

GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,
STATISTICS AND REVENUE
(REVENUE DIVISION)

Islamabad, the ^{4th} October, 2013.

NOTIFICATION
(SALES TAX)

S.R.O. 897(I)/2013.— In exercise of the powers conferred by sub-section (6) and sub-section (7) of section 3 and sub-section (4) of section 7 of the Sales Tax Act, 1990 read with section 71 thereof, the Federal Government is pleased to direct that the following further amendments shall be made in Sales Tax Special Procedure (Withholding) Rules, 2007, namely:-

In the aforesaid Rules,—

- (a) in the preamble, for the words, figures and brackets “and sub-section (4) of section 7”, the words, figures, letter and brackets “, sub-section (4) of section 7 and clause (b) of sub-section (1) of section 8” shall be substituted;
- (b) in rule 2,—
 - (i) after sub-rule (2), the following new sub-rule shall be inserted, namely:-

“(2A) A withholding agent shall deduct an amount equal to one-tenth of the total sales tax shown on the sales tax invoice issued by persons registered as a wholesaler, dealer (including petroleum dealers) or distributor, and make the payment of the balance amount to him.”; and
 - (ii) for sub-rule (3), the following shall be substituted, namely:-

“(3) (i) A withholding agent having Free Tax Number (FTN) and falling under clauses (a), (b) or (c) of sub-rule (2) of rule 1 shall, on purchase of taxable goods from persons liable to be registered but not actually registered under Chapter I of the Sales Tax Rules, 2006, deduct sales tax at the applicable rate of the value of taxable supplies made to him from the payment due to the supplier and, unless otherwise specified in the contract between the buyer and the supplier, the amount

of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply.

(ii) A withholding agent, other than specified in clause (i), shall on purchase of taxable goods from persons liable to be registered but not actually registered under Chapter I of the Sales Tax Rules, 2006, deduct sales tax at the rate of one per cent of the value of taxable supplies made to him from the payment due to the supplier and the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply:

Provided that the withholding agent shall not be entitled to reclaim or deduct the amount of tax withheld from such persons as input tax.”; and

(c) in rule 5,

(i) in clause (viii), the word “and” at the end shall be omitted;

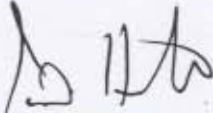
(ii) in clause (ix), for the full stop, at the end a semicolon shall be substituted; and

(iii) after clause (ix), the following shall be added, namely:-

“(x) Goods specified in the Third Schedule to the Sales Tax Act, 1990; and

(xi) Supplies made by commercial importers who paid value addition tax on such goods at the time of import as prescribed under Chapter X of the Sales Tax Special Procedure Rules, 2007.”.

IC. No. 1/56-STB/2013]


(Shahid Hussain Asad)
Additional Secretary