



**GOVERNMENT OF SINDH
SINDH REVENUE BOARD**

Karachi, the 28th June, 2016

NOTIFICATION
(Sindh Sales Tax on Services)

SRB-3-4/12/2016.----- 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 sections 5, 6, 9, 13, 26 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, -----

- 15/6/16
- (a) in rule 5, in sub-rule (3), for the words and commas "issue a provisional certificate of registration, valid for three months from the date of its issue, and shall communicate to the to the registered person his registration number (SNTN) and the user ID, pin code and password for use by such provisionally-registered person in relation to payment of amounts of tax and filing of tax returns", the words and commas "communicate to such applicant his provisional registration number (SNTN) and the user ID, pin code and password. The Board shall issue a provisional registration certificate to the applicant after such applicant has activated his user ID and completed the e-enrollment formalities for payment of amounts of tax and filing of tax returns" shall be substituted;
 - (b) in rule 13, in clause (ii), for the word "licensed", the word "appointed" shall be substituted;
 - (c) in rule 17, in sub-rule (1), after the words " revised return", the words within the period specified under sub-section (6) of section 30 of the Act" shall be added;

(d) for rule 22A, the following shall be substituted, namely:-

“22A. Input tax credit not allowed. ----- In addition to the provisions of section 15A of the Act in this regard, a registered person shall also not be entitled to claim or reclaim or adjust or deduct input tax in respect of:-

(i) sales tax claimed as input tax where the registered person, making such input tax credit/adjustment, has not made the payment, within one hundred and eighty days from the date of the tax invoice, of the invoiced amount (including the sales tax amount) of input goods and services, other than the input utilities (telecom, electricity and gas), courier services and also the directly imported goods, through a crossed cheque drawn on a bank, or by a crossed bank draft or crossed pay order or any other crossed banking instrument showing the transfer of the amount of tax invoice in favour of the goods supplier or the service provider from the business bank account of the buyer or service recipient making or claiming or reclaiming such input tax credit/adjustment:

Provided that online transfer of payment from the business bank account of the buyer or the service recipient to the business bank account of the goods supplier or the service provider, as well as payment through credit card or debit card, shall be treated as transaction through banking channel, subject to the condition that such a transaction is verifiable from the bank statements of the business bank accounts of the buyer or service recipient:

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(ii) goods or services as are liable to sales tax, whether a federal sales tax or provincial sales tax, at specific rate or at fixed rate or at such other rates not based on value or at a rate lesser than 13 *per cent ad valorem* and are used or consumed as inputs in the provision of a service under this Act;

(iii) goods or services acquired for personal or non-business consumption;

- (iv) goods or services in respect of which input tax adjustment is barred under any federal or provincial law, for the time being in force, relating to sales tax; and
- (v) carry forward of the input tax adjustment relating to tax period June, 2011, or earlier;
- (e) in rule 23B, in clause (b), for the word "form", the word "from" shall be substituted;
- (f) in rule 30, in the Annex, in the Table, under the title "RECONCILIATION", for the figures "14%", occurring against Rows A and B, the figures "13%" shall be substituted;
- (g) in rule 32,-----
- (i) in sub-rule (1),-----
- (a) for the words "of Pakistan", the words "in Sindh" shall be substituted; and
- (b) after the word "foreign port" at the end, the words "or for sailing for any foreign port" shall be added;
- (ii) in sub-rule (2), for the figures "14 per cent", the figures "13%" shall be substituted;
- (h) in rule 35, in the FORM of Monthly Statement prescribed under sub-rule (4), in Part-I,-----
- (i) against S.No. 4 in the first column, the brackets and words "(for the previous tax period)" in the second column shall omitted;
- (ii) against S.No. 16 in the first column, in clause (a) in the second column,-----
- (a) after the word "Services", the words and figure "of upto 2 mbps speed" shall be inserted; and

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(b) after the word "month" at the end, the words and figures "of more than 2 mbps speed but not more than 4 mbps speed valued at not more than Rs. 2,500/- per service recipient per month" shall be added;

(i) in rule 36,-----

(i) in sub-rule (6), in the Proviso, for the figures and words "14 per cent", the figures and words "13%" shall be substituted; and

(ii) in FORM-"F" at the end, for the figures "14%", occurring twice, the figures "13%" shall be substituted;

(j) in rule 39, in sub-rule (3), for the figures "14%", the figures "13%" shall be substituted;

(k) in rule 40C, in sub-rule (1), for the figures "14%", the figures "13%" shall be substituted;

(l) in rule 40D, in sub-rule (4),-----

(i) for the figures "14%", occurring thrice, the figures "13%" shall be substituted; and



(ii) in "Illustration",-----

(a) for the figures "4,500", occurring twice, the figures "5,000" shall be substituted;

(b) for the figures "90", the figures "100" shall be substituted;

(c) for the figures "900", the figures "1,000" shall be substituted;

(d) for the figure "9", occurring twice, the figure "10" shall be substituted; and

(e) for the figures "1.26", the figures "1.30" shall be substituted;

(m) in rule 42, in sub-rule (1), in clause (a),-----

(i) for the figures "3.6", occurring twice, the figure "4" shall be substituted; and

(ii) in the Proviso, in clause (i), after the word "year", the words "and restaurants which are located within the building or premises of air-conditioned shopping malls or shopping plazas" shall be added;

(n) in rule 42B,-----

(i) for the figure "6%", occurring thrice, the figure "8%" shall be substituted;

(ii) for the figures "14%", occurring twice, the figures "13%" shall be substituted; and

(iii) in sub-rule (6), in the Proviso, for the figures and words "14 per cent", the figures "13%" shall be substituted;

(o) in rule 42BB,-----

(i) for the figure "6%", occurring thrice, the figure "8%" shall be substituted;

(ii) for the figures "14%", occurring twice, the figures "13%" shall be substituted; and

(iii) in sub-rule (5), in the Proviso, for the figures and words "14 per cent", the figures "13%" shall be substituted;

(p) in rule 42BBB, in sub-rule (3),-----

(i) for the figure "6%", the figure "8%" shall be substituted; and

(ii) for the words and figures "by notification No.SRB-3-4/3/2015 dated the 1st July, 2015", the words "from time to time" shall be substituted; and

(q) in rule 42G,-----

- (i) for the figure "6%", occurring thrice, the figure "8%" shall be substituted;
- (ii) for the figures "14%", occurring twice, the figures "13%" shall be substituted; and
- (iii) in sub-rule (4A), in the Proviso, for the figures and words "14 per cent", the figures "13%" shall be substituted.

2. This notification shall take effect on the 1st day of July, 2016.



(Alamuddin Bullo)
Chairman, SRB

[File No.SRB/TP/01/2016]