



**GOVERNMENT OF SINDH  
SINDH REVENUE BOARD  
Karachi, dated the 18<sup>th</sup> June, 2013**

**NOTIFICATION  
(Sindh Sales Tax on Services)**

NO. SRB-3-4/7/2013.----- In exercise of the powers conferred by sub-section (1) of section 10 of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No.XII of 2011), the Sindh Revenue Board, with the approval of the Government, is pleased to exempt the whole of the tax leviable on the services specified in column (2) of the Table below as are classified in the tariff heading mentioned thereagainst in column (1).

**TABLE**

<b>Tariff Heading No.</b>	<b>Description of services and the conditions and restrictions for exemption</b>
<b>(1)</b>	<b>(2)</b>
9801.2000  and  9801.5000	Services provided or rendered by restaurants and caterers, whose turnover does not exceed 3.6 million rupees in a financial year:  Provided that the exemption shall not apply in case of:-  (i) restaurants which are air-conditioned on any day in a financial year;  (ii) restaurants and caterers located within the building, premises or precincts of any hotel, motel, guest house or club whose services are liable to sales tax;  (iii) restaurants and caterers providing or rendering services in the building, premises, precincts, hall or lawn of any hotel, motel, guest house, marriage hall or lawn or club whose services are liable to sales tax;  (iv) restaurants and caterers which are franchisers or franchisees;  (v) restaurants and caterers having branches or more than one outlet in Sindh; and  (vi) restaurants and caterers whose total utility bills (gas, electricity and telephone) exceed Rs. 40,000/= in any month during a financial year.

9801.3000	<p>Services provided or rendered by marriage halls and lawns located on plots measuring 800 square yards or less:</p> <p>Provided that the exemption shall not apply in case of:-</p> <ul style="list-style-type: none"> <li>(i) marriage halls and lawns which are air-conditioned on any day in a financial year;</li> <li>(ii) marriage halls and lawns located within the building, premises or precincts of a hotel, motel, guest house, restaurant or club whose services are liable to tax;</li> <li>(iii) marriage halls and lawns as are owned, managed or operated by caterers whose services are liable to tax;</li> <li>(iv) marriage halls and lawns which are franchisers or franchises; and</li> <li>(v) marriage halls and lawns having branches or more than one hall or lawn in Sindh;</li> </ul>
9801.4000 and 9801.6000	<ul style="list-style-type: none"> <li>(i) Services and ancillary services provided or rendered by Clubs whose initiation fee for members does not exceed thirty thousand rupees and whose monthly fee/subscription for the members also does not exceed one hundred rupees; and</li> <li>(ii) Charges received by Clubs from its members as refundable security deposits and voluntary contributions for the welfare (e.g. eid gifts) for the Club staff or for payment to the registered non-profit organizations, as defined and for the purposes mentioned in under section 2(36) of Income Tax Ordinance, 2001.</li> </ul>
Respective sub-heading of tariff heading 90.02	Advertisements financed out of funds provided under grants-in-aid agreements.
9802.4000	Advertisements in newspapers and periodicals.
1[9805.5100	Services provided or rendered by tour operators in relation to Hajj and Umrah tour package.]
9809.0000	<p>Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies:-</p> <ul style="list-style-type: none"> <li>(i) in relation to the work or supplies the total value of which does not exceed 50 million rupees in a financial year subject to the condition that the value component of services in such contractual</li> </ul>

1. Added vide notification No. SRB-3-4/11/2014 dated 1st July, 2014.

	<p>execution of work or furnishing supplies also does not exceed 10 million rupees; and</p> <p>(ii) in relation to the textbooks, published for free distribution amongst students free of cost, against order of Sindh Textbook Board subject to conditions that the Sindh Textbook Board:-</p> <p>(a) assigns the work to a person duly registered under the Sindh Sales Tax on Services Act, 2011; and</p> <p>(b) furnishes, to the Sindh Revenue Board, statement on quarterly basis, showing name of person/contractor, SNTN, value of such contract, along with certificate about the free of cost distribution of such textbooks amongst the students.</p>
9809.0000	Services provided or rendered by M/s NADRA Technologies Ltd (NTL) in relation to utility bill collection.
9810.0000	<p>1. Persons providing the services of hair cutting, hair dressing and hair dyeing and shaving provided that they do not provide any other beauty treatment, beauty care, beauty parlour or beauty clinic service.</p> <p>2. Services provided or rendered by beauty parlours/clinics and slimming clinics whose turnover does not exceed 3.6 million rupees in a financial year<sup>2</sup>[:</p> <p>Provided that that the exemption shall not apply in case of the beauty parlours/clinics and slimming clinics:-</p> <p>(i) which are located within the building, premises or precincts of a hotel, motel, guest house or club whose services are liable to tax;</p> <p>(ii) which are franchisers or franchisees;</p> <p>(iii) which have any branch or have more than one outlet in Sindh; and</p> <p>(iv) whose total utility (electricity, gas &amp; telephone) bill exceeds Rs,40,000/= in any month during a financial year.]</p>
<sup>3</sup> [9811.0000	<p>Services provided or rendered by laundries and dry cleaners which do not fall under any of these categories:-</p> <p>(a) laundries and dry cleaners located within the building, premises or precincts of a hotel, motel, guest house or club whose services are liable to tax;</p> <p>(b) laundries and dry cleaners which are franchisers or franchisees; and</p> <p>(c) laundries and dry cleaners having any branch or more than one outlet in Sindh.]</p>

2. Colon substituted for full stop and the Proviso added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

3. Added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

Respective sub-headings of tariff heading 98.12	1. Telecommunication Services involving charges payable on the International leased lines or bandwidth services used by software exporting firms registered with the Pakistan Software Exporting Board; 2. Internet services, whether dial up or broadband, including email services and data communication network services <sup>4</sup> [of upto 2 mbps speed] valued at not more than 1,500 rupees per month per service recipient.
Respective sub-headings of tariff heading 98.13	Services provided or rendered by banking companies and non-banking financial companies in respect of Hajj and Umrah, Cheque Book issuance, Musharika and Modaraba financing and utility bills collection.
9813.1400	Marine insurance for export.
9813.1500	Life insurance <sup>5</sup> [,other than group life insurance, of individuals for insurance policy coverage of upto five hundred thousand rupees]
<sup>6</sup> [****]	****]
9813.1600	Crop insurance.
<sup>7</sup> [9815.3000	Accountants and Auditors' services exported, by registered persons, outside Pakistan, to such of the service recipients as are not located and not resident in Pakistan, subject to the condition that the value of export of the services is received in foreign exchange through banking channels in the business bank accounts of the registered person exporting the services and is also reported to the State Bank of Pakistan in the manner prescribed by the State Bank of Pakistan.]
<sup>8</sup> [9815.6000	Software or IT-based system development consultants' services exported, by registered persons, outside Pakistan subject to the condition that the value of export of the services is received in foreign exchange through banking channels in the business bank accounts of the registered person exporting the services and is also reported to the State Bank of Pakistan in the manner prescribed by the State Bank of Pakistan.]
<sup>9</sup> [9819.9000	Services provided or rendered by cable TV operators in rural areas under PEMRA's license of "R" category.]
9820.1000	Services provided by an auto-workshop, other than an authorized service station, whose turnover does not exceed 3.6 million rupees in a financial year.

4. The words " of upto 2 mbps speed" added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

5. Added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

6. Tariff heading 9813.1600 in column (1) and entry "Health insurance" relating thereto in column (2) omitted vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

7. Inserted vide notification No. SRB-3-4/4/2014 dated 20.03.2014 (made effective from 01.07.2013).

8. Inserted vide notification No. SRB-3-4/14/2013 dated 2nd August, 2013. (made effective from 01.07.2013).

9. Added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

<sup>10</sup> [9820.3000]	Services provided or rendered by workshops for electric or electronic equipments or appliances, etc., including computer hardware, whose turnover does not exceed 3.6 million rupees in a financial year: Provided that the exemption shall not apply in case where the services are provided or rendered against contract or agreement with the services recipient or against warranty issued by the manufacturer or supplier of such equipment or appliances or hardware.
9820.4000	Services provided or rendered by car or automobile washing or similar service stations, whose turnover does not exceed 3.6 million rupees in a financial year.
9822.1000	(i) Public health fumigation services provided or rendered by the Federal, Provincial or Local Governments and Cantonment Boards; (ii) Agricultural fumigation services.]
9824.0000	Construction services related to: (i) projects of commercial and industrial nature, where the value of construction does not exceed 50 million rupees subject to the condition that the value component of service in such a project also does not exceed 10 million rupees; (ii) <sup>11</sup> [***] (iii) construction and repair of roads, ports, airports, railways, transport terminals, bridges, Government (including Local Government and Cantonment Board) buildings as are not meant for commercial purposes or for commercial letting out on rent; (iv) construction and development of EPZ, SEZ, diplomatic and counselor buildings and such other buildings and structures of the organizations as are exempt from application of the Income Tax Ordinance, 2001; and (v) construction of independent projects of private residential houses and apartments where the covered area does not exceed 10,000 square feet in respect of houses <sup>12</sup> [***].

2. This notification shall take effect from 1<sup>st</sup> day of July, 2013, in supersession of notification No. SRB.Legal(1)/2011, dated the 1<sup>st</sup> July, 2011.

[File No. SRB-3-4/MTP/1/2013]

Sd/-  
(S. Mushtaque Kazimi)  
Member (Tax Policy)

10. Tariff headings “98203000, 9820.4000 and 9822.1000” in column (1) and entries relating thereto in column (2) added vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.

11. Omitted vide notification No. SRB-3-4/11/2014, dated 1st July, 2014. At the time of omission the entry was as under :-

“(ii) projects of developing or promoting the conversion of land into residential or commercial plots or construction of residential or commercial buildings which pay tax on the services of property developers or promoters under tariff heading 9807.0000 or 9814.3000;”

12. The comma, words and figures “and 20,000 square feet in respect of apartment complexes” omitted vide notification No. SRB-3-4/11/2014, dated 1st July, 2014.