



CIRCULAR NO.3/2011
(Sindh Sales Tax on Services)

SUBJECT: FILING OF SALES TAX RETURNS IN RELATION TO THE TAXABLE SERVICES EXEMPTED UNDER SECTION 10 OF THE SINDH SALES TAX ON SERVICES ACT, 2011

A question has arisen whether the persons, providing or rendering such services as are listed under the Second Schedule to the Sindh Sales Tax on Services Act, 2011, but are exempted through a notification issued under section 10 thereof, are also required to e-register themselves under the said 2011-Act and to e-file the prescribed tax returns.

2. SRB has examined the issue in the light of the provisions of the said 2011-Act. The term “taxable services” is defined in section 2(43) of the Sindh Sales Tax on Services Act, 2011, read with section 3 thereof and it means the services listed in the Second Schedule to the said Act. Accordingly, the term “taxable services” covers all such taxable services as are listed in the Second Schedule {see section 2(43)}, irrespective of the fact whether it is leviable to the statutory rate of tax or a concessionary rate of tax under section 8(2) or section 10 thereof, or, is exempt from the whole of sales tax by virtue of a notification issued under section 10 thereof.

3. Section 24(2) of the said 2011-Act requires registration of the persons engaged in providing or rendering of services listed in the said Second Schedule; and section 30(1) of the said 2011-Act, read with rules 12 and 13 of the Sindh Sales Tax on Services Rules, 2011, requires every registered person to e-file the prescribed tax return in Form SST-03. Annex-C of the said Form SST-03 has a column for “Rate” and the computer window bar has provision for various rates e.g. 19.5%, 16%, 10%, specific rates, exempt rate, zero-rate, etc. While e-filing his Annex-C to the tax return, the registered person is required to enter all his invoices, including those of his exempt services. As regard sale/provision of such exempt services to un-registered

customers/consumers, all such exempt invoices may be grouped, sale type-wise and HS code-wise, and entered in one line in the Annex-C with buyer's NTN as "9999997-8".

4. While the service providers, who provide or render both taxable and exempt services, shall enter all such taxed and exempt supplies in the Annex-C of their Monthly Sales Tax Return (SST-03), such of the other services providers (who exclusively provide or render exempt services only) are required to e-register themselves with SRB and also to e-file their tax return (Form SST-03) on quarterly basis in terms of S.No.1 of the Table to SRB notification No. SRB-3-4/10/2011 dated 18th October, 2011.

5. Accordingly, all service providers engaged in providing or rendering any services as are listed in the Second Schedule to the Sindh Sales Tax on Services Act, 2011,(irrespective of the fact that they provide services paying the sale tax or they provide services exempt from sale tax under section 10 of the said 2011- Act) are advised to e-register themselves by e-filing Registration Application on Form SST-01 or e-enrolling themselves with SRB by visiting www.e.srb.gos.pk and then following the step-by-step procedure after entering their NTN. On successful completion of e-registration, e-enrolment, the System will allot a SNTN (Sindh Sales Tax Registration Number), User ID, Password and PIN Code for RB-related purposes. Such service providers shall also e-file their tax returns (SST-03) in the prescribed form by the respective prescribed due dates.

6. Service providers seeking any clarification in this regard may call SRB helpline 111-778-000 or contact on info@srb.gos.pk at their convenience.

SIGNED

(Mumtaz Ahmad)
Member (L & C)