



GOVERNMENT OF SINDH
SINDH REVENUE BOARD

Karachi, the 29th June, 2024

NOTIFICATION
(Sindh Sales Tax on Services)

No. SRB-3-4/27/2024.----- 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, 25B, 26, 54A 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 rule 5, in sub-rule (2), for the word “bank”, the words “business bank” shall be substituted;
- (2) in rule 7, the words “in advance or” shall be omitted;
- (3) in rule 22,-----
 - (a) in sub-rule (2), for the word “reduce””, the word “reduced” shall be substituted; and
 - (b) in sub-rule (3), for the word “reduce”, occurring twice, the word “reduced” shall be substituted;
- (4) in rule 32, in sub-rule (2), for the figures “13%”, the figures “15%” shall be substituted;
- (5) in rule 36,-----
 - (a) in sub-rule (6),-----
 - (i) in the first Proviso, for the figures “13%”, the figures “15%” shall be substituted; and
 - (ii) after the first Proviso, so amended, the following second Proviso shall be inserted:-

“Provided further that election/option in Form-“F” submitted within due date or within extended due date, as the case may be, on or before the 30th June, 2024 for payment of tax at 13% shall continue to be valid for payment of tax at 15% for the tax periods July, 2024 and thereafter:”; and

(b) in FORM-“F” at the end, for the figures “13%”, occurring twice, the figures “15%” shall be substituted;

(6) in rule 39, in sub-rule (3), for the figures “13%”, the figures “15%” shall be substituted;

(7) in rule 40C, in sub-rule (1), for the figures “13%”, the figures “15%” shall be substituted;

(8) in rule 40D,-----

(i) in sub-rule (3), for the figures and word “20 paisa”, the figures and word “25 paisa” shall be substituted; and

(ii) for sub-rule (4), the following shall be substituted:-

“(4) The sales tax on services shall be payable at the rate of 3% of the value determined in the manner provided above.

Illustration: Exchange company buys US\$ 50 for Rs. 5,000 (say, at Rs. 100 per Dollar unit) from a customer. In such case, the value of service shall be:-

$$25 \text{ paisa} \times 5,000 \div 100 = \text{Rs. } 12.5$$

The tax at the rate of 3% shall be Rs. $12.5 \times 3\% = \text{Re. } 0.375$.

The same formula shall also apply in the case of sale of the foreign currency.”;

(9) in rule 42,-----

(i) in the rule heading and the sub-rules,-----

(a) after the words and comma “guest houses,”, wherever occurring, the word and comma “farmhouses,” shall be inserted; and

(b) after the words and comma “guest house,”, wherever occurring, the word and comma “farmhouse,” shall be inserted;

(ii) in sub-rule (1),-----

(a) in clause (a),-----

(i) in clause (ii) of the Proviso, after the words “guest house”, the comma and words “, farmhouse” shall be inserted; and

(ii) in clause (iii) of the Proviso, for the word “guesthouse”, the words and comma “guest house, farmhouse” shall be substituted; and

(b) in clause (b),-----

(i) after the colon, the following Provisos shall be inserted:-

“Provided that the persons providing or rendering the services of restaurant (tariff heading 9801.2000) against payments in digital modes as prescribed in notification No. SRB-3-4/8/2013 dated the 1st July, 2013, as amended by notification No. SRB-3-4/24/2024 dated 29th June, 2024, shall charge and pay sales tax at the rate of 8% on transactions against such digital mode payments:

Provided further that the Board may, on receipt of a request in this regard, allow a restaurant to pay sales tax on their restaurant services at the standard rate of 15% instead of the reduced rate of 8%.”; and

(ii) in the existing Proviso,-----

(a) for the word “Provided”, the words “Provided further” shall be substituted; and

(b) for the word “guesthouses”, the words “guest houses or farmhouses” shall be substituted; and

(c) in clause (f), after the full-stop at the end, the following shall be added:-

“In Annex-“C” of such tax return, the person providing or rendering restaurant services shall clearly, specifically and separately indicate the particulars of the restaurant services provided or rendered by him at the standard rate of 15% and at the reduced rate of 8%.”; and

(iii) in sub-rule (1A), in clause (b), for the word “guesthouse”, the words and commas “guest house, farmhouse” shall be substituted;

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

(i) in sub-rule (6), in the Proviso,-----

(a) for the figures "13%", the figures "15%" shall be substituted;
and

(b) for the full-stop at the end, a colon shall be substituted and,
thereafter, following second Proviso shall be added:-

"Provided further that election/option in Form-"C"
submitted within due date or within extended due date, as the
case may be, on or before the 30th June, 2024 for payment of
tax at 13% shall continue to be valid for payment of tax at
15% for the tax periods July, 2024 and thereafter."; and

(ii) in FORM "C" at the end, for the figures "13%", occurring twice, the
figures "15%" shall be substituted;

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

(i) in sub-rule (5), in the Proviso,-----

(a) for the figures "13%", the figures "15%" shall be substituted;
and

(b) for the full-stop at the end, a colon shall be substituted and,
thereafter, following Proviso shall be added:-

"Provided further that election/option in Form-"R"
submitted within due date or within extended due date, as the
case may be, on or before the 30th June, 2024 for payment of
tax at 13% shall continue to be valid for payment of tax at
15% for the tax periods July, 2024 and thereafter."; and

(ii) in FORM "R" at the end, for the figures "13%", occurring twice, the
figures "15%" shall be substituted;

(12) in rule 42BBC, in sub-rule (3), for the figures "13%", the figures "15%"
shall be substituted;

(13) in rule 42CC,-----

(i) in sub-rule (4), for the figures "13%", the figures "15%" shall be
substituted; and

(ii) in FORM "G" at the end, for the figures "13%", occurring twice, the
figures "15%" shall be substituted;



(14) after rule 42F, the following new rule shall be added:-

“42FF. Procedure for collection and payment of sales tax on the services provided or rendered by Medical practitioners and consultants.”---(1) The provisions of this rule shall apply to the persons, as defined in clause (59A) of section 2 of the Act, who provide or render the services of medical practitioners and consultants (tariff heading 9815.1000) at any place including a hospital or a clinic and charge more than 3,000 rupees per visit/consultation per patient.

(2) In this rule, unless there is anything repugnant in the subject or context,-----

(a) **“collection agent”** means a hospital or a clinic or any such entity, by whatever name called, who provide the facility of consulting rooms or otherwise to the medical practitioners and consultants for visit/consultation in relation to patients including outdoor or indoor patients or day-care patients in that hospital or clinic; and

(b) **“hospitals and clinics”** means the persons and establishments defined in clause (50A) of section 2 of the Act who provide the facility of consulting rooms to the medical practitioners and consultants.

(3) Every person providing or rendering the services of medical practitioners and consultants shall register himself in terms of section 24 of the Act read with provisions of Chapter-II of these rules.

(4) Every collection agent, if not already registered, shall be liable to be registered in terms of section 24 of the Act.

(5) The value of taxable services for the purpose of levy of sales tax shall be the gross amount charged for the services provided or rendered.

(6) The tax rate on such services shall be the reduced rate of 3%, on the gross amount charged, in terms of notification No. SRB-3-4/8/2013 dated the 1st July, 2013, as amended vide notification No. SRB-3-4/24/2024 dated 29th June, 2024.

(7) Every such person, including the collection agent, shall issue a serially-numbered invoice or bill of charges, generated electronically or otherwise, containing the particulars as specified in sub-rule (1) of rule 29, for each transaction. A copy of the invoice or the bill of charges shall be given to the person/patient to whom such services are provided or rendered.

(8) Every such person, including the collection agent, shall maintain the records as prescribed in section 26 of the Act and sub-rule (2A) of rule 29.

(9) The tax involved on the services provided or rendered by such persons, whether directly or through the collection agent, during a tax period shall be paid by the medical practitioner and consultant or by the collection agent, as the case may be, by the 15th day of month following the tax period to which it relates. The tax return shall be filed in the manner prescribed in Chapter-III of these rules within 3 days from the due date prescribed for payment of tax.”;

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

(i) the words “inter-city”, wherever occurring whether in title or in sub-rules or in FORM-“I”, shall be omitted;

(ii) in sub-rule (4A)-----,

(a) for the words “the rate”, the words “The rate” shall be substituted;

(b) in the first Proviso, for the figures “13%”, the figures “15%” shall be substituted; and

(c) after the first Proviso, amended as above, the following second Proviso shall be inserted:-

“Provided further that election/option in Form-“I” submitted within due date or within extended due date, as the case may be, on or before the 30th June, 2024 for payment of tax at 13% shall continue to be valid for payment of tax at 15% for the tax periods July, 2024 and thereafter.”; and

(iii) in FORM “I” at the end, for the figures “13%”, occurring twice, the figures “15%” shall be substituted;

(16) in rule 42I,----

(i) in sub-rule (4), for the figures “13%”, the figures “15%” shall be substituted; and

(ii) in FORM “S”, for the figures “13%”, occurring twice, the figures “15%” shall be substituted;

(17) in rule 42J,-----

(i) in sub-rule (4), for the figures “13%”, the figures “15%” shall be substituted; and

(ii) in FORM "L", for the figures "13%", occurring twice, the figures "15%" shall be substituted;

(18) after rule 42J, amended as above, the following new rules shall be inserted, namely:-

“42K. Procedure for collection and payment of sales tax on services provided or rendered by hospitals and clinics.-----(1) The provisions of this rule shall apply to the persons, as defined in clause (50A) of section 2 of the Act, who provide or render the services of provision of rooms/beds for its indoor patients and day-care patients and charge (including allied fixed charges, if any) more than 25,000 rupees per bed/room.

(2) Every person providing or rendering such services shall register himself under section 24 of the Act, read with provisions of Chapter-II of these rules.

(3) The value of taxable services for the purpose of levy of sales tax shall be the gross amount charged for the services provided or rendered.

(4) The rate of tax on such services shall be the reduced rate of 3%, on the gross amount charged, in terms of notification No. SRB-3-4/8/2013 dated the 1st July, 2013, as amended vide notification No. SRB-3-4/24/2024 dated 29th June, 2024.

(5) Every such person shall issue an invoice or a bill of charges, generated electronically or otherwise, containing the particulars as specified in sub-rule (1) of rule 29. A copy of the invoice or bill of charges shall be given to the person/patient to whom such services are provided or rendered.

(6) Every such person shall maintain the record as prescribed in section 26 of the Act and sub-rule (2A) of rule 29.

(7) The tax involved on the services provided or rendered by such persons, including the tax collected in the capacity of collection agent in terms of rule 42FF, during a tax period shall be paid by the 15th day of month following the tax period to which it relates. The tax return shall be filed in the manner prescribed in Chapter-III of these rules within 3 days from the due date prescribed for payment of tax.

42L. Procedure for collection and payment of sales tax on education services-----(1) The provisions of this rule shall apply to the persons providing or rendering education services as defined in clause (37A) of section 2 of the Act in relation to the fee/charges exceeding 500,000 rupees per *annum* per student:

Provided that where the fee/charges are collected on monthly basis or on quarterly basis or on semester basis or any other basis, the aforesaid threshold of 500,000 rupees per annum shall, for the purpose of determining taxability of services provided, be applied proportionately and the tax shall be paid accordingly in the manner and by the due date, as prescribed in this rule.

(2) Every person providing or rendering such services shall register himself in terms of section 24 of the Act, read with provisions of Chapter-II of these rules.

(3) The value of taxable services for the purpose of levy of sales tax shall be the gross amount of fee or charges, by whatever name called, including tuition fee, admission fee, examination fee, laboratory fee, library charges and all other fixed charges including those for non-academic activities, but excluding the refundable amount of security deposit, received by the person providing education services.

(4) The rate of tax on such services shall be the reduced rate of 3%, on the gross amount charged, in terms of notification No. SRB-3-4/8/2013 dated the 1st July, 2013, as amended vide notification No. SRB-3-4/24/2024 dated 29th June, 2024.

(5) Every such person shall issue an invoice or a bill of charges, generated electronically or otherwise, containing the particulars as specified in sub-rule (1) of rule 29. A copy of the invoice or bill of charges shall be given to the person/student to whom such services are provided or rendered.

(6) Every such person shall maintain the records as prescribed in section 26 of the Act and sub-rule (2A) of rule 29.

(7) The tax involved on the services provided or rendered by such persons during a tax period shall be paid by the 15th day of month following the tax period to which it relates. The tax return shall be filed in the manner prescribed in Chapter-III of these rules within 3 days from the due date prescribed for payment of tax.

42M. Procedure for collection and payment of tax on the distribution services.---(1) The provisions of this rule shall apply to the persons providing or rendering distribution services covered by tariff heading 9845.0000.

(2) Every person providing or rendering such services shall register himself in terms of section 24 of Act, read with the provisions of Chapter-II of these rules.

(3) The value of taxable services provided by such service providers, in respect of the services of distribution of goods, shall be an amount equal to 8% of the gross margin of such distributor.

Explanation: The term “gross margin”, for the purpose of this rule, includes the trade margin, trade discount, trade offer, commission, rebate or any other incentive, by whatever name called, as are received by such distributors in relation to the distribution services.

(4) The tax rate on such services shall be the standard rate of 15%:

Provided that the tax rate on such services as are provided or rendered in relation to distribution of the drugs registered under the Drugs Act, 1976 (Act No. XXXI of 1976) shall be the reduced rate of 5% as prescribed in notification No. SRB-3-4/8/2013 dated the 1st July, 2013 as amended vide a notification No. SRB-3-4/24/2024 dated 29th June, 2024.

(5) Every such person shall issue a serially-numbered invoice or a bill of charges, generated electronically or otherwise, containing the particulars as specified in sub-rule (1) of rule 29. A copy of the invoice or bill of charges shall be given to the person to whom such services are provided or rendered.

(6) Every such person shall maintain record as prescribed in section 26 of the Act and sub-rule (2A) of rule 29.

(7) The tax involved on the services provided or rendered by such persons during a tax period shall be paid by the 15th day of month following the tax period to which it relates. The tax return shall be filed in the manner prescribed in Chapter-III of these rules within 3 days from the due date prescribed for payment of tax.”;

(19) in rule 57H,-----

(i) in the title, for the words “**Hyderabad and Sukkur regions**”, the words “**the regional offices**” shall be substituted; and

(ii) in sub-rule (1),

(a) the words “Sukkur and Hyderabad” shall be omitted; and

(b) for the words “Hyderabad and Sukkur Regions”, the words “the respective regional office” shall be substituted; and

(20) in FORM SST-03, in Annex-A, under the caption "**Notes: Reason For Non-Credit Inputs**",-----

- (i) against Reason No. 1, for the word "Reduce", the word "Reduced" shall be substituted; and
- (ii) against Reason No. 2, for the figures "13%", the figures "15%" shall be substituted.

2. This notification shall take effect on and from the 1st day of July, 2024.



(Naveed Shoukat Rajput)
Secretary