



**GOVERNMENT OF SINDH
SINDH REVENUE BOARD
(Tax Policy Wing)**

Dated the 10th July, 2020

CIRCULAR No. 06/2020
(Sindh Sales Tax on Services)

Subject: **INPUT TAX CREDIT AGAINST INVOICES ISSUED BY FOREIGN SERVICE PROVIDERS NOT HAVING SNTNs.**

A question has arisen whether input tax credits are admissible [where not otherwise inadmissible under the provisions of the Sindh Sales Tax on Services Act, 2011(Act-2011) or the rules/notifications issued thereunder] against an invoice issued by such a non-resident service provider who is resident outside Pakistan and does not hold Sindh Sales Tax Registration Number (SNTN). Also, in case it is admissible, the question is that what shall be the procedure in this regard.

2. The SRB-registered service recipients who receive taxable services from a foreign service provider (not registered with SRB) shall be entitled to claim input tax credit if: (i) such SRB-registered person receives the taxable services against an invoice issued by that foreign service provider; (ii) pays, to the foreign service provider, the consideration for the services so received by the resident service recipient; and (iii) e-deposits the amount of Sindh sales tax, on such services in Sindh Government's head of account "B-02384" in the prescribed manner. The entitlement of input tax credit shall be in terms of the provisions of section 15 of the Act-2011, subject to the conditions, limitations and restrictions prescribed under the Act-2011 and the rules or notifications made thereunder (including the provisions of sections 15A and 15B of the Act-2011, rules 21, 22 and 22A of the Sindh Sales Tax on

Services Rules, 2011(Rules-2011) and other provisions of various rules and notification issued thereunder).

3. As regards the procedure for input tax credit claims, the resident SRB-registered person (service recipient, in this case) shall e-deposit (in Sindh Government head of account “B-02384” in the prescribed manner) the amounts of Sindh sales tax on such services as are received by him from a foreign service provider (not registered with SRB) against the SNTN of the service recipient himself. Thereafter, the resident SRB-registered service recipient shall declare: (i) his own (resident SRB-registered service recipient) name and SNTN in the column “Particulars of Buyer”; and (ii) the date and number of the invoice issued by the foreign service provider in the column “Document/invoice” of Annex-C of his return SST-03. For claiming input tax credit, he shall enter corresponding entries in Annex-A of his Form SST-03 and shall also declare the “Non-creditable input”, if any, in the relevant column of such Annex-‘A’. The invoice of the foreign service provider and the associated documents, including the document of evidence of payment of consideration through banking channel, shall form a part of the prescribed records for the purposes of section 26(1) of the Act-2011 and the rules made thereunder including rule 29 of the Rules-2011.

4. In case any SRB-registered resident service recipient has any query to make or any clarification to seek, he may call SRB helpline (021) 111-778-000 or contact SRB at e-mail info@srb.gos.pk at his convenience.



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[File No. SRB/TP/23/2015]