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## Digital Payments Enjoy 8% Sales Tax Benefit: SRB

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Karachi, July 23, 2024 – The Sindh Revenue Board (SRB) has issued a clarification today, dispelling rumors about the withdrawal of the reduced 8% sales tax rate for restaurant services paid through digital channels.

The board emphasized that the facility remains intact and is actively being implemented.

Recent media reports had incorrectly suggested that the tax benefit had been abolished, causing confusion among customers and businesses alike. The SRB has categorically denied these claims, asserting that the reduced rate is applicable for all restaurants that accept digital payments unless they have obtained specific permission from the board to charge the standard 15% rate.

"It is clarified for information of all concerned that the said facility of reduced rate of Sindh Sales Tax (SST) has not been withdrawn but is still operative," the SRB stated.

To avail themselves of the reduced tax, restaurants must ensure their Point of Sale (POS) systems are integrated with the SRB's system and comply with the Sindh Sales Tax on Services Act, 2011. Currently, over 1,700 restaurants are registered with the SRB, but only 58 have acquired the necessary permission to charge the higher tax rate. The SRB highlighted that only those restaurants whose POS systems are fully integrated with their system and compliant with the legal provisions are allowed to charge the 15% SST.

The SRB has urged customers to verify the applicable sales tax rate before dining out by checking the SRB website or requesting proof of permission from the restaurant. This step is aimed at ensuring transparency and preventing misunderstandings regarding tax rates. ↑





By clarifying the situation, the board aims to protect consumer rights and maintain transparency in the taxation process. The SRB's commitment to upholding these tax benefits underscores the government's support for digital payments, aligning with broader efforts to modernize financial transactions and boost digital economy initiatives.

As digital transactions continue to grow, the SRB's assurance of maintaining the 8% sales tax benefit is expected to encourage more consumers and businesses to adopt these modern payment methods, fostering greater financial inclusion and efficiency in the marketplace.

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