



NOTIFICATION
(Sindh Sales Tax on Services)

No.SRB-3-4/13/2011. ----- In exercise of the powers conferred by section 72 of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No XII of 2011), read with section 13 thereof, the Sindh Revenue Board is pleased to direct that the following further amendments shall be made in the Sindh Sales Tax on Services Rules, 2011, namely:-

In the said Rules,----

(a) in rule 2, in sub-rule (1),-----

1. after clause iv, the following new clauses shall be inserted, namely:-

“iva. **“Airport ground service provider” and “airport service provider”** include Shaheen Airport Services, Gerry’s Dnata, Royal Airport Services and other such operators and airlines providing or rendering ground or ramp services or passenger and cargo handling services to other airlines or to aircraft operators of scheduled or non-scheduled flights;

ivb. **“Airport Operator”** includes the Civil Aviation Authority and other authority or organization or office managing or operating a customs airport, as notified under section 9 of the Customs Act, 1969 (Act No.IV of 1969);”;

2. after clause v, the following new clauses shall be inserted, namely:-

“va. **"Club"** includes a membership club and a proprietary club and means an establishment, organization or place, other than a hotel, motel, guesthouse or restaurant, the membership of which is restricted to a particular class of people or which is run on the basis of mutuality and which provides various services, facilities, utilities or advantages for an

amount of fee, subscription or charges, whether or not it provides food or drinks or has any arrangement for boarding or lodging or games;";
and

3. in clause xvi, for the words and full stop "other person doing the same activities.", the words and semi-colon "off-dock terminal or any other person doing similar activities and also includes the cargo or baggage shed operators licensed or appointed by the Customs authorities at any airport;" shall be substituted;

(b) for rule 14, the following shall be substituted, namely:-

"14. A registered person filing return electronically, as stipulated in rule 13, shall make payment of the amount of sales tax due, if any, in any of the designated branches of the National Bank of Pakistan or any other designated Bank, as may be notified on SRB's website, on the prescribed payment challan as prescribed in Form SST-04 or through electronic payment system devised for this purpose. Unless otherwise specified, the due date for payment of the sales tax shall be the 15th day of the month following the tax period to which it relates. The return for that tax period shall be submitted electronically within three days of the due date for payment of the tax.";

(c) in rule 22A, -----

1. after clause (ii), the following new clause shall be inserted, namely:-

"(iia) the following goods and services, required otherwise than as stock in trade, by a registered person:

- (a) vehicles falling under Chapter 87 of the First Schedule to the Customs Act, 1969 (Act No. IV of 1969);
- (b) calendars, diaries, gifts, souvenirs and giveaways;
- (c) garments, uniforms, fabrics, footwear, headwear, etc., for employees;
- (d) food, beverages and consumptions on entertainments; and
- (e) electricity, gas and telecommunication services supplied at the residence of the employees or in the residential colonies of the employees.

Explanation:

For the purposes of this rule, the term “stock in trade” shall mean the goods purchased and the services received by a registered person in the course of business for providing or rendering of taxable services;”; and

2. after clause (viii), the word “and” at the end shall be omitted and, thereafter, the following new clause shall be inserted, namely:-

“(viiiia) services liable to a tax rate lesser than 16% of the charges or to a specific rate of tax not based on value when used for providing or rendering any service; and”;

(d) after rule 23, the following new chapter and the rules shall be inserted, namely:-

“CHAPTER- VA

REFUNDS

23A. Application.-Subject to the provisions of rule 23B, the provisions of this chapter shall apply to processing and sanction of claims for refund by a registered person in following cases:-

- (a) the amount of sales tax is erroneously or inadvertently deposited in excess of the amount due; and
- (b) the amount deposited by or recovered from the registered person is held not payable under the Act, as result of an order of a court or an appellate forum.

23B. Refund not admissible.-The following claims of refund of sales tax shall not be admissible if:

- (a) the claim is filed by a person other than the registered person who paid the sales tax amount so claimed for refund;
- (b) the claim is filed after a lapse of one year from the date of payment of sales tax, provided that where a claim is based on an order of a Court or an appellate forum, the period of one year shall be reckoned form the date of issuance of such order;

- (c) the incidence of sales tax, claimed for refund, has been passed on to the service recipient. The burden of proof that incidence has not been so passed shall rest with the refund claimant;
- (d) the claimant does not submit evidence of payment of the withheld amount of sales tax by the service recipient in cases where the claim relates to sales tax as was withheld, in full or in part, under the Sindh Sales Tax Special Procedure (Withholding) Rules, 2011;
- (e) the claimant does not submit evidence of payment of the input tax, adjusted or deducted, against the sales tax on services provided or rendered in respect of which the refund is claimed; and
- (f) the claimant does not submit the supportive documents, as required by the rules or by the officer of SRB, within the time limit prescribed by such rules or the officer of SRB, as the case may be.

23C. Pecuniary competence to sanction refund.-The cases of claims for refund of sales tax shall be decided by the following officers of SRB, as authorized by name or designation by the Commissioner concerned, according to the pecuniary limit mentioned against each, namely:-

S. No.	Designation	Limit in each claim
(1)	(2)	(3)
1.	Assistant Commissioner	Not exceeding ten thousand rupees.
2.	Deputy Commissioner	Not exceeding one hundred thousand rupees.
3.	Commissioner	Unlimited.

23D. Scrutiny and processing of refund claim.-(1) On receipt of the refund claim, the Receipt Section of the Commissionerate shall affix a dated stamp and send it to the Assistant Commissioner concerned, who shall assign it a refund file number and shall enter it in Commissionerate's Refund Register. The Assistant Commissioner shall scrutinize the claim and attached documents and prepare a written analysis report. Where any information or document is missing or is required, the same shall be called

for from the claimant through a letter or email giving a specific date for submission thereof.

(2) Where the Assistant Commissioner is satisfied that any further inquiry or audit is needed to establish genuineness or admissibility of the claim, he may, after seeking written approval of the Commissioner, cause the audit or inquiry to be conducted before finalizing the disposal of the refund claim.

23E. Sanction and payment of refund claim.-(1) After preparation of the analysis report and completion of the audit / inquiry report, where the audit / inquiry was so required, the competent officer, as specified in rule 23C, shall sanction the admissible part of the refund claim and issue a Refund Sanction-cum-Payment Order indicating:

- (i) Name, SNTN and address of the claimant;
- (ii) Claimant's bank account number with name, address and code number of the bank branch, as per registration profile in SRB;
- (iii) Amount of refund claimed;
- (iv) Amount of refund sanctioned;
- (v) Tax period(s) to which the refund relates; and
- (vi) CPR No(s)., date, bank branch name and code in respect of deposit of the amount under claim.

(2) The competent officer shall ensure that no dues / arrears are outstanding against the claimant. In case of recoverable dues and arrears outstanding against the claimant, the sanctioned amount shall first be deposited or adjusted against such dues / arrears.

(3) After sanction of the claim, the competent officer shall ensure that the procedures prescribed in the Treasury Rules are duly complied with for issuance of crossed refund payment cheques. No cheque shall be delivered by hand and, instead, shall either be electronically transferred to the claimant's notified bank account or sent through registered post or courier service at the claimant's address as per his registration profile.

(4) A copy of the Refund Sanction-cum-Payment Order and intimation regarding issuance of refund cheque or electronic transfer of amount of refund, as the case may be, shall be sent to the claimant by email or courier.

23F. Responsibility of the claimant.-The processing of refund claims shall be conducted on the basis of supportive documents provided by the claimant. The claimant shall be responsible for any mistake, mis-declaration or submission of incorrect information and shall be liable for penal action besides recovery of the amount, if erroneously refunded, along with default surcharge under the relevant provisions of the Act.

23G. Post-sanction audit of refund claims.-(1) After disposing of the refund claim, the Assistant Commissioner concerned shall forward, through his Commissioner, the relevant file to the Post-refund Audit Division of SRB for post-sanction scrutiny and audit.

(2) The officer in-charge of Post Refund Audit Division shall send his findings to the Commissioner concerned for further necessary action, as required under the law.

23H. Action on inadmissible claims.-Where the claim or any part thereof is found inadmissible for any reason, the competent officer shall issue a notice requiring the claimant to show cause as to why the claim or part thereof, as the case may be, should not be rejected and as to why the claimant should not be proceeded against under the relevant provisions of the Act.”;

(e) in rule 27, in sub-rule (2), after the first inverted commas before the word “Sindh”, the alphabet, figures and dashes “B-02382-----” shall be inserted;

(f) in rule 29, in sub-rule (1), after the word “Act”, the following shall be inserted, namely:-

“including the following:-

- (i) Name, address and SNTN (Sindh Sales Tax Registration Number) of the service provider;
- (ii) Name, address and NTN or SNTN or CNIC number of the service recipient;
- (iii) Serial number and date of issue of the tax invoice;
- (iv) Description, tariff heading and other details of the service provided;
- (v) Value exclusive of Sindh sales tax;
- (vi) Rate of Sindh sales tax;

- (vii) Amount of Sindh sales tax; and
- (viii) Value inclusive of Sindh sales tax”;

(g) in rule 30,--

1. in the title, for the words **“and non-banking finance companies”**, the comma and the words **“cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions, companies providing management services including fund and asset management services and other persons dealing in any such services”** shall be substituted;

2. in sub-rule (2), for the words “and non-banking financial company”, the commas, words and quotation marks “, cooperative financing society, modaraba, musharika, leasing company, foreign exchange dealer, non-banking financial institution, companies providing management services including fund and asset management services and other person dealing in any such services, hereinafter referred to in this rule as ‘company or institution’,” shall be substituted;

3. in sub-rule (3), for the words and comma “Banking companies, financial institutions and non-banking financial companies”, the words “company or institution”, shall be substituted;

4. in sub-rule (4), for the words “banking company or financial institution or non-banking finance company”, the words “company or institution” shall be substituted;

5. in sub-rule (5), for the words “along with the return as provided”, the words and figures “by the 15th day of the following month followed by the prescribed tax return by the 18th day of that month, as prescribed” shall be substituted;

6. in sub-rule (7),---

(i) for the words “banking companies and non-banking financial companies”, occurring twice, the words “company or institution” shall be substituted;

(ii) for the words “shall be filed”, the words and commas “shall also be filed, in addition to the prescribed tax return,” shall be substituted; and

(iii) for the figures “15”, the figures “24” shall be substituted;

7. sub-rules (8) and (9) shall be omitted; and

8. in sub-rule (10), after the word “company”, the words “or institution” shall be inserted;

(h) in rule 35, for sub-rule (4) and the Forms appended thereto, the following shall be substituted, namely:-

“(4) The person providing or rendering telecommunication services shall, in addition to the prescribed tax return, submit a monthly statement in the following Form by 24th day of the month following the tax period, namely:-

FORM

MONTHLY STATEMENT FOR TELECOM SERVICES

PROVIDED OR RENDERED BY M/S. _____

SNTN _____

FOR THE TAX PERIOD _____

S. No.	Description	Value	Sindh Sales Tax
1	Fixed line telephone service		
2	Wireless telephone		
3	Pre-paid Cellular telephone (cards sold/easy load/top-up etc.)		
4	Post-paid Cellular telephone (for the previous tax period)		
5	Wireless Local Loop telephone		
6	Video telephone		
7	Payphone card services		
8	Bandwidth services		
9	Telegraph		
10	Telex		
11	Telefax		
12	Data Communication Network services (DCNS)		
13	Value added data services		
14	Other taxable telecom services		
15	Other taxable services		
16	Exempt / Non-taxable services		
	(a) Exempt Internet Services		
	(b) Exempt services used by software houses and data and internet service providers		

	(c) Exempt charges received from LDI license holders		
	(d) other exempt services		
	(e) Non-taxable services, if any		
	Total Exempt / Non-taxable services		
17	Gross Sindh Sales Tax Payable		
18	Input tax adjustable		
19	Net Sindh Sales Tax Payable		
Amount of Sindh Sales Tax deposited:			
CPR # _____ Date _____			
NBP Branch _____ Code _____			

(h) after rule 40, the following new rules shall be inserted, namely,-----

“40A. Services provided by Airports Operators and Airport Terminal Operators.- (1) All charges on account of the following services provided or rendered by an airport operator and an airport terminal operator shall be leviable to sales tax:

(i) Landing, housing, hangarage and parking;

(ii) Aerobridge facility;

(iii) Aircraft power supply;

(iv) Ground handling;

(v) Commercial licenses in respect of various services provided or rendered at an airport;

(vi) Royalties including those on meal uplift; and

(vii) Cargo throughput and the cargo and baggage storage services:

Provided that the charges on account of aforesaid services shall not be subjected to sales tax in case of the services provided or rendered to the aircrafts of the armed forces using an airport belonging to or operated by the armed forces of Pakistan.

(2) The value of taxable services for the purpose of levy of sales tax shall be the gross amount charged for the services.

(3) The amount of sales tax involved shall be deposited in the prescribed manner by the 15th day of the following second month and the prescribed tax return shall be filed within three days from the due date prescribed for payment of tax.

(4) The airport operator and the airport terminal operator shall maintain such record as are prescribed under section 26 of the Act in such manner as will enable distinct ascertainment of payment of the tax due.

40B. Services provided by airport ground service providers and airport service providers.-(1) All charges on account of the following services provided or rendered to airlines by airport ground service providers and other airport services providers at an airport shall be leviable to sales tax:

- (i) aircraft handling;
- (ii) passenger and baggage handling;
- (iii) cargo and mail handling;
- (iv) cabin services and maintenance;
- (v) ramp handling; and
- (vi) services like Airport Connect Open.

(2) The value of taxable services for the purpose of levy of sales tax shall be the gross amount charged for the services.

(3) The amount of sales tax involved shall be deposited in the prescribed manner by the 15th day of the following month and the prescribed tax return shall be filed within three days from the due date prescribed for payment of tax.

(4) The airport ground service providers and other airport service providers shall maintain such record as are prescribed under section 26 of the Act in such manner as will enable distinct ascertainment of payment of the tax due.”;

(j) in rule 42, in sub-rule(2), in clause (a), after the words and full stop “for services.”, the following words, commas, colon and the proviso shall be added, namely, -----

“It shall also not include the club’s voluntarily deposited receipts on account of staff welfare like eid gifts, bonuses and gratuity to the club staff and donations received for charitable causes subject to the condition that the amounts, so received for these

purposes, are used, entirely and exclusively, for the purpose for which it is received.”;
and

(k) in Form SST-02, against Row No. 9, for the word “exempt”, the word “non-taxable” shall be substituted.

=SIGNED=

(MUMTAZ AHMED)
Member (Leg & Coord)