



CIRCULAR No. 2 of 2011

**SUBJECT: PROCEDURE FOR DEPOSIT OF THE SINDH SALES TAX ON SERVICES
WITHHELD BY SUCH OF THE WITHHOLDING AGENTS WHO ARE NOT
REGISTERED WITH SRB AS SERVICE PROVIDERS**

The six (6) categories of Withholding Agents are specified under sub-rule (2) of rule 1 of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2011, issued under notification No. SRB-3-4/1/2011 dated 24-08-2011, read with notification No. SRB-3-4/5/2011 dated 10.09.2011. These Withholding Agents are required to withhold the specified amount/percentage of the Sindh Sales Tax (SST) payable by them and deposit the so-withheld amount under the Government of Sindh's head of account "*B-02382-----Sindh Sales Tax on Services*" in the prescribed manner.

2. The Withholding Agents, who are already registered with the SRB as service providers, shall account for the withheld amounts (on their purchases) in the relevant column of Annex-A of their tax return (Form SST-03) which shall be reflected in Row No. 14a thereof.

3. The details of the amounts withheld by the buyers/service-recipients of the SRB-registered persons (on the services provided or rendered by service providers) will similarly be entered in the relevant column of Annex-C and reflected in Row No. 7 of their tax returns (Form SST-03).

4. Such of the Withholding Agents, who are not registered with SRB as service providers, are required to deposit the withheld amounts of sales tax on the prescribed Form annexed to Sindh Sales Tax Special Procedure (Withholding) Rules, 2011. While SRB is formulating the procedure, guidelines and mechanism for e-deposit of such withholding tax and e-filing of the said Annexed Form, the following procedures and guidelines are prescribed for their deposit of the amounts of Sindh Sales Tax withheld by them during the tax periods from July, 2011, onwards:-

- i. The withholding tax will be deposited by such Withholding Agents through CAP-II System already implemented in the SRB-authorized NBP branches for collection of sales tax on services.

- ii. Withholding Agent will have to visit any of the SRB-authorized NBP branches for depositing the withheld amount in the head of account “B-02382”. The list of these branches is available on SRB website <http://www.srb.gos.pk>.
- iii. Withholding Agent will ask branch cashier/Facilitation Officer for creating tax payment PSID (Challan on Form SST-04) for the amount of sales tax withheld, tax period-wise. The option of creating PSID over NBP cash counter is already available in CAP-II System of these branches. Following particulars shall be entered in that PSID alongwith the tax amount,

- a) *SNTN* : *9999997-8 (This dummy SNTN shall be used by all such Withholding Agents)*
- b) *CNIC*
/Reg. Inc No : *Provide CNIC / Registration / Incorporation No.*
- c) *Name* : *Name of Withholding Agent*
- d) *Address* : *Address of Withholding Agent*
- e) *Amount* : *Amount of Sindh Sales Tax withheld by the Withholding Agent during the relevant tax period.*

5. After obtaining the print out of this PSID (SST-04), the Withholding Agent shall e- deposit the amount alongwith this PSID at the Counter of the NBP’s authorized branch. The branch officer will receive/deposit the tax amount and issue a Computerized Payment Receipt (CPR) to the Withholding Agent as a token of deposit of the withheld tax amount. This will successfully complete the procedure of Withholding Tax Payments in Sindh Revenue Board.
6. All such Withholding Agents, as are not registered as service providers in the Sindh Revenue Board are required to submit their Monthly Withholding Statements, as prescribed in the Annex to the aforesaid Sindh Sales Tax Special Procedure (Withholding) Rules, 2011, alongwith a copy of the CPR and a covering the letter to be addressed to the Member (Operations), Sindh Revenue Board, 9th Floor Shaheen Complex, M.R Kiyani Road, Karachi, by personal delivery or through registered post or through courier service in the manner prescribed under section 75(1) of the Sindh Sales Tax on Services Act, 2011. The Operations Wing of Sindh Revenue Board shall ensure that, on receipt of the said Statement, the details thereof are entered in the SRB computer system and promptly counter-verified with the relevant statements received in Sindh Revenue Board as Annex-A of the tax returns (SST-03) of the concerned service providers.

SIGNED

(MUMTAZ AHMED)
Member (Legal & Coord)