



GOVERNMENT OF SINDH
SINDH REVENUE BOARD

Karachi. Dated 31st January, 2013

NOTIFICATION
(Sindh Sales Tax on Services)

SRB-3-4/1/2013. ----- 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 aforesaid Rules, -----

1. In the preamble, for the figures and comma "9, 13", the figures and commas "5,6,9,13,26" shall be substituted;
2. In rule 2, in sub-rule (1), -----
 - (i) after clause v, the following new clause va shall be added, namely:-

"va. "Caterer", by whatever name called,
means any person who supplies or provides, either directly or indirectly, food, edible preparations, beverages or crockery or cutlery and similar ancillary articles or accoutrements at any place


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including a place provided by tenancy or otherwise.”;

- (ii) for the existing clause number “va”, the new clause number “vb” shall be substituted.;
- (iii) after clause x, the following new clause xa shall be added, namely:-

“xa. **“Input Tax”**, in relation to a registered person, means:-

- (i) the tax levied under the Sales Tax Act, 1990, on the goods supplied to or imported by the registered person; and
- (ii) provincial sales tax levied on such of the services, under the sales tax enactments of the provinces in Pakistan and of Islamabad Capital Territory, as are received by the registered person.”;

- (iv) after clause xii, the following new clause xiiia shall be added, namely:-

“xiiia. **“Output Tax”**, in relation to a registered person, means tax levied under this Act in relation to the services provided or rendered by the registered person.”;

- 3. In rule 14, after the rule number 14, the marginal heading **“Time and manner of payment of tax. ---- ”** shall be inserted;
- 4. In rule 15, after the rule number 15, the marginal heading **“Mention of number of Computerized National Identity Card. ----”** shall be inserted;


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5. In rule 16, after the rule number 16, the marginal heading “Requirement to file scanned attachment. ----” shall be inserted;
6. In rule 29, after sub-rule (2), the following new sub-rule shall be inserted, namely:-

“(2A) A service provider, providing or rendering taxable services, shall also maintain the following records in addition to those prescribed under section 26 of the Act:-

- (i) records of the invoices issued in terms of sub-rule (1);
- (ii) records of daily POS (Point of Sale) closing report of all the cash registers of a service provider and its branches and outlets in Sindh;
- (iii) records of goods and services purchased or received, showing the description, quantity and value of the goods and services, the name, address and registration number of the supplier or seller or service provider and the amount of the tax involved;
- (iv) records (GDs and import invoices) of goods imported, showing the description, quantity and value of goods and the amount of tax involved;
- (v) records of the documents (including Debit and Credit Notes), returns and statements prescribed under the Act or rules made thereunder;
- (vi) bank statements and the banking instruments in relation to payments made and payments received;
- (vii) utility bills for gas, electricity, water and telephones and other telecommunications services;
- (viii) lease deeds, lease agreements, tenancy agreements and rental agreements;


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- (ix) franchise agreements including technical fee agreements or royalty agreements or distribution agreements or agency agreements;
- (x) invoice/bills issued or received in respect of franchise services and the instruments of payments made or received in relation thereto;
- (xi) contracts/agreements made about the provision or receipts of goods and services;
- (xii) details (e.g. name, NTN, CNIC, address, phone number, fax number, e-mail ID, etc.) of the service provider, approved/authorized by any person for providing or rendering (whether to the said person or to any other person or service recipient) catering services, advertisement services, stevedoring services, ship management services, customs agents services, contractual services and contractor services in jurisdictional area, building, premises or precincts of such person;
- (xiii) inventory record of the input goods or input services;
- (xiv) financial statements and annual accounts;
- (xv) records justifying apportionment of input tax made in terms of sub-rule (3) of rule 22; and
- (xvi) audit observations/audit reports received, if any, from any tax jurisdiction in Pakistan or from the Revenue Receipt Audit or Commercial Audit departments of the Auditor General of Pakistan.”;

7. In rule 36, ----

- (i) In clause (i), after the words and semi-colon “in the franchise agreement;”, the comma, words and colon “, whichever is higher:” shall be added and, thereafter, the following provisos shall be added, namely:-


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“ Provided that in such cases where no remittance or payment of franchise fee or technical fee or royalty is made by the franchisee, the assessable value shall be the amount laid down in the franchise agreement:

Provided further that in such cases where there is no franchise agreement or in case where the franchise agreement does not require that remittance or payment of franchise fee or technical fee or royalty during any period or during a specified period, the assessable value, except for the first one year from the date of commencement of the franchise or the date of initial franchise agreement, as the case may be, shall be an amount equal to 10% of the turnover of the franchised goods or services of the franchisee for the tax period for which the tax is payable;” and

- (ii) in clause (iii), for the words “net sales of the franchisee”, the words “turnover of the franchised goods or services of the franchisee for the tax period for which the tax is payable” shall be substituted; and

8. In rule 42, -----

- (i) in sub-rule (1), in clause (a), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“ Provided that the aforesaid threshold of total annual turnover exceeding rupees 3.6 million per annum shall not apply in case of



following categories of restaurants and caterers:-

- (i) restaurants which are air-conditioned on any day in a financial year;
 - (ii) restaurants and caterers located within the building, premises or precincts of any hotel, motel, guest house or club whose services are liable to sales tax;
 - (iii) restaurants and caterers providing or rendering services in the building, premises, precincts, hall or lawn of any hotel, motel, guesthouse or club whose services are liable to sales tax;
 - (iv) restaurants and caterers which are franchisers or franchisees;
 - (v) restaurants and caterers having branches or more than one outlet in Sindh; or
 - (vi) restaurants and caterers whose total utility bills (gas, electricity and telephone) exceed Rs. 40,000/= in any month during a financial year.”;
- (ii) for sub-rule (3), the following shall be substituted, namely:-

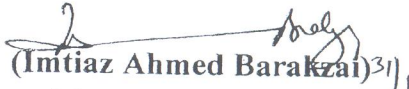
“(3) Every registered person shall submit the monthly tax return and make the payment of the tax due in the manner and by the due date as prescribed in rules 13 and 14:

Provided that in respect of services provided or rendered by clubs, the due date for deposit of the tax due shall be the fifteenth day of the second month following the month in which services were provided or rendered by the club and the club shall also file the


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prescribed tax return within three days of the due date for the payment of the tax.”; and

- (iii) in sub-rule (6B), for the word “month”, the words “second month” shall be substituted.


(Imtiaz Ahmed Barakzai)³¹,
Member (Operations)