attachments of the evidences with all the necessary evidence based on which claim is made.

(3) Any inadmissible Input tax adjustment claimed shall be punishable under the respective provisions of law.

23 Credit and Debt of tax claimed or paid: ___ Where a registered person has assigned a tax invoice in respect of services provided or rendered by him and as a result of any event specified in section 15 of the Act, the amount shown in the tax invoice or return needs to be modified, the service provider and provide both will issue debt and credit notes with details to be mentioned in such debit or credit note and adjust the amount accordingly provided that the corresponding debit or credit note is issued within 90 days extendable on request for 30 more

days. Provided further that in the case of unregistered providee of the service, the adjustment can only be made against the credit note issued by the provider of the service.

CHAPTER VI

PROCEDURE FOR COLLECTION OF SALES TAX ON SERVICES

24 Application.- The provisions of this Chapter shall apply for collection and payment of sales tax by the persons providing or rendering services chargeable to sales tax under the Sindh Sales Tax Act 2011.

25 Registration.- Every service provider, providing or rendering taxable services to its customers or clients or members or the recipient of the service, if not already registered, shall obtain registration in the prescribed manner, as per chapter II of these rules.

26 Levy and collection of sales tax.- A service provider, providing or rendering taxable services to customers, clients or members or the recipient of the service shall charge, collect and pay sales tax at the rate, as prescribed in Second Schedule of the Act.

27 Filing of return and deposit of sales tax.-(1) A service provider, providing or rendering taxable services shall file return in accordance with the procedure laid down in Chapter III of these rules read with section 30 of the Act..

(2) The tax due shall be deposited in the designated branches of National Bank of Pakistan or any other designated banks under the relevant head “Sindh Sales Tax on Services”, in the prescribed manner.

(3) In case a service is provided or rendered over a period of time and bill is to be issued on completion of service, time of supply shall be the time when service is completed or the payment, or consideration partly or fully in money, in respect thereof is received, whichever is earlier.

28. Determination of Tax liability: ---(1) While determining his tax liability, a service provider shall be entitled to claim input tax credit for the tax paid on account of taxable purchases and utilities like telephone, gas and electricity consumed proportionately for furtherance of taxable activity, against its output tax liability, subject to any conditions, limitations or restrictions prescribed under the Act or Rules made there under.

Provided that no input tax adjustment shall be allowed against the purchase invoice or utility bill, which is not in the name of the service provider and/or does not contain his registration number. However in case the utility bill is not in the name of service provider, input tax against the same may be allowed only if the bill contains its registration number and shows the same business address as has been declared for sales tax purposes:

Provided further that the input tax credit shall be admissible only for the amount of tax that has been paid on the purchases or utilities consumed during the tax period for which return is being submitted.

(2) A service provider who is providing or rendering taxable as well as non-taxable services, can claim only such proportion of input tax as is attributable to the taxable services.

29. Record keeping and invoicing: --(1) A service provider, providing or rendering taxable services shall issue serially numbered sales tax invoices to its customers or clients or members, for the services provided or rendered, containing all the particulars as prescribed under section 26 (1) of the Act.

Provided that the customers or clients or members who have been extended credit facility by a service provider, may for the taxable services provided or rendered during the month, be issued serially numbered sales tax invoices at the end of each month.

(2) A service provider, providing or rendering taxable services shall maintain the records prescribed under section 26 of the Act. A service provider using computerized accounting system may issue computer generated sales tax invoice containing all the prescribed entries.

(3) Audit of the records of service providers for verification of correct payment of sales tax on monthly basis shall be conducted once in year or more than once with the approval of the Board.

PART-I

30 Procedure for collection of Sales tax on services provided by banking companies, financial institutions and non-banking finance companies.__ (1) The provisions of these rules shall apply for collection of Sales tax on services by persons providing or rendering financial services as notified under the Second schedule to the Act.

(2) Every banking company and non-banking financial company shall pay the sales tax leviable on all services rendered or provided to any person except the services of utility

collection, Umra and Hajj service, cheque book issuance cheque return, Musharika and Modarba Financing.

(3) The central offices of the Banking companies, financial institutions and non-banking financial companies located in the Province of Sindh shall apply to the Sindh Revenue Board for sales tax registration in the prescribed form.

(4) The tax under these rules shall be paid by the banking company or financial institution or non-banking finance company on the gross amount charged for service provided to the customers excluding mark-up or interest.

(5) The tax due for each month shall be paid by the Central Office of the company or institution along with the return as provided under the law.

(6) In case Sales tax is not deposited by the company or institution by the due date, it shall, in addition to the payment of Sales tax and default surcharge, be also liable to penalty under the Act or these rules.

(7) The banking companies and non-banking financial companies shall not be required to issue invoices in respect of the services provided or rendered. A reconciliation statement in the format set out in Annex to these rules shall be filed by banking companies and non-banking financial companies registered under the Act by the 15th of the month following the end of every quarter.

(8) The Sales tax under these rules shall be paid by the banking company or financial institution or non-banking finance company on the gross amount charged for service provided to the consumers excluding markup or interest.

(9) The tax due for each month shall be paid by the central office of the company or institution in the Province of Sindh at the time of filing of return by the 15th day of the following month in the manner as provided in Chapter III of these rules.

(10) Each outlet of the company located in Sindh shall maintain records of the services provided or rendered under these rules and the collection of tax thereon in such manner as will enable the distinct ascertainment of collection of sales tax on each of the services mentioned in the scope of these rules.

(11) The Central Office in the Province of Sindh shall submit a copy of annual audit report to the commissioner of sales tax with in 15 days of its publication and any short collection of tax found out as a result of such audit report shall be paid by the registered person within 15 days of the notice received for such collection.

PART-II

31 Procedure of collection of sales tax for insurance companies: ____ (1) All insurance companies shall pay the Sales Tax on Service leviable on services provided or rendered by them in respect of all kind of insurance except life insurance, health insurance, Crop insurance and marine insurance for export.

(2) The sales tax shall be paid on the gross amount of premium charged on risk covered in the insurance policy.

(3) The Sales tax in respect of an insurance policy shall be accounted for in the same month when the premium is received and shall be deposited by the insurance company at the time of filing of return by the 15th day of the following month in the manner as provided in Chapter III of these rules.

(4) In case Sales tax is not paid by any insurance company by the due date, the insurance company shall, in addition to the payment of Sales tax and default surcharge, be also liable to penalty under the Act or these rules.

(5) An insurance company shall not be liable to pay the Sales tax in respect of contract or any part thereof if cancelled.

(6) The insurance companies shall maintain such records and submit such returns as the Board may prescribe from time to time.

(7) A Copy of annual audit report, duly audited by a chartered accountant, shall be submitted to the Commissioner within 15 days of its receipt by the insurance company from its chartered accountant and any short payment of Sales Tax found out as a result of such audit shall be paid by the insurance company within 15 days of the receipt of the audit report and proof of such payment shall be furnished to the Board.

PART-III

32 Procedure for payment of Sales Tax by Shipping agents. – (1) Every shipping agent, hereinafter referred to as the gent, shall charge, collect and pay the Sales Tax in respect of each ship handled by him which calls at any port of Pakistan after calling on a foreign port.

(2) Every agent shall pay Sales Tax at the rate of sixteen per cent of the value of taxable services which shall be the commission charged by an agent on the net ocean freight amount of cost and freight import or export cargo for such services provided or rendered by him.

(3) For the purposes of levy of Sales Tax, the value of taxable services shall not include reimbursable expenses (except any fee or share in charges realised) incurred by an agent, such as freight, pilot age and berth-hiring charges, port dues, cargo expenses, brokerage paid on export cargo and ship handling expenses paid to the stevedores including all ancillary charges.

(4) The tax due for each month shall be paid at the time of filing of return by the 15th day of the following month in the manner as provided in Chapter III of these rules.

(5) The Assistant Collector of the concerned Customs shall not grant final port clearance to a ship unless the agent furnishes proof of filing of return and proof of payment of tax (if shown payable in the return).

(6) The agent shall furnish to the Board a monthly statement in respect of ships handled by him by the 15th day of the following month, in the prescribed manner.

PART-IV

33 Procedure for advertising agents or advertising companies. – (1) Every person providing or rendering services as an advertising agent or advertising company shall pay sales tax in the manner specified hereinafter provided that no sales tax shall be payable on the salary and allowances ancillary to the salary of such person.

(2) The advertising agent shall maintain account of all services provided or rendered by him and shall issue a bill of charges for each transaction from a duly bound book of serially numbered bills of charges or electronically generated invoices which shall include the particulars of the person providing or rendering service, description of the service provided or rendered and the amount charged.

(3) A copy of the bill referred to in sub-rule(2) shall be given to the person to whom such services have been provided or rendered and one copy thereof shall be retained by the person providing or rendering services in the said bound book of bills of charges.

(4) Not more than one book of bill of charges or electronic data and evidence shall be used at one time provided that where such person has one or more branches of the establishment; separate book of bill of charges may be used for each such branch.

(5) The advertising agent shall also maintain their accounts in register on a weekly basis ending every Thursday in the following Form namely:

Name and location of the agent

Bill of charges No. and date	Name of the media company	Amount of charges /bills to be billed	Amount of Sales Tax
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(6) The person providing or rendering service shall pay duty on quarterly basis by the 15th day of November, February, May and August on the basis of the amount of commission charged or billed during the last quarter.

(7) The person liable to pay Sales tax shall, along with the evidence of payment of duty, submit to the Commissioner quarterly statement, before the last day of the month of November, February, May and August, in the following form:-

Quarterly statement for services rendered by M/s. for the

(Name and complete address)

Quarter ending20....

.....

1. Amount of commission billed during the quarter.
2. Excise duty paid by the agent:
 - (i) Treasury's name
 - (ii) Treasury Challan number and date.
 - (iii) Amount
3. Excise duty paid by others as withholding duty:
 - (i) Name of the person paying the withholding duty.
 - (ii) Treasury's name.

(iii) Treasury Challan number and date.

(iv) Amount

PART-V

34 Advertisements on television and radio- (1) In relation to advertisements, the expression “taxable services” means the services in respect of advertisements-

- (a) Broadcast or telecast by TV or radio stations based in Pakistan;
- (b) Booked in Pakistan for broadcasting or telecasting on TV or radio stations based abroad, whether or not possessing landing rights in Pakistan; and
- (c) Transmitted on closed circuit T.V. or cable T.V. networks.

(2) Value of taxable service for the purposes of levy of sales tax shall be the total consideration in money received or the gross amount charged by a service provider from his clients for broadcasting or telecasting of any advertisement on radio or television, including all Federal and Provincial levies but excluding the amount of sales tax.

(3) A registered person (client) whose advertisement is released on radio or television, and to whom the sales tax invoice is issued and routed through the advertising agency, can claim input tax adjustment for the amount of tax paid on account of release of advertisement on radio or television subject to the observance and fulfillment of following conditions, namely:-

- (a) Payments for all such advertisements are made by such registered person through banking channels in such manner that payment against a particular invoice is easily verified;
- (b) All invoices issued by the service provider are in accordance with the specimen invoice set out.

PART-VI

35 Procedure for collection of Sales Tax on Telecommunication Services.—(1) Every person, firm or company, herein after referred to as the person, engaged in providing or rendering telecommunication services as mentioned in the Second Schedule to the Act, if not already registered, shall obtain Sales Tax registration from the Sindh Revenue Board as provided under chapter II of these rules.

(2) The person shall pay Sales Tax in the following mode and manner, namely:--

- (a) In case of post paid telephone services, Sales tax shall be paid by the 21st day of the following second month;

(b) In case of pre-paid telephone services, Sales Tax shall be paid by the 21st day of the following month; and

(c) In case of other telecommunication services, Sales Tax shall be paid by the 21st day off the following month

(3) While determining his liability, the person shall be entitled to deduct input tax paid on procurement of any equipment or the Sales tax paid on acquiring services in connection with the provision of telecommunication services.

(4) The person, or as the case may be, or the outlet of the person shall along with the proof of payment of Sales Tax submit its Revenue Office-wise or, as the case may be, service outlet-wise statement by the date specified in sub-rule(2),in the following Forms-

FORM-I

**MONTHLY RETURN FOR POST PAID TELEPHONE SERVICES RENDERED BY M/S. -----
---DURING THE BILLING MONTH OF -----**

Name and location of the Revenue Office/service outlet		Description of telecommunication service provided/rendered	Tariff-heading as per Second Schedule to the Act	Amount billed or ought to be billed during the month
(1)		(2)	(3)	(4)
Sales Tax	sales tax paid	Balance payable (if any)	No. and date of Treasury challan	
(5)	(6)	(7)	(8)	

FORM-II

**MONTHLY RETURNS FOR PREPAID TELEPHONE SERVICES RENDERED BY M/S.-----
DURING THE BILLING MONTH OF -----**

Name and location of the service outlet	Description of telecommunication service provided/rendered	Tariff-heading/sub-heading as per Second Schedule to the Act	No. and value of pre-Paid cards sold during the month	
			No.	Amount or value
(1)	(2)	(3)	(4)	(5)

Sales Tax	Sales Tax paid	Balance payable (if any)	No. and date of Treasury challan
(6)	(7)	(8)	(9)

FORM-III

**MONTHLY RETURN FOR TELECOMMUNICATION SERVICES RENDERED BY M/S. -----
DURING THE BILLING MONTH OF-----**

Name and location of the Revenue Office/Service outlet	Description of telecommunication service provided/rendered	Tariff-heading as per Second Schedule to the Act	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)

Sales Tax payable	Sales Tax	Balance payable (if-any)	No. and date Of Treasury challan
(5)	(6)	(7)	(8)

PART-VII

36 Procedure for payment of Sales Tax on franchise fee or technical fee or royalty under a franchise agreement.— In the matter of franchise as defined in clause (ix), in sub-rule (1) of rule 2, the procedure of levy and collection of sales tax will be as follows:-

- (i) In such cases where remittance or payment of the franchise fee or royalty or technical fee is made under a proper agreement between a foreign or local franchiser and a franchisee, the assessable value for the purpose of levy of 10% sales tax shall be the gross amount remitted or paid to the franchiser or the amount laid down in the franchise agreement;
- (ii) In case where franchisers are foreign or local beverage companies, if there is no formal agreement between the franchiser or franchisee, the assessable value for the purpose of levy of sales tax shall be 10% of the value of concentrate supplied by the franchiser to the franchisee. However, in such cases where proper remittance or payment of fee or royalty is being made by the franchisee beverage company to the local or foreign franchiser under a proper agreement, the assessable value shall be the gross amount of fee or royalty remitted or paid to the franchiser or the amount laid down in the agreement;

- (iii) For the food sector, in case of a proper franchise or royalty agreement, the assessable value for levy of sales tax shall be the gross amount of franchise fee or royalty remitted or paid to the franchiser or the amount laid down in the agreement. In case there is no formal agreement the assessable value for levy of sales tax shall be 10% of the net sales of the franchisee;
- (iv) In case where the franchiser and franchisee are both locally based, the liability to deposit the franchise fee or royalty shall be upon the franchiser ; and
- (v) The sales tax shall be payable on the 15th day of the month, following the payment month laid down in the franchise agreement. Where there is no date prescribed in the agreement or in case of no agreement the tax shall be payable on the 15th day on quarterly basis.

PART-VIII

37 Customs House Agents, Clearing Agents and Ship-Chandlers _ (1) In relation to Customs agents, value of taxable service for the purposes of levy of sales tax shall be the total consideration or charges received by a Customs agent for providing and rendering the service, excluding the amount of sales tax. It shall not include considerations received on account of transportation charges, demurrage, wharfage, customs-duties, excise duty, sales tax, provincial duties or taxes, toll taxes, municipal charges, port charges; handling charges, packing charges, labor payment and such other reimbursable expenses which a Customs agent pays on behalf of his clients against a proper receipt or invoice or bill. However if any fee or commission is realized from such service providers then the same shall be included in the base for application of the tax rate.

(2). The sales tax registration number along with license number of the Customs agent shall be quoted on the Goods Declaration or the drawback or refund claim, as the case may be.

(3). In relation to ship-chandlers, value of taxable services for the purposes of levy of sales tax, shall be total consideration received or the gross amount charged by a ship-chandler for providing or rendering the taxable services, including all Federal and Provincial levies but excluding the amount of sales tax. It shall not include consideration received on other accounts

such as transportation charges, toll taxes, municipal charges, port charges, handling charges, packing charges and labor charges, which a ship-chandler pays on behalf of his clients against a proper receipt or bill. However if any fee or commission is realized from such service providers then the same shall be included in the base for application of the tax rate.

38. Services Provided by Stevedores (1) A stevedore shall issue serially numbered sales tax invoice as required under the Act.

(2) Every person registered as stevedore shall file monthly sales tax return in the manner as prescribed in these rules.

(3) The cases or disputes relating to the stevedores operating under these rules shall be dealt with by the Board.

39 Freight Forwarders: (1) A freight forwarder for the purpose of the Act, is a 'person' who is registered or otherwise, provides or renders or is engaged for his principals or client(s) for providing or rendering of services, for fee or charges or commission or remuneration for some or all the services being provided by the Shipping agents, Clearing agent, Stevedore, Ship Chandler, Terminal Operator or such services of warehousing and/or provides cover or guarantee for insurance or banking services, in respect of imports or exports of goods, whether independently or in partnership or in arrangement with any such service provider or renderer.

(2) Person performing such services as defined in clause (X) of sub-rule (1) of rule 2, will pay Sales Tax on providing, rendering of services or arranging thereof, of any or all such services; at the rate of 16% of fee, commission, remuneration or charges invoiced for such services.

40 Port Operators and Terminal Operators: (1) All import related services provided by a port operator and Terminal Operator shall be leviable to tax, namely:-

- (i) Piloting and mooring;
- (ii) Delivery charges;
- (iii) Storage in port area including demurrage;
- (iv) Wharfage; and
- (v) Other import related services provided in port area.

(2) Value of taxable services for the purpose of levy of sales tax shall be the gross amount charged for the services.

(3) The Port Operator and Terminal Operator shall maintain such records as stipulated under section 26 of the Act in such manner as will enable distinct ascertainment of payment of tax due.

41. Stockbrokers: (1) value of taxable services for the purpose of levy of sales tax shall be the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange.

(2) The Stock Brokers shall maintain records as stipulated in section 26 of the Act in such manner as will enable distinct ascertainment of payment of tax due.

PART-IX

42 Services provided or rendered by hotels, restaurants, clubs and caterers.- (1) Services relating to food items, drinks and eatables: The provisions of this part shall apply for collection and payment of sales tax on services in the matter of food, drinks (water soft drinks and other) and other eatables served by hotels, Restaurants, Marriage Halls, Lawns, Clubs And Caterers, whether for consumption inside the premises of the referred establishment or for supply or delivery for outside consumption.

- (a) Every such person whose total annual turnover from the service of such food items exceeds rupees 3.6 million per annum of all the outlets of such registered person in the Province of Sindh, shall, if not already registered, obtain registration in the manner as specified in chapter II of these rules. The determination of the turnover will be made on monthly turnover basis, keeping in view area, location, city, menu served, capacity and by delivery and sale/supply, if not otherwise determinable.

- (b) Every person serving/supplying food, in or from the premises of hotels, restaurants, marriage halls, lawns, clubs and caterers shall be charged and pay sales tax at the rate specified in Second Schedule of the Act.
- (c) If the supplies are made free of charge or for some other consideration or a consideration which is lower than the listed prices, the tax shall be charged as if it were supplied at the price listed in the menu card.
- (d) The food served by flight- kitchens on-board the conveyance leaving for a destination outside Pakistan shall be exempt.

(2) Other services provided or rendered by clubs and hotels: (a) In relation to clubs, the value of taxable services for the purpose of levy of Sales Tax shall be the gross amount charged or the consideration in money including fee relating to award of new membership, monthly membership fee and all Federal or Provincial levies, if any, which club receives from its members or clients for providing or rendering taxable services. It shall not include consideration received on account of refundable deposit or security unless the same is deducted or adjusted in full or in part as settlement or recovery of dues for services.

Explanation:-

Membership includes permanent membership where it is initially given, temporary membership, associated membership, honorary membership or membership of any affiliated club using the services of the other club;

- (b) In relation to hotels, the provisions of this part shall apply for collection and payment of Sales Tax on all the services like gym, sports, swimming, golf, events organized, exhibitions, shows, parties etc, used by the clients in addition to the food, drinks and other eatables.
- (3) Every registered person shall submit the monthly return along with the payment of tax due by the fifteenth day of the following month in the manner as provided in Chapter III of these rules:

Provided that in respect of supplies made by the clubs, the due date for filing of return and deposit of tax due shall be the 15th day of the second month following the month in which supplies were made by the club.

- (4) Every person shall print, in his menu card or list of food items to be supplied, the price of each item or as the case may be, combination of food, inclusive of all duties and taxes, whether Provincial or Federal, including the Sales Tax. The recipient or

- consumer of food shall be invoiced or billed pay only the price shown in the menu card or price list.
- (5) The registered persons shall issue a serially numbered Sales Tax invoice or bill.
- (6) The persons using computerized accounting system may issue the computer generated cash memo or as the case may be a computer-generated Sales Tax invoice
- (7) The registered person shall maintain all the records as prescribed under section 26 of the Act.



CHAPTER VII

TAXPAYER'S AUTHORIZED REPRESENTATIVES

43 Persons authorized to represent a taxpayer. — A Tax Practitioner registered under Income tax rules, Sales tax rules, Customs Act, an advocate enrolled with Bar and an **Accountant**, shall, on being given authority or power of attorney in the specified manner under these Rules (Form II), may represent a tax payer and may appear on his behalf before the Appellate Tribunal or any other adjudicating authority.

Provided that no such person shall be entitled to represent a taxpayer for a period of one year from the date of his retirement or resignation, or in a case in which he had made, or approved, as the case may be, any order under the relevant Acts.

44 Disqualifications. --- The following persons shall not be entitled to represent a taxpayer under this Chapter-

- a) any person who has been convicted as a result of any criminal proceedings under any law for the time being in force in Pakistan;
- b) a person who has been dismissed or compulsorily retired from service;
- c) a person who is an undischarged insolvent; and
- d) a person who has been found guilty of misconduct.



Form II
Government of Sindh
Sindh Revenue Board

Letter of Authorization

I, _____, Proprietor/Partner/Director of M/s.
_____, hereby authorize Mr.
_____ S/o Mr. _____
C.N.I.C No _____ to represent before adjudicating authority

Dep. Commissioner/ Commissioner or at the Sindh Revenue Board or the Tribunal on behalf of M/S. Sales Tax [National Tax Number] _____ for hearing on _____ (date)/ till the decision of the case (cross out whichever is not applicable) or till withdrawal of this authorization, whichever is earlier.

I also affirm and certify that he fulfills the conditions of an authorized representative as prescribed in the Sales Tax Rules 2011.

Dated: _____

Signature: _____

Name: _____

(Proprietor/ Partner/Director)

C.N.I.C. No. _____

Company or Business Seal/Stamp _____

Government of Sindh
SINDH REVENUE BOARD

CHAPTER VIII

SPECIAL AUDIT

45 Application: the provisions of this chapter shall apply to the registered persons who are subject to special audit in terms of section 29 of the Act.

46 Special Audit: The Board may cause special audit by a special auditor, of the records, tax invoices and monthly returns required to be maintained, issued or furnished by any registered person, or class or classes of registered persons under section 28 and 29 of the Act.

47 Scope of special audit: The scope of the special audit shall be the expression of professional opinion with respect to the following, namely:

Whether the records, tax invoices and monthly returns have been maintained, issued or furnished correctly by the registered person; and

Whether the monthly returns furnished by the registered person correctly reflect that—

- i. all taxable supplies in the tax period as revealed by the records and tax invoices; and
- ii. all input tax, output tax, and the net amount of sales tax payable or refundable, as the case may be,

are in accordance with the provision of the Act and are duly substantiated by the records required to be maintained for the purpose.

48 Form of audit report: The special auditor shall submit his audit report in the Form as specified in the terms of reference.

49 Penalty: (1) In case of violation of this chapter or any clause of the terms of reference, the payment of fee as specified therein shall be withheld forthwith, without prejudice to any action, that may be taken under the provisions of the Chartered Accountant Ordinance, 1961 (X of 1961), the Cost and Management Accountants Act, 1966 (XIV of 1966) and bye- laws made there under, or the Act.

(2) In case the payment has already been made in full or part thereof, to the special auditor, the same shall be returned within one week of issuance, by the Board, of a demand notice in this regard.

CHAPTER IX

ALTERNATIVE DISPUTE RESOLUTION

50 Application: The provisions of this chapter shall apply to all cases of dispute brought or specified for resolution under section 65 of the Act.

51 Application for Alternative Dispute Resolution: Any registered person interested for resolution of any dispute under section 65 may submit a written application for alternative dispute resolution to the Board, stating inter alia, the following namely:-

- a) The particulars of the case.
- b) The grounds on the basis of which a resolution of a dispute is being sought by the applicant duly supported with relevant documents;
- c) The extent or the amount of sales tax, default surcharge and penalties, which the applicant agrees to pay, if any;
- d) Details of amounts already paid, if any, and
- e) The particulars of any person who will represent the applicant.

52 Appointment of Alternative Dispute Resolution Committee: (1) The Board, after examination of the contents of an application by a registered person and facts stated therein and on satisfaction that a dispute deserves consideration for resolution for the removal of hardship under section 65 of the Act, may constitute a committee for examination of the issues involved in the dispute and for taking other actions as provided under sub section (3) of section 65 of the Act.

(2) The Board may appoint one of the members of the committee, other than a public servant, to be its chairman.

(3) The Board shall require the committee to submit its report within 60 days of its appointment:

Provided that the time so specified may, if requested by the chairman of the committee for reasons to be recorded in writing, be extended by the Board to such extent and subject to such conditions and limitations as it may deem proper.

53 Working of the Committee: The committee shall hold all its meetings at Board office or at any other venue to be decided by the Board. The Chairman of the committee shall be responsible for deciding the procedure to be followed by the committee which may, inter alia, include the following-

- a) to specify date and time for conducting proceeding by the committee;
- b) to supervise the proceedings and ensure maintenance of record of proceedings of the committee;
- c) to issue notices by courier, registered post or electronic mail to the applicant;
- d) to requisition and procure relevant records or witnesses from the field office or other concerned quarters;
- e) to ensure attendance of all concerned;
- f) to co-opt any other technical, professional or legal expert or tax consultant;
- g) to consolidate recommendations of the committee and submission of the conclusive report to the Board; and
- h) for any other matter covered under this Chapter

54. Recommendations of the Committee: --(1) The committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit. The committee shall formulate its recommendations in respect of any matter mentioned in the sub-section (1) of section 65 of the Act.

(2) The chairman of the committee shall send a copy of the recommendations of the committee to the Board, and the applicant.

55. Reconsideration by the Committee: --- (1) The Board of its own motion or on the request of the applicant may refer back the recommendation of the committee for rectification of any obvious error or for reconsideration of the facts not considered earlier.

(2) The committee after rectification of the error or reconsideration of the facts as aforesaid shall furnish to the Board its fresh or amended recommendations within such period, as may be specified by the Board.

56. Decision of the Board: --- (1) The Board, after examination of the recommendations of the committee shall finally decide the dispute and make such orders, as it may deem fit for the resolution of the dispute under intimation to the applicant.

(2) On receipt of the Board's order as aforesaid, the concerned field officer shall implement the order issued by the Board in the manner provided for in sub-section (6) of section 65 of the Act.

(3) A complete record of all proceedings of the cases dealt with under the alternate dispute resolution scheme shall be maintained by the concerned field officer who shall also

ensure that proper arrangements are made for the purpose of maintaining such records in appropriate manner.



Government of Sindh
SINDH REVENUE BOARD

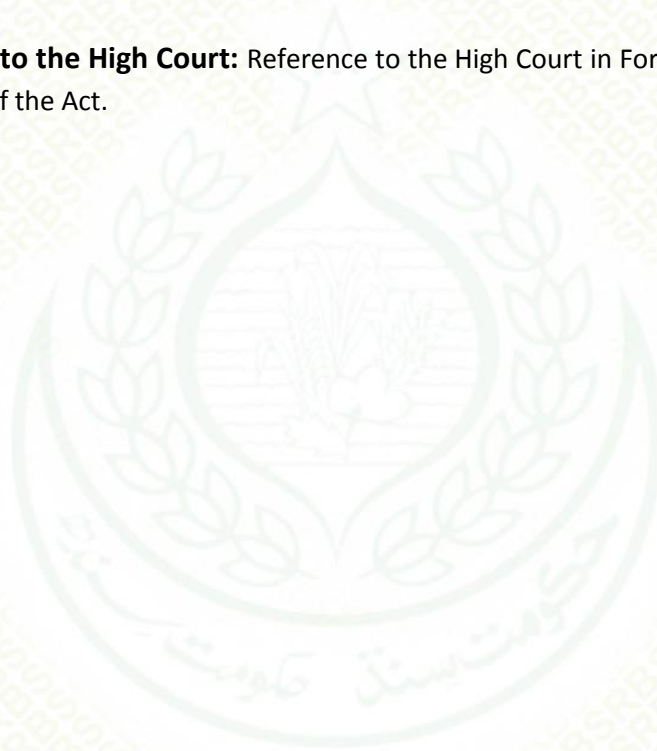
CHAPTER X

APPEALS AND ALLIED MATTERS

57. Appeal to Commissioner (Appeals): An appeal in Form SST-5A shall be filed as specified under section 57 of the Act.

58. Appeal to the Appellate Tribunal: An appeal in Form SST-5B shall be filed as specified under section 61 of the Act.

59. Reference to the High Court: Reference to the High Court in Form SST-5C shall be filed as specified in section 63 of the Act.



Government of Sindh
SINDH REVENUE BOARD



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Pakistan Revenue Automation (Pvt) Ltd.

Tax period (s) please specify:

Date dispute arose (Annex Copy of Order of the office concerned):

Nature of dispute: _____

Tax assessed: _____

Whether appealed in time: _____

Grounds of Appeal in brief: _____

Brief claim in Appeal/Prayer: _____

VERIFICATION

1. I _____ S/o _____ the proprietor /partner/managing Director of M/s _____ the appellant, do hereby declare that whatever is stated above is true to the best of my knowledge and belief.

2. I am competent to file the appeal in my capacity as _____

3. I further certify that a true copy of this form of appeal has been sent by Registered Post/AD/Courier services or delivered to the concerned officer personally to the Commissioner/Circle/Unit _____ Zone/Jurisdiction _____ on _____ (Date).

Signature of the Appellant _____

Name (In Capital letters) _____

NIC Number of person signing the appeal _____

The form of appeal and verification form appended thereto shall be signed:

- a).In case of an individual by the individual himself
- b).In case of a company by the principal officer.
- c).Incase of AOP by member/partner.

INDEX OF ATTACHMENTS

S.NO.	Subject	Annexure	Page Nos	
			From	TO
		A		
		B		
		C		
		D		
		E		
		F		

(Subject Example: 1. Commissioner Appeal Order 2 Assessment Order. 3. Appeal Fee (challan),
4. Vakalatnama/Power of attorney 5. Other documents)

Signed (Appellant)

APPEALS BEFORE COMMISSIONER (SINDH SALES TAX ACT, 2011)
APPEAL ACKNOWLEDGEMENT RECEIPT

NTN:

								-	
--	--	--	--	--	--	--	--	---	--

STN:

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Appellant's Name:

Appeal No:

Date of
receipt of appeal:

Signature of Appellant:

Signature of

receiving officer:

Form of Appeal to the Tribunal under Section 61
of the Sindh Sales Tax on Services, Act, 2011:

RM: SST-5B

Section 61, Rule 58

Appellant:

V/S

Respondent:

Section under which any order of the Sales Tax authority was appealed against
(Attach a copy of the appeal order):

Date of communication of the order appealed against:

Address to which notices may be sent to the appellant:

Address to which notice may be sent to the respondent claim in appeal:

Grounds of appeal: _____

Signed (Appellant)

Authorized Representative (if any): _____

VERIFICATION

1. I _____ S/o _____ the proprietor /partner/managing Director of M/s _____ the appellant, do hereby declare that whatever is stated above is true to the best of my knowledge and belief.

2. I am competent to file the appeal in my capacity as _____

3. I further certify that a true copy of this form of appeal has been sent by Registered Post/AD/Courier services or delivered to the concerned officer personally to the Commissioner/Circle/Unit _____ Zone/Jurisdiction _____ on _____ (Date).

Signature of the Appellant _____

Name (In Capital letters) _____

NIC Number of person signing the appeal _____

The form of appeal and verification form appended thereto shall be signed:

a).In case of an individual by the individual himself

- b).In case of a company by the principal officer.
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4. Vakalatnama/Power of attorney 5. Other documents)

Signed (Appellant)

FORM: SST-5C

Section 63, Rule 59

FORM FOR REFERENCE TO THE HIGH COURT

An application to refer to the High Court any question of Law shall be in the following form, namely.

Form of reference application

Before the High Court Year

Sindh Sales Tax, reference application No:

Appellant:

V/S

Respondent:

Title and number of appeal which gives rise to the reference:

The applicant(s) state(s) as follows:-

1. **Name of Tribunal** who decided on appeal, which gave rise to the question, with **No & Date:**

2. **The date the order was served:**

3. **Certificate that from the facts which are admitted and/or found by the Tribunal, the question(s) of Law which arises and/or its order has been truly stated in the attached statement of the case.**

4. **That the following questions of law arise out of the order of Tribunal:**

i. _____

ii. _____

iii. _____

The following documents are attached:

- (1) Statement of the case figures by the Appellant
- (2) Certified copy of the order of the Tribunal from which the question of Law stated above arises
- (3) First appellate order by Commissioner (Appeals) original assessment or other order

Signed (Appellant)

Note Below:

Application to be made in triplicate.

Application made be accompanied by a fee of Rs. 100 deposited to NBP (appeals head of a/c).

**Signed by Appellant
or
Authorized Representative**

MUMTAZ AHMAD
Member (Legal & Coord)
Sindh Revenue Board

Government of Sindh
SINDH REVENUE BOARD