

AC SRB-4-C/24a/2012/6219
GOVERNMENT OF SINDH
Sindh Revenue Board
Karachi, dated 5th July, 2012

(NOTIFICATION)
(Sindh Sales Tax on Services)

No. SRB-3-4/13/2012. ----- In exercise of the power conferred by section 72 of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No XII of 2011), read with section 5, 9, 13 and 75 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, ----

1. In the preamble, after the word "section", the figure and comma "5," shall be inserted; and
2. After rule 40C, the following new rule shall be added, namely,-----

"40D. Services provided by Foreign Exchange Companies, Forex Dealers and Money Changers. - (1) Every Foreign Exchange Company, Forex Dealer and Money Changer, hereinafter referred to as "exchange company" in this rule, shall pay the sales tax leviable on the services rendered or provided to any person in respect of currency exchange

(2) The exchange company providing or rendering taxable services in the province of Sindh shall apply to the Sindh Revenue Board for sales tax registration in the prescribed manner

(3) The value of services provided by an exchange company, in respect of transaction involving exchange of currencies at the counter shall be 20 paisa for every one hundred rupees equivalent being exchanged. The actual value exceeding the aforesaid fixed value shall not constitute the taxable value in such case.

(4) The sales tax on services shall be payable at the rate of 16% of the value determined in the manner provided above.

Illustration Exchange Company buys US\$ 50 for 4,500 rupees (say, at Rs.90 per Dollar unit) from a customer. The value of service shall be:
 $20\text{paise} \times 4,500 = 900\text{paise}/100 = 9\text{ rupees}$
The tax at the rate of 16% shall be Rs. $9 \times 16\% = \text{Rs. } 1.44$.
And same formula for the sale.

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(5) The exchange company shall not be entitled to any input tax credit or adjustment.

(6) The exchange company shall issue tax invoice, as prescribed in rule 29.

(7) The tax due for each tax period shall be paid and the return shall be filed by the central or the regional office of the registered person in Sindh in the manner and at the time as prescribed in rules 13 and 14. However, the exchange company shall fill in the return and only the Annex C thereof providing total value of services, determined in the prescribed manner, for the tax period in a single entry.

(8) In case sales tax is not deposited or if the tax return is not filed in the prescribed manner (as per annexure for on line submission of return) by the prescribed due date, the exchange company shall, in addition to the payment of sale tax and default surcharge, be also liable to penalty under the Act or these rules.

(9) The registered person shall maintain separate record of all transaction and the tax collected thereon in respect of each branch or sub-office in Sindh and shall keep consolidated record at the central or regional office in Sindh in such manner as will enable distinct ascertainment of collection of sales tax on each of the services mentioned in the scope of these rules.

Mumtaz Ahmed
(Member L&C)

Annex to the notification SRB-3-4/14/2012

Following easy to use procedure can be used by Money Exchange Companies for e-Filing of SRB Sales Tax on Services Returns: (Restricted application over the counter Sale/Purchase or providing service to the client over counter.)

1. User-ID and Password will be obtained after completing e-Enrollment process on <http://e.srb.gos.pk>
2. After Login to SRB webs te <http://e.srb.gos.pk> , open a new return by selecting the menu option of Declarations-> Return Filing. Select a 'Tax Month' from left panel.
3. A new Return will be opened. Select a link of 'Annex-C' as given on column Sr No 9. Your NTN and Name will be automatically appearing on the Return and Annexure.
4. By clicking on above link a Sales Details Performa (Annexure-C) will be opened as following. Enter your following sales detail in the Annexure-C:

NTN	Document Type	Document No.	Date	Tax Rate	Value of Sales	Sales Tax Involved
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Use the following entries to fill-up these details:

- a. NTN: 9999997-8
- b. Document Type: SI (Sales Invoice)
- c. Document Number: 1
- d. Date: 01/mm/yyyy
- e. Tax Rate: 16%
- f. Value of Sales: (Your Total Value of Sales)
- g. Sales Tax Involved: (This field will be automatically calculated)

5. The value of sales may be calculated as per following formulae:

$$\text{Value of Sales of Taxable} = (\text{Sale} + \text{Purchase}) \times 0.002$$

(e)Illustration: Exchange Company buys US\$50 for 4,500 rupees (say, at Rs.90 per Dollar unit) From a customer. The value of service shall be:
 20paise x 4,50=900 paisa/100=9 rupees
 The tax at the rate of 16% shall be 9 x 16%=Rs.1.44

6. Save Annexure-C details and back to the main return form. Now Save and Verify the Return.
7. Deposit the payable tax amount in NBP branch on SRB Challan/PSID form SST-04. You will receive a CPR-ID from bank branch. Enter this CPR-ID number on the Return Form using 'Feed CPR' button.
8. Press the Submit button on main return form to e-File and submit your return to SRB.

For further support and guidance, SRB support center is also functional at SRB Head Office, Shaheen Complex, Karachi, UAN: 111-778-000