

# The Sales Tax Rules, 2006

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**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
CENTRAL BOARD OF REVENUE**

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Islamabad, the 5<sup>th</sup> June, 2006.

**NOTIFICATION  
(Sales Tax)**

**S.R.O. 555(I)/2006.**— In exercise of the powers conferred by sub-section (1) of section 4 and section 40 of the Federal Excise Act, 2005, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8<sup>1</sup>, clause (ii) of sub-section (2) of section 8B], section 9, 10, 14, 21 and 28, clause (c) of sub-section (1) of section 22, section 26, sub-section (6) of section 47A, sections 48, <sup>2</sup>[50A, 52, 52A] and 66 thereof, the <sup>3</sup>[Federal] Board of Revenue is pleased to make the following rules, namely:-

**THE SALES TAX RULES, 2006**

**1. Short title, application and commencement.**—(1) These Rules may be called the Sales Tax Rules, 2006.

(2) They shall be applicable to such persons or class of persons as are specified in the respective chapters.

(3) They shall come into force on the first day of July, 2006.

**2. Definitions.**— (1) In these Rules, unless there is anything repugnant to the subject or context,---

(i) "Act" means the Sales Tax Act, 1990;

(ii) "accountant" means—

(a) a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961); or

(b) a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966); or

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<sup>1</sup> Inserted vide SRO 307(I)/2008 dated 24.03.2008.

<sup>2</sup> Substituted for "52" vide SRO 470(I)/2007 dated 09.06.2007.

<sup>3</sup> Substituted for "Central" vide SRO 307(I)/2008 dated 24.03.2008.

- (c) a member of any association of accountants recognized in this behalf by the Federal Government;
- (iii) "adjudicating authority" means any officer appointed to adjudicate and decide cases under section 179 of the Customs Act, 1969 (IV of 1969), section 45 of the Sales Tax Act, 1990, and section 31 of the Federal Excise Act, 2005;
- (iv) "Agreement" means the agreement executed between the Board and the Bank for the purposes of payment of tax and submission of tax returns;
- (v) "attachment officer" means an officer, not below the rank of Principal Appraiser or Superintendent or Senior Auditor, authorised by the Recovery Officer to perform any of the functions under these rules;
- (vi) "Bank" means the National Bank of Pakistan or any of its branches designated, by notification in the official Gazette, for the purpose of filing of returns and payment of sales tax;
- (vii) "Board" means the Central Board of Revenue;
- (viii) "claimant" means any registered person who files a claim for refund of sales tax under these rules;
- (ix) "Collector" means the Collector of Sales Tax having jurisdiction;
- (x) "Collectorate" means the office of the Collector of Sales Tax having jurisdiction and includes the Large Taxpayers' Unit (LTU) and the Regional Tax Office (RTO), where the offices of Income Tax, Sales Tax and Federal Excise are co-located;
- (xi) "commercial exporter" means a person registered as <sup>4</sup>[an] exporter, who does not have his own manufacturing facility and is exporting the goods, whether in the same state or after getting them processed or manufactured from one or more registered persons, and holds a valid sales tax invoice for such processing, manufacturing or conversion;
- (xii) "committee" means a committee constituted under sub-section (2) of section 47A of the Act;
- (xiii) "Computerized Payment Receipt" means a computer generated receipt showing payment of tax to the designated branch of the National Bank of Pakistan;

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<sup>4</sup> Substituted for "a commercial" vide SRO 470(I)/2007 dated 09.06.2007.

<sup>5</sup>[(xiii-a) "CREST" means "Computerized Risk-based Evaluation of Sales Tax;]

- (xiv) "CRO" means Central Registration Office established for the purposes of centralized sales tax registration;
  - (xv) 'CSTRO' means Centralized Sales Tax Refund Office to be established in the Central Board of Revenue for disbursement of refund of sales tax;
  - (xvi) "defaulter" means a person mentioned in the demand note, who has failed to discharge his liabilities in payment of Government dues;
  - (xvii) "demand note" means a note received by the Sales Tax Recovery Officer from the referring authority specifying the details regarding the defaulter and the Government dues;
  - (xviii) "Digital Certificate Request Form" means a form to be downloaded from NIFT website and filled for obtaining NIFT Class 2 Digital Certificate as required under sub-rule (2) of rule **Error! Reference source not found.**;
  - (xix) "diplomat" means a person entitled to immunities and privileges under the Diplomatic and Consular Privileges Act, 1972 (IX of 1972);
  - (xx) "diplomatic mission" means a mission recognized as such under the Diplomatic and Consular Privileges Act, 1972 (IX of 1972);
- <sup>6</sup>[(xxi-a) "e-declaration administrator" means an officer not below the rank of an Additional Collector of Sales Tax, authorized by the Collector for the purpose of administration of the scheme envisaged under these rules;
- (xxi-b) "electronic data interchange (EDI)" means a system of secure transmission of electronic information, based on an agreed and internationally accepted standards and can be understood and treated automatically without human intervention;
  - (xxi-c) "electronic invoicing" means electronic transmission and storage of sales tax invoices, without the delivery of paper documents;]
  - (xxi) "dispute" means, a case where, for evidently valid reasons, a registered person is aggrieved in connection with the order of the sales tax officer

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<sup>5</sup> Clause added vide SRO 470(I)/2007 dated 09.06.2007.

<sup>6</sup> Clauses (xxi-a), (xxi-b) and (xxi-c) inserted vide SRO 470(I)/2007 dated 09.06.2007.

passed in any matter of sales tax specified in sub-section (1) of section 47 A of the Act and prima facie deserves relief for the elimination of possible hardship;

- (xxii) "Electronic Sales Tax Return Form" means a form of sales tax return available on the Central Board of Revenue's website to be filled in and filed in terms of sub-rule (4) of rule **Error! Reference source not found.**;
- (xxiii) "execution" means steps taken for the recovery of Government dues in pursuance of a demand note;
- (xxiv) 'Fast Track Channel' means automated risk based system for processing of claims filed by the registered persons covered under clause (b) of rule 26;
- (xxv) "foreign currency" means foreign currency as defined in clause (c) of section 2 of the Foreign Exchange Regulation Act, 1947 (VII of 1947);
- (xxvi) "Government dues" means recoverable amounts of sales tax, default surcharge, penalty or any other tax, duty or other levy being collected, in the same manner as sales tax is collected, an adjudged penalty or fine or any amount unpaid which may be payable under any bond, guarantee or instrument executed under the Act or such other laws or the rules made thereunder and against the recovery of which there is no bar or valid stay order from the competent court;
- (xxvii) "ICRC" means International Committee of the Red Cross;
- (xxviii) "immovable property" has the same meaning assigned to it in clause (20) of section 3 of the General Clauses Act, 1897 (X of 1897);
- (xxix) "LRO" means Local Registration Office established in the Collectorate of Sales Tax or Regional Tax Office (RTO) having jurisdiction;
- (xxx) "LTU" means the Large Taxpayer Unit having jurisdiction;
- (xxxi) "misconduct" means conduct prejudicial to good order, unbecoming of a gentleman and includes any act on his part to bring or attempt to bring outside or any sort of influence, directly or indirectly, to bear on the officer of Customs, Federal Excise and Sales Tax in respect of any matter relating to discharge of his duties under the relevant Acts, or creating hindrance in discharge of such duties or impersonation or submission of fake documents;

- (xxxii) "movable property" means a property which can be taken into custody for removal without physically knocking it down and includes currency and coin, shares, documents and instruments;
- (xxxiii) "NIFT" means the National Institutional Facilitation Technologies (Pvt.) Ltd.;
- (xxxiv) "NIFT Class 2 Digital Certificate" means a certificate to be obtained, filled and used in the manner specified under sub-rule (2) of rule **Error! Reference source not found.**;
- (xxxv) "nil return" means a return indicating that no sales tax is payable by the registered person in respect of the tax period to which the tax return relates;
- <sup>7</sup>[(xxxv-a) "Nil Return Receipt Counter" means a counter set up in the concerned Collectorate of Sales Tax for the purpose of receiving nil returns;]
- (xxxvi) "PACCS" means Pakistan Automated Customs Clearance System;
- (xxxvii) "privileged organization" means United Nations and the organisations working under it and shall include organisations which the Board may, by notification in the official Gazette, recognise to be a privileged organization;
- (xxxviii) "privileged person"---
- (a) for the purpose of rule 53, means a person covered by United Nations (Privileges and Immunities) Act, 1948 (XX of 1948), and shall include persons entitled to concessions and exemptions under the Model Rules for customs concessions to privileged personnel arriving under various foreign aid programmes or projects issued by the Board, under C. No. 10(34)-Cus-III/58, dated the 18th April, 1963; and
- (b) for the purpose of rule 54, means the person so declared under the President's Salary, Allowances and Privileges Act, 1975 (LVIII of 1975) and the Prime Minister's Salary, Allowance and Privileges Act, 1975 (LIX of 1975);
- (xxxix) "Processing Officer" means audit staff authorized to process a refund claim;
- (xl) "RCPS" means the Refund Claim Preparation Software prescribed by the Board;

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<sup>7</sup> Clause inserted vide SRO 470(I)/2007 dated 09.06.2007.

- (xli) "receiver" means a person appointed by the Recovery Officer to manage, run and account for any attached business or property;
  - (xlii) "Recovery Officer" means an officer of Sales Tax as appointed by the Collector to exercise powers as contained in sub-section (2) of section 48 of the Act, who shall not be below the rank of Assistant Collector;
  - (xliii) "reciprocity" means extension of the same privileges and facilities to a diplomat or diplomatic mission of a country in Pakistan as are extended by such country to diplomats and diplomatic mission of Pakistan in that country.
  - (xliv) "records" means the records as provided under section 22 of the Act;
  - (xlv) "referring authority" means an officer, not below the rank of an Assistant Collector, desiring to recover government dues through Recovery Officer;
  - (xlvi) "Relevant Acts" means the Act, the Federal Excise Act, 2005 and the Customs Act, 1969 (IV of 1969).
  - (xlvii) "residual input tax" means the amount of tax paid on raw materials, components and capital goods being used for making taxable as well as exempt supplies but does not include the input tax paid on raw materials used wholly for making taxable or exempt supplies.
- <sup>8</sup>[\*\*\*\*]
- (xlix) "RTO" means the Regional Tax Office having jurisdiction;
  - (l) "same-state-goods" means goods purchased by a commercial exporter against tax invoice for export as such;
  - (li) "share" means share in a corporation and private limited or public limited company and includes stock, debenture stock, debentures or bonds;
  - (lii) "Special Auditor" means a Chartered Accountant or a Cost and Management Accountant appointed under section 32A of the Act;
  - (liii) "STR form" any of the sequentially numbered forms as annexed to these rules;

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<sup>8</sup> Clause (xlviii) omitted vide SRO 470(I)/2007 dated 09.06.2007. The same read: "(xlviii) "RRAS" means Risk-based Refund Analysis System for processing the refund claim as per risk parameters approved by the Board;"

- (liv) "supportive documents", in relation to sales tax refund, means the documents as mentioned in rule 38 of these rules or such other documents as may be prescribed by the Board;
- (lv) "taxpayer" means any person who is required, or liable, to pay, or is paying duty, or tax, or any sum under any or all of the relevant Acts, or the rules and includes any person, other than a government employee, who is assigned any duty or responsibility under any of the relevant Acts or the rules;
- (lvi) "terms of reference", in relation to special audit, means the terms of reference as specified in the appointment letter issued by the Board to the special auditor regarding his appointment;
- (lvii) "transmit" also means to transmit data or documents through electronic means.
- (lviii) "UNDP" means the United Nations Development Program;
- (lix) "UNHCR" means the United Nations High Commission for Refugees;
- (lx) "UNICEF" means the United Nations International Children's Emergency Fund;
- <sup>9</sup>[(lx-a) "unique user identifier" means a unique identification name, number or password allotted by the Board to the authorized user of the computerized system under section 50A of the Act;]
- (lxi) "WFP" means the World Food Program;
- (lxii) "WHO" means the World Health Organisation.

(2) Other terms or expressions used but not defined here shall have the same meaning as are assigned to them in the Act.

## **Chapter I**

### **REGISTRATION, COMPULSORY REGISTRATION AND DE-REGISTRATION**

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<sup>9</sup> Clause inserted vide SRO 470(I)/2007 dated 09.06.2007.



**3. Application.**—The provisions of this chapter shall apply to the following persons, namely:—

- (a) a person required to be registered under the Act;
- (b) a person required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were sales tax under the Act;
- (c) a person who is subject to compulsory registration;
- (d) a person who is already registered and requires a change in the name, address or other particulars of registration;
- (e) a person who is blacklisted or whose registration is suspended; and
- (f) a person who is required to be de-registered.

**4. Requirement of registration.**—The following persons engaged in making of taxable supplies in Pakistan (including zero-rated supplies) in the course or furtherance of any taxable activity carried on by them, if not already registered, are required to be registered in the manner specified in this chapter, namely:—

- (a) a manufacturer whose annual turnover from taxable supplies, made in any tax period during the last twelve months exceeds five million rupees;
- (b) a retailer whose value of supplies, in any period during the last twelve months exceeds five million rupees;
- (c) an importer;
- (d) a wholesaler (including dealer) and distributor; <sup>10</sup>[\*\*\*]
- (e) a person required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act; <sup>11</sup>[and]
- <sup>12</sup>[(f) a commercial exporter, who intends to obtain sales tax refund against his zero-rated supplies.]

**5. Application for registration.**— (1) A person required to be registered under the Act shall, before making any taxable supplies, apply to the CRO, through electronic means as provided by the Board or otherwise, through owner, member or director, as the case may be. Such application shall be made in the form STR-1, as annexed to these rules, transmitted to the CRO electronically or through registered mail

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<sup>10</sup> The word “and” omitted vide SRO 470(I)/2007 dated 09.06.2007.

<sup>11</sup> Semi-colon and word “; and” substituted for full stop vide SRO 470(I)/2007 dated 09.06.2007. There was no full stop at the end but already a semi-colon.

<sup>12</sup> Clause added vide SRO 470(I)/2007 dated 09.06.2007.

or courier service. Such application will specify the Collectorate in whose jurisdiction the registration is sought, as per criteria given below, namely:—

- (a) in case of a corporate person, that is, a listed public limited company or an unlisted public limited company or a private limited company, the area where the registered office is located;
- (b) in case of a person not incorporated, the area where the business is actually carried on; and,
- (c) in case of a person not incorporated, having a single manufacturing unit, whose business premises and manufacturing unit are located in different areas, shall apply for registration in the Collectorate of the area in whose jurisdiction his manufacturing unit is located:

Provided further that a corporate person shall have the option to apply for transfer of registration to the Collectorate having jurisdiction where the place of business is located.

(2) Where an applicant has unsold or un-used stocks of tax-paid inputs on which he desires to claim the benefit of section 59 of the Act, he shall declare such stocks in a statement in the form set out as STR-4, to be appended with his application for registration.

(3) On completion of such verification or inquiry, through LRO or otherwise, as the CRO deems necessary, it may register the applicant and issue a certificate of registration containing the registration number of the applicant in the form as set out in the form STR-5, or reject the application within fifteen days from the date complete application is received in the CRO, under intimation to the applicant, specifying the reasons for such rejection.

**6. Compulsory registration.—**(1) If a person, who is required to be registered under this Act, does not apply for registration and the LRO or any other office as may be authorized by the Board or the Collector, after such inquiry as deemed appropriate, is satisfied that such person is required to be registered, it shall issue notice to such person in the form set out in the form STR-6.

(2) In case the LRO receives a written reply from the said person within the time specified in notice, contesting his liability to be registered, the LRO shall grant such person opportunity of personal hearing, if so desired by the person, and shall thereafter pass an order whether or not such person is liable to be registered compulsorily. Copy of the said order shall invariably be provided to that person.

(3) Where the person to whom a notice is given under sub-rule (2), does not respond within the time specified in the notice, the LRO shall transmit the particulars of the person to the CRO, which shall compulsorily register the said person and allot him a

registration number which shall be delivered to the said person either in person through LRO or through registered mail (acknowledgement due) or through courier service.

(4) A person registered compulsorily as aforesaid, is required to comply with all the provisions of the Act and rules made thereunder from the date of compulsory registration, and in case of failure to do so, the Collector of Sales Tax having jurisdiction may issue notice under section 25 of the Act for production of records or documents and appearance in person to assess the amount of sales tax payable under section 11 of the Act, and take any other action as required under the law against such person.

Provided that if it is subsequently established that a person was not liable to be registered but was wrongly registered under this rule due to inadvertence, error or misconception, the CRO, shall cancel his registration. In case of such cancellation of registration, such person shall not be liable to pay any tax, default surcharge or penalty under the Act or rules made there-under, subject to the conditions, limitations and restrictions prescribed under section 3B of the Act.

**7. Change in the particulars of registration.—** (1) In case there is a change in the name, address or other particulars as stated in the registration certificate, the registered person shall notify the change in the prescribed form STR-2 to the CRO, within fourteen days of such change.

<sup>13</sup>[(2) The change of business category as ‘manufacturer’ shall be allowed after LRO has verified the manufacturing facility and confirmed the status as industrial consumer of the electricity and gas distribution companies.]

(3) In case of approval of the change applied for, the CRO shall issue revised registration certificate, which will be effective from the date the concerned person has applied for the change.

**8. Transfer of Registration.—**(1) The CRO may, subject to such conditions, limitations or restrictions as it may deem fit to impose, by an order, transfer the registration of a registered person from the jurisdiction of one Collectorate to another Collectorate or, as the case may be, to the LTU or RTO.

(2) On transfer of registration,—

(a) all the records and responsibilities relating to such registered person shall be transferred to the Collectorate or, as the case may be, to the LTU or RTO, in whose jurisdiction the registration has been so transferred; <sup>14</sup>[\*\*\*]

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<sup>13</sup> Sub-rule substituted vide SRO 470(I)/2007 dated 09.06.2007 for “(2) The change of business category as ‘manufacturer’ shall be allowed after verification by LRO.”

<sup>14</sup> Word “and” omitted vide SRO 470(I)/2007 dated 09.06.2007.

(b) notwithstanding the actions already taken, being taken or otherwise pending immediately before the transfer in respect of such registered person under any of the provisions of the Act or the rules made thereunder in the Collectorate from where his registration has been transferred, the Collectorate, or as the case may be, the LTU or RTO, in whose jurisdiction the registration is so transferred shall exercise the jurisdiction over such person in the manner as if it always had such jurisdiction<sup>15</sup>]; and]

<sup>16</sup>[(c) the return for the tax period in which the registration is transferred shall be filed in the Collectorate from where the registration is transferred.]

(3) In case of transfer of registration, the CRO shall issue intimation letter to the registered person along with copy to concerned Collectorates, or as the case may be the Large Taxpayers Unit or RTO.

(4) In case a registered person intends to shift his business activity from the jurisdiction of one Collectorate to another, or he has any other valid reason for such transfer, he shall apply to the CRO for transfer of his registration along with form STR-2. The CRO shall follow the procedure as per sub-rules (2) and (3).

**9. Option to file application with LRO.--** The person applying for registration, changes in particulars of registration or transfer of registration, may, in exceptional cases where he is not able to send such application directly to CRO, file the prescribed application in LRO, instead of filing the same in CRO. In such case LRO shall forward the same to CRO within three days and the Collector concerned shall ensure that such application is transmitted to CRO within the stipulated period.

**10. Revised registration certificate.—**In case of multiple registrations, the registered person <sup>17</sup>[shall] apply on form STR-1 for single registration to the CRO which after ascertaining tax liabilities from the concerned Collectorate shall issue revised registration certificate in which previous registration number shall be merged.

**11. De-registration.—**(1) Every registered person who ceases to carry on his business or whose supplies become exempt from tax, shall apply to the LRO for cancellation of his registration in form STR-3, and the LRO, <sup>18</sup>[on such application or on its own initiative] may recommend to the CRO to cancel the registration of such person from such date as may be specified, but not later than three months from the date of such application or the date all the dues outstanding against such person are deposited by him, whichever is the later.

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<sup>15</sup> Substituted for full stop vide SRO 470(I)/2007 dated 09.06.2007.

<sup>16</sup> Clause inserted vide SRO 470(I)/2007 dated 09.06.2007.

<sup>17</sup> Substituted for “may” vide SRO 470(I)/2007 dated 09.06.2007.

<sup>18</sup> Inserted after word and coma “LRO”, occurring for the second time, vide SRO 470(I)/2007 dated 09.06.2007.

(2) A registered person whose total taxable turnover during the last twelve months remains below the limit specified in rule 4, may apply to the LRO for de-registration in form STR-3 or the Collector may, on his initiative, start proceedings for his de-registration.

(3) The Local Registration Office, upon completion of any audit or inquiry which may have been initiated consequent upon the application of the registered person for deregistration, shall direct the applicant to discharge any outstanding liability which may have been raised therein by filing a final return under section 28.

(4) If a registered person fails to file tax return for six consecutive months, the LRO may, without prejudice to any action that may be taken under any other provision of the Act, after issuing a notice in writing and after giving an opportunity of being heard to such person, recommend to the CRO for cancellation of the registration after satisfying itself that no tax liability is outstanding against such person.

(5) The obligations and liabilities of the person whose registration is cancelled under sub-rule (1) relating to the period when he conducted business as a registered person shall not be affected by the fact that his registration has been cancelled or that he has ceased to be a registered person.

**12. Blacklisting and suspension of registration.**—(1) Where the Collector has reasons to believe that a registered person is found to have committed tax fraud or evaded tax or has failed to deposit the tax due on his supplies despite having recovered it from the respective buyers or recipients of such supplies, he may suspend his registration through an order in writing and initiate such inquiry, as deemed appropriate.

(2) After such inquiry and investigation to confirm the facts and veracity of the information and after giving an opportunity to such person to clarify his position, the Collector, if satisfied that such person has committed any of the offences as aforesaid, may blacklist such person through an order in writing, and such blacklisting shall be without prejudice to any other action that may be taken against such person under the Act and the rules made thereunder.

(3) The inquiry in such cases shall be completed within ninety days, and show cause notice for recovery of any evaded amount of tax and for contravention of the provisions of the Act may be issued within the period specified under section 36 of the Act:

Provided that where the records required for completion of the inquiry are not produced by the blacklisted person or a person whose registration has been suspended or by the suppliers of such person, the period of ninety days for completion of the inquiry shall be deemed to have been extended by a further period of ninety days.

(4) The order for blacklisting or suspending the registration of a registered person shall be communicated to such person, the CRO and to the Central Sales Tax database provided for this purpose.

(5) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales tax refund or input tax credit, and once such person is blacklisted, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such blacklisting, shall be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.

## Chapter II

### FILING OF RETURNS

**13. Application.**—The provisions of this chapter shall apply to all registered persons required to file a return under section 26 of the Sales Tax Act, 1990.

**14. Filing of Returns.**—(1) Every registered person, whether under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, shall file the return as specified in the STR-7, in triplicate, in accordance with the instructions given therewith, in a Bank located in the jurisdiction of the Collectorate where he is registered:

Provided that a registered person may also file the return electronically, in the manner specified in rule 18:

<sup>19</sup>[Provided further that the registered persons working under a special procedure notified under section 71 of the Act by the Federal Government, shall also file the part of the return as prescribed for them:]

Provided also that a person registered in the jurisdiction of a LTU, shall at the time of filing his return, legibly and conspicuously indicate the expression "LTU" on the top right corner of the return:

(2) The registered person shall deposit the amount of sales tax due for the tax period at the time of filing of return in the Bank.

<sup>20</sup>[(3) Where a registered person operates in different sectors for which different dates of filing of return have been prescribed in any rules made under the Sales Tax

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<sup>19</sup> Proviso substituted vide SRO 470(I)/2007 dated 09.06.2007 for “Provided further that registered persons working under a special procedure notified under section 71 of the Act by the Federal Government, wherein a separate return form is prescribed, shall file returns in such form and in such manner as may be prescribed therein:”

Act, 1990, or the Federal Excise Act, 2005, such person shall file a single return for all such sectors by the due date applicable to his major activity in terms of sales tax or federal excise duty payable.]

<sup>21</sup>[\*\*\*]

<sup>22</sup>**14A. Option to file Nil Return in the Collectorate.**—(1) Every registered person intending to file a nil return under section 26 of the Act may file the nil return, in duplicate, not later than the due date, at the counter set up in the Collectorate for the purpose.

(2) The person receiving the nil return shall ensure that the particulars mentioned in both the copies tally with each other and shall then sign and stamp the two copies and also endorse the date of submission thereof.

(3) The person receiving a nil return shall forward the original copy thereof to the Computer Section and return back the duplicate copy, duly signed, stamped and indicating the date of submission, to the registered person in token of receipt.]

**15. Receipt of return by the Bank.**—(1) The Bank official shall ensure that the particulars entered in all the three copies of the return are identical and that the amount deposited by the registered person tallies with the amount indicated as "TOTAL SALES TAX PAYABLE" in the return, and shall thereafter sign and stamp the return indicating the date of payment of tax and submission of tax return.

(2) The Bank shall forward the original copy of the return to the concerned Collectorate of Sales Tax or the LTU, as the case may be. The second copy thereof along with the computer generated receipt shall be delivered to the registered person as a token of receipt of payment of sales tax and filing of return and the third copy shall be retained by the Bank for its record.

(3) In case of payment through cheque, pay order or bank draft, the Bank will receive the return in triplicate along with the instrument of payment for the amount of tax payable indicated in the return and issue a provisional acknowledgement receipt to the registered person.

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<sup>20</sup> Substituted vide SRO 307(I)/2008 dated 24.03.2008 for “(3) In case no amount of sales tax is payable by the registered person, he may file a nil return in accordance with chapter I of the Sales Tax Special Procedures Rules, 2006.”

<sup>21</sup> Sub-rule (4) omitted vide SRO 824(I)/2007 dated 16.08.2007. It read “(4) Notwithstanding anything in sub-rule (1), a registered person operating, whether exclusively or otherwise, as dealer, distributor or wholesaler of the goods mentioned in the Third Schedule to the Act, shall file the return in triplicate, in the format set out at STR-9, in respect of such goods, and in case of other goods, if any, he shall file a separate return for those goods, in the form mentioned in sub-rule (1).”

<sup>22</sup> Rule inserted vide SRO 470(I)/2007 dated 09.06.2007.

(4) On clearance of the instrument, the Bank official shall sign and stamp the return indicating the date on which payment is received by the Bank. In cases where the payments are received through pay order or bank draft, the bank shall affix two stamps on the return indicating the date on which the pay order or bank draft was received for clearing and the date on which the pay order or bank draft was cleared for payment by transfer.

(5) The date of payment, in case of payment through cash or cheque, shall be treated as the date on which the payment is received by the bank. In case of payment through pay order or Bank draft, the date on which the pay order or Bank draft is tendered at the Bank counter shall be treated as the date of payment and where the pay order or Bank draft, so tendered at the Bank counter, is not cleared on its first presentation for Bank clearing before the due date, the registered person shall, without prejudice to any other action, be liable to pay default surcharge and penalties prescribed under the Act for late payment of sales tax.

**16. Payment of service charges to the Bank.—**(1) The Bank shall charge ten rupees per return (including nil returns) as service charges from the Collectorates having jurisdiction in the area where the bank branches are located.

(2) For the purpose of claiming service charges referred to in sub-rule (1), the Manager of the main branch of the Bank shall submit the claim to the Assistant Collector, Assessment and Processing Division of the concerned Collectorate in the first week of the following month supported by a statement indicating date, number of returns received, number of returns submitted to the Collectorate, amount of sales tax collected and amount of sales tax deposited in the State Bank of Pakistan.

(3) The Assistant Collector, Assessment and Processing Division, shall verify the statement submitted under sub-rule (2) from the Accounts Section of the Collectorate and from his own record. If the claim is found to be in order and the Assistant Collector is satisfied that the Bank has fulfilled its responsibility under clauses (iv), (vi), paragraphs a and b of the Agreement, he shall sanction the claim and issue a cheque within a week from the date of submission of the claim, provided that in case of delay by the Collectorate, it shall pay a penalty at the rate of fifteen percent per annum for the amount late sanctioned.

(4) If the Bank fails to fulfil the conditions specified in clause (iv), clause (vi), paragraph a, or paragraph b of the Agreement, the Assistant Collector shall deduct the amount of penalty leviable thereunder on the Bank at the rate of 15% per annum against the amount late deposited in the State Bank of Pakistan from the service charges admissible to the Bank.

(5) If the returns are not submitted to the Collectorate within forty-eight hours of the receipt thereof returns in the designated branches of the Bank, the service charges in respect of the returns submitted late shall also be deducted and the



remaining amount, if any, shall be sanctioned by the Assistant Collector and cheque therefore will be issued to the Bank.

(6) For deduction of any amount under sub-rule (4), the Assistant Collector shall intimate the Bank the reasons thereof within seven days of deduction.

(7) Where it is not clear as to whether deduction should be made, the Assistant Collector shall require the Bank for clarification before taking a decision.

(8) All public holidays and the number of days the Collectorate is prevented from functioning, due to the factors beyond its control, shall be excluded while calculating delay in sanctioning the claim for service charges.

(9) Where the Assistant Collector requires any clarification from the Bank, the time taken by the Bank for this purpose shall be excluded from the time specified for sanctioning the service charges claim.

**17. Filing of Annual Sales Tax Return.**--- As stipulated in second proviso to sub-section (1) of section 26 of the Act, every registered person, being a private or public limited company, shall file annual sales tax return, in the form as set out in STR-10, for a financial year by the 30<sup>th</sup> September of the following financial year, with the Collector having jurisdiction.

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<sup>23</sup> Rule 18 substituted vide SRO 49(I)/2008 dated 15.01.2008. At the time of substitution it read:

**“18.Electronic filing of Sales Tax Return.**— (1) The registered persons, as noted below, instead of filing paper copies of the return as stipulated hereinbefore, shall file returns electronically, in the manner described hereinafter:

- (a) the registered persons falling in the jurisdiction of the Large Taxpayers Units, Karachi and Lahore; and
- (b) the private and public limited companies registered in other Collectorates of Sales Tax.

Provided that a registered person, other than those mentioned above, may also opt for electronic filing of sales tax return in the same manner.

(2) The aforesaid registered persons shall obtain NIFT Class 2 Digital Certificate from NIFT by downloading and filling the Digital Certificate Request Form from NIFT Website i.e. [www.nift.com.pk](http://www.nift.com.pk).

(3) The NIFT certificate shall be installed by the registered person in his computer.

(4) The registered person shall download the relevant electronic sales tax return, as set out in form from the Central Board of Revenue’s website and fill the information about the purchases and supplies made during a tax period, the tax due and paid and other applicable information as stated in the filling instructions.

(5) Payment of the amount of sales tax, if any, shall be made in any of the designated online branches of the National Bank of Pakistan on the prescribed payment challan as specified in the STR-11.

(6) Reference number of the Computerized Payment Receipt and other required information shall be duly mentioned in the relevant columns of the electronic sales tax return.

(7) The duly filled Electronic Sales Tax Return including a ‘Nil return’ shall be transmitted to the Central Board of Revenue’s e-mail address i.e. [salestax.returns@cbr.gov.pk](mailto:salestax.returns@cbr.gov.pk), through a digitally signed e-mail <sup>A</sup>[or in any other manner as required by the Board].

(8) The Electronic Sales Tax Return and its relevant attachments, if any, shall be kept in the electronic record of the registered person and shall be produced to the officer-in-charge on demand along with the supportive documents.

(9) The Board shall send a digitally signed e-mail acknowledging the receipt of Electronic Sales Tax Return.

**18. Electronic filing of Sales Tax Return.—** (1) The registered persons, as noted below, instead of filing paper copies of the return or other statements prescribed under section 26 and 27 of the Act or any notification issued thereunder, shall file such returns and statements electronically, in the manner as specified by the Board through a general order, namely:—

- (a) the registered persons falling in the jurisdiction of any of the Large Taxpayers Units; and
- (b) the private and public limited companies:

Provided that a registered person, other than those mentioned above, may also opt for electronic filing of aforesaid sales tax returns and statements in the same manner.

(2) A registered person filing returns electronically as stipulated above, shall make payment of the amount of sales tax due, if any, in any of the designated branches of the National Bank of Pakistan on the prescribed payment challan as specified in the STR-11 or through electronic payment system devised for this purpose.]

### Chapter III

#### CREDIT AND DEBIT NOTE AND DESTRUCTION OF GOODS

**19. Application.—**The provisions of this chapter apply where a registered person has issued a tax invoice in respect of a supply made by him and as a result of any of the events specified in section 9 of the Sales Tax Act, 1990, the amount shown in the tax invoice or the return needs to be modified.

**20. Cancellation or return of supply.—**(1) Where a registered person has made a supply, and such supply or part thereof is cancelled or returned, the buyer or the recipient shall issue a Debit Note (in duplicate) in respect of such supply or part thereof, indicating the quantity being returned or the supply of which has been cancelled, its value determined on the basis of the value of supply as shown in the tax invoice issued by the supplier and the amount of related sales tax paid thereon, as well as the following, namely:--

- (i) Name and registration number of the recipient;
- (ii) name and registration number of the supplier;

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<sup>B</sup>[(10) The Board may, through a General Order, prescribe any other manner of filing returns electronically.]

<sup>A</sup>. Inserted vide SRO 470(I)/2007 dated 09.06.2007.

<sup>B</sup>. Sub-rule (10) added vide SRO 824(I)/2007 dated 16.08.2007.

- (iii) number and date of the original sales tax invoice;
- (iv) the reason of issuance of the Debit Note; and
- (v) signature and seal of the authorized person issuing the note.

(2) The original copy of the debit note shall be sent to the **buyer** and the duplicate copy shall be retained for record.

(3) In the case of cancellation of supplies made to, or return of goods by, an unregistered person, the supplier shall issue a credit note providing the same particulars as are specified in sub-rule (1) and keep a copy for record.

**21. Change in Value of Supply or amount of sales tax.**-(1) Where for any valid reason the value of supply or the amount of sales tax mentioned in the invoice issued has increased, the supplier shall issue a Debit Note (in duplicate), with the following particulars, namely:--

- (i) name and registration number of the supplier;
- (ii) name and registration number of the recipient;
- (iii) number and date of the original sales tax invoice;
- (iv) the original value and sales tax as in original invoice;
- (v) the revised value and sales tax;
- (vi) the difference of value and sales tax adjustable;
- (vii) the reason for revision of value; and
- (viii) signature and seal of the authorized person issuing the note.

(2) Where, for any valid reason, the value of supply or the amount of sales tax mentioned in the invoice issued has decreased, the supplier shall issue a Credit Note (in duplicate), with the same particulars as specified in sub-rule (1).

(3) The original copy of the note as referred to in sub-rules (1) and (2), shall be sent to the recipient and the duplicate shall be retained for record. In respect of a case falling under sub-rule (2), the recipient shall issue a Debit Note with reference to the Credit Note issued by the suppliers as an acknowledgment of the receipt of the same providing therein the same details as in the corresponding Credit Note.

**22. Adjustment of input and output tax.**-(1) The buyer shall not be entitled to claim input tax in respect of the supply which has been cancelled or returned to the supplier or in respect of which the amount of tax was reduced.

(2) Where the buyer has already claimed input tax credit in respect of such supplies, he shall reduce or increase the amount of input tax by the corresponding amount as mentioned in the Debit Note or Credit Note, as the case may be, in the return for the period in which the respective note was issued.

(3) Where the supplier has already accounted for the output tax in the sales tax return for the supplies against which Debit Note was issued subsequently, he may increase or reduce the amount of output tax by the corresponding amount as mentioned in the Debit Note, in the return for the period in which the respective note was issued:

Provided that in case of return of supplies by an unregistered person, the adjustment as aforesaid can be made against the Credit Note issued by the supplier.

(4) The adjustments as hereinbefore noted which lead to reduction in output tax or increase in output tax can only be made if the corresponding Debit Note or Credit Note is issued within one hundred and eighty days of the relevant supply:

Provided that the Collector may, at the request of the supplier, in specific cases, by giving reasons in writing, extend the period of one hundred and eighty days by a further one hundred and eighty days.

(5) Where the goods relating to a returned or cancelled supply are subsequently supplied to the original buyer or some other person with or without carrying out any repairs, the supplier shall charge sales tax thereon in the normal manner and account for it in his return for the period in which these goods were supplied.

**23. Destruction of goods.**—Where any goods are returned by the buyer on the ground that the same are unfit for consumption and are required to be destroyed by the supplier, the goods shall be destroyed after obtaining permission from the Collector of Sales Tax having jurisdiction, and under the supervision of an officer of Sales Tax not below the rank of an Assistant Collector as may be deputed by the Collector for the purpose.

## Chapter IV

### APPORTIONMENT OF INPUT TAX

**24. Application.**—The provisions of this chapter shall apply to the registered persons who make taxable and exempt supplies simultaneously.

**25. Determination of input tax.**—(1) Input tax paid on raw materials relating wholly to the taxable supplies shall be admissible under the law.

(2) Input tax paid on raw materials relating wholly to exempt supplies shall not be admissible.

(3) The amount of input tax incurred for making both exempt and taxable supplies shall be apportioned according to the following formula, namely:—

$$\text{Residual input tax credit on taxable supplies} = \frac{\text{Value of taxable supplies}}{(\text{Value of taxable} + \text{exempt supplies})} \times \text{Residual input tax}$$

(4) Monthly adjustment of input tax claimed by a registered person under this chapter shall be treated as provisional adjustment and at the end of each financial year, the registered person shall make final adjustment on the basis of taxable and exempt supplies made during the course of that year.

(5) Any input tax adjustment claimed wrongfully on account of incorrect application of formula set out in sub-rule (3) shall be punishable under the respective provisions of law irrespective of the fact that the claim was provisional.

## Chapter V

### REFUND

**26. Application.--** This chapter shall apply to all refund claims filed by—

- (a) registered manufacturer-*cum*-exporters and commercial exporters who zero rate all or part of their supplies under section 4 of the Act;
- (b) registered persons who acquire tax paid inputs for use <sup>24</sup>[<sup>25</sup>[thereof in the manufacture of goods chargeable to sales tax]] at the rate of zero *per cent* under the Act or a notification issued there-under<sup>26</sup>;

<sup>27</sup>[\*\*\*]

- <sup>28</sup>[(c) registered persons claiming refund of the excess amount of input tax as referred to in sub-section (2) of section 8B and first proviso to section 10 of the Act;]

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<sup>24</sup> Substituted “in the manufacture of goods which are supplied to registered persons” for “thereof in the manufacture of goods chargeable to sales tax” vide SRO 470(I)/2007 dated 09.06.2007.

<sup>25</sup> Substituted “thereof in the manufacture of goods chargeable to sales tax” for “in the manufacture of goods which are supplied to registered persons” vide SRO 907(I)/2007 dated 07.09.2007.

<sup>26</sup> Colon substituted for semi-colon and proviso added vide SRO 831(I)/2007 dated 18.08.2007 w.e.f. 1<sup>st</sup> July 2007.

<sup>27</sup> Proviso omitted vide SRO 907(I)/2007 dated 07.09.2007 which read “Provided that the registered manufacturers of zero-rated stationery and dairy products shall be entitled to refund of input tax paid on the raw materials and other inputs used in the manufacture of goods supplied to registered as well as unregistered persons;”

<sup>28</sup> Clause (c) substituted vide SRO 307(I)/2008 dated 24.03.2008 for “(c) registered persons claiming refund of the excess amount of input tax which could not be consumed within three months;”

- (d) registered persons who acquire tax paid inputs used in the export of goods, local supply of which is exempt under the Act or any notification issued there-under; <sup>29</sup>[\*\*\*]
- (e) persons claiming refund of sales tax under section 66 of the Act <sup>30</sup>[:  
and
- “(f) diplomats, diplomatic missions and privileged persons and organizations who purchase goods or services on payment of tax and are otherwise entitled to receive zero-rated supply as provided under Chapter X of these rules.]

**27. Establishment of Refund Division and posting of officers.--**(1) There shall be established a CSTRO under the Central Board of Revenue for centralized payment of refund amount to such claimants and from such date as the Board may specify.

(2) There shall be established a Refund Division in each Collectorate of Sales Tax to receive, process and settle the refund claims filed under these rules.

(3) There shall be posted an officer not below the rank of an Assistant Collector of Sales Tax, as nominated by the Collector to be the officer-in-charge of the Refund Division, herein after referred to as the officer-in-charge in this chapter.

(4) There shall be established a Post Refund Division in each Collectorate of Sales Tax headed by an officer not below the rank of an Assistant Collector of Sales Tax to audit the refund claims processed and sanctioned by the Refund Division.

**28. Filing of refund claim.--**(1) Monthly sales tax return filed by a claimant shall be treated as a refund claim once all the supportive documents including the requisite data in the format or software (RCPS), has been received:

Provided that no refund claim shall be entertained if the claimant fails to furnish the claim on the prescribed software (RCPS) along-with the supportive documents within sixty days of the filing of return.

Provided further that the period of sixty days as aforesaid, in case of a commercial exporter, shall be reckoned from the date when the BCA is issued to him by the concerned bank<sup>31</sup>[:

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<sup>29</sup> The word “and” omitted vide SRO 307(I)/2008 dated 24.03.2008.

<sup>30</sup> “; and” substituted for full stop and clause (f) added vide SRO 307(I)/2008 dated 24.03.2008.

<sup>31</sup> Colon substituted for full stop and proviso added vide SRO 307(I)/2008 dated 24.03.2008.

Provided also that if a claimant is exporting goods manufactured by him as well as the goods purchased in the same state, in the same tax period, the period of sixty days shall be reckoned from date of filing of return or the date of issuance of BCA, whichever is later.]

(2) In cases where such supportive documents are not submitted to the officer in-charge within the time specified under sub-rule (1), the Collector of Sales Tax having jurisdiction may, on a written request from the claimant justifying the reasons for delay in submission of such documents or data on RCPS, extend the time limit for a further thirty days.

(3) The Board may, through a General Order or otherwise, prescribe the date, manner and procedure for electronic filing of sales tax refund claims by the registered persons filing their monthly returns electronically.

**29. Scrutiny and processing of refund claim.--**(1) On submission of a refund claim, the Refund Receipt Section shall confirm that the claim is complete in all respects, after which it shall be loaded in the system for assigning the claim a unique identification number.

(2) After assigning the unique identification number, the <sup>32</sup>[CREST] shall cross-match the data on soft copy with the data available in the system and process the claim by applying the risk parameters and generate analysis report indicating the admissible amount as well as the amount not validated on the basis of automated risk criterion along-with the objections raised by the system.

(3) The processing officer shall forward the claim file along-with the analysis report referred to in sub-rule (2) to the officer in-charge for further necessary action.

(4) Where the Processing Officer or the officer-in-charge is of the opinion that any further inquiry or audit is required in respect of amount not cleared by the <sup>33</sup>[CREST] or for any other reason to establish genuineness and admissibility of the claim, he may make or cause to be made such inquiry or audit as deemed appropriate, after seeking approval from the concerned Additional Collector and inform the refund claimant accordingly.

<sup>34</sup>[(5) CREST shall generate refund payment order for admissible amount in respect of refund claimed by manufacturers for export in zero rated sectors.]

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<sup>32</sup> Substituted for "RRAS" vide SRO 470(I)/2007 dated 09.06.2007.

<sup>33</sup> Substituted for "RRAS" vide SRO 307(I)/2008 dated 24.03.2008.

<sup>34</sup> Sub-rule substituted vide SRO 470(I)/2007 dated 09.06.2007 for "(5) Where a claim is filed electronically, initial scrutiny shall also be conducted by the RRAS on the basis of data already available in the system."

**30. Sanction and payment of refund claim.**—<sup>35</sup>[(1) On receipt of analysis Report or RPO as specified at sub rule 5 of rule 29 above the officer in-charge shall sanction the validated amount and issue the Refund Payment Order (RPO) accordingly after issuing the show cause notice for the amount found not admissible.]

(2) The officer in-charge shall transmit the Refund Payment Order electronically and<sup>36</sup>[, in respect of claim filed manually,] forward the original copy thereof to the treasury officer of the Collectorate. The treasury officer shall make payment of refund through a cross cheque in favour of the refund claimant indicating his declared account number and bank name. The crossed cheque shall also be counter signed by an authorized co-signatory.

(3) The Additional Collector shall reconcile the refund cheques issued by the treasury officer of the Collectorate during a month with the bank scrolls received from State Bank of Pakistan and record the outcome of such reconciliation in the system.

(4) Where any cheque is returned back by the State Bank of Pakistan due to any reason, the treasury officer shall cancel such cheque, if required, and attach such cancelled cheque with the respective counter-foil of the cheque-book.

(5) From such date to be notified by the Board, the officer in-charge shall electronically transmit the RPO to the treasury officer in the CSTRO under his digital signatures, and retain a copy thereof in the Refund Division for record.

(6) The treasury officer in CSTRO and the co-signatory designated by the Board in this regard shall issue the cheque for the sanctioned amount as mentioned in the RPO.

(7) The CSTRO shall also prepare a statement of payment advice for the concerned bank on a daily basis, for direct transfer of the refund amount to the declared bank account of the claimant, under intimation to the CSTRO, the concerned Collectorate of Sales Tax as well as the claimant.

**31. Scrutiny and processing of refund claims filed by manufacturers of specified goods.**—(1) Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the manufacture of goods, local supply of which has been zero-rated, shall be processed and sanctioned through the Fast Track Channel within fifteen days from the date of filing of refund claim.

(2) The refund of sales tax paid on utilities and the goods imported directly by the claimant and the input tax incurred on acquiring furnace oil from Oil and Gas Marketing Companies for power generation and consumption thereof in the manufacture of zero-rated goods, shall be sanctioned upon validation by the automated

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<sup>35</sup> Sub-rule substituted vide SRO 470(I)/2007 dated 09.06.2007 for “(1) On receipt of analysis report, the officer in-charge shall sanction the validated amount and issue the Refund Payment Order (RPO) accordingly.”

<sup>36</sup> Substituted for “also” vide SRO 470(I)/2007 dated 09.06.2007.



system. Refund of input tax paid in respect of other inputs, if validated by the <sup>37</sup>[CREST], shall also be sanctioned in the same manner.

(3) Subject to validation by the <sup>38</sup>[CREST], refund of tax paid verifiable inputs used in the export of goods, local supply of which is exempt under the Act or any notification issued there-under, shall be paid.

**32. Scrutiny and processing of refund claims relating to commercial exporters.**--Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the exports made by commercial exporters, shall be sanctioned only after <sup>39</sup>[verification of supportive documents and approval through CREST].

**33. Extent of payment of refund claim.**--Refund to the claimants under these rules shall be paid to the extent of the input tax paid on purchases or imports that are actually consumed in the manufacture of goods which have been exported or supplied at the rate of zero *per cent*.

<sup>40</sup>[

**34. Refund of excess input tax not relating to zero-rated supplies.**— (1) The refund of excess unadjusted input tax relating to supplies other than zero-rated shall be claimed and sanctioned in the cases mentioned below, namely:—

<sup>37</sup> Substituted for “RRAS” vide SRO 470(I)/2007 dated 09.06.2007.

<sup>38</sup> Substituted for “RRAS” vide SRO 470(I)/2007 dated 09.06.2007.

<sup>39</sup> Substituted vide SRO 470(I)/2007 dated 09.06.2007 for “processing through the RRAS and after verification of input tax payment on the basis of risk profiling and targeting of the claimant”

<sup>40</sup> Rule 34 substituted vide SRO 307(I)/2008 dated 24.03.2008. Earlier it read:

“**34. Refund of excess input tax.**--(1) A registered person claiming refund of excess input mentioned in the adjustment advice and which could not be consumed or adjusted within the stipulated time, shall furnish copy of relevant adjustment advice(s) and a consolidated month-wise stock statement in respect of taxable inputs for the last three months in the following format:

Tax Paid Inputs			Inputs Consumed in Tax Paid Supplies		
Opening Balance	Purchases During the Month	Total	From Opening Balance	From Purchases During the Current Month	Total
(1)	(2)	(3)	(4)	(5)	(6)

Remaining Inputs To Be Carried Forward For Consumption In the Next Tax Period			
From Opening Balance	From Purchased During the Current Month	Total	Refund of Unconsumed Taxable Input Tax Carried Forward From Preceding Three Months.
(7)	(8)	(9)	(10)

(2) Refund of such excess input tax shall be sanctioned only to the extent of amount validated by the <sup>A</sup>[CREST].”

<sup>A</sup> “CREST” substituted for “RRAS” vide SRO 470(I)/2007 dated 09.06.2007.

(a) the manufacturers of fertilizers, electric power producers and electric power distribution companies may claim refund of excess input tax over output tax in any tax period;

(b) registered persons in plastic, paper and steel sectors whose inputs are subject to sales tax at 20% or 17.5% ad valorem and their final product is subject to tax at 15% ad valorem may claim refund of excess input tax if the same is not adjusted within a minimum consecutive period of three months;

(c) registered persons who are not able to adjust input tax in excess of 90% of output tax in view of restriction in section 8B of the Act, may file refund claim as under,—

(i) in case of registered persons whose accounts are subject to audit under the Companies Ordinance, 1984, after the end of their accounting year; and

(ii) in case of other registered persons, after the end of financial year;

(d) all other registered persons, not covered by clauses (a) to (c) above, may claim refund of excess input tax, if the same is not adjusted within a minimum consecutive period of twelve months:

Provided that the amount of refund claim in all such cases shall not exceed the excess of total input tax over the total output tax, as declared in the relevant returns, for the period in respect of which the claim has been filed and shall not include any excess input tax declared prior to the said period.

(2) The registered person shall file application for refund claim along with data prepared through RCPS, providing the following information, namely:-

(i) name and registration number of the claimant;

(ii) period of claim;

(iii) amount of claim; and

(iv) a statement along with annual audited accounts as envisaged in clause (i) of sub-section (2) of section 8B of the Act, if applicable:

Provided that the application for claim shall be filed within the period specified in rule 28 after the filing of return for the last month in the period of claim.

(3) The refund of excess input tax under this chapter shall be filed, processed and sanctioned in the manner as provided in rules 29 and 30.

(4) The refund of excess input tax provided in clauses (c) and (d) of sub-rule (1), excluding the cases of claims by registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (XLVII of 1984), as referred to in section (2) of section 8B of the Act, shall be sanctioned as found admissible after a departmental audit of records maintained by the registered person and after a certificate is recorded by the sales tax officers auditing the records that actual value addition during the period involved was not found sufficient to require a net payment of tax for the reasons mentioned in the audit report:

Provided that in case of refund claim falling in clause (b) of sub-rule (1), post-refund audit shall be conducted after the close of financial year and the auditors shall report on the aspect of value addition in their audit report.

(5) The refund claimant shall ensure that the input tax involved in the refund claim is not shown as outstanding credit in the returns for the tax periods subsequent to the period of claim.

(6) The refund of excess input tax under this rule shall not be claimed where the same has already been claimed or paid under any other notification issued by the Federal Government or the Board.]

**35. Responsibility of the claimant.--**The automated processing of refund claims shall be conducted on the basis of supportive documents and data on prescribed electronic format provided by the claimant. The claimant shall be responsible for any mis-declaration or submission of incorrect information and shall be liable for penal action besides recovery of the amount erroneously refunded along with default surcharge under the relevant provisions of the Act.

**36. Post-sanction audit of refund claims.--**(1) After disposing of the refund claim, the officer In-charge shall forward the relevant file to the Post Refund Audit Division for post-sanction audit and scrutiny, which shall, *inter alia*, include verification of input tax payment by respective suppliers and compliance of section 73 of the Act.

(2) The officer in-charge of Post Refund Audit Division shall send his findings to the concerned Refund Division for further necessary action, as required under the law.

**37. Action on inadmissible claims.--**Where the claim or any part thereof is found inadmissible on account of discrepancies pointed out by the RRAS, the officer in-charge shall, at the time of issuing RPO, issue a notice requiring the claimant to show cause as to why the claim or as the case may be, part thereof should not be rejected

and as to why the claimant should not be proceeded against under the relevant provisions of the Act.

**38. Supportive documents.--**(1) The refund claimant shall submit the refund claim in computer diskette in the prescribed format or software along-with the following documents, namely:-

- (a) Input tax invoices or as the case may be, goods declaration for import in respect of which refund is being claimed;
- (b) output tax invoices <sup>41</sup>[and summary of invoices for local zero-rated goods];
- (c) goods declaration for export (quadruplicate copy) indicating Mate Receipt number with date or airway bill or railway receipt or postal receipt besides the examination report endorsed on the reverse side thereof by the customs officers<sup>42</sup>[, in case of claims by persons other than manufacturer-cum-exporters of goods zero-rated in a notification issued under section 4 of the Act]:

Provided that in case of imports or exports processed through PACCS, submission of goods declaration shall not be required and verification regarding import, or as the case may be export, in such cases shall be carried out by cross-matching of the declarations with the data available in the system.

- (d) copy of House and Master bill of lading and airway bill or as the case may be, railway receipt in token of verification of the goods taken out of Pakistan; and
- (e) statement of the tax paid inputs, in respect of which refund is claimed <sup>43</sup>[by the claimants other than the manufacturers of goods zero-rated for local supplies], in the format set out below:

Description of input goods	Opening balance	Purchased during the month	Total available for consumption	Consumed for export / zero-rating	Consumed in local supplies	Total consumption	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(2) In addition to the documents specified in sub-rule (1), a commercial exporter shall submit bank credit advice issued by the concerned bank and copy of the duty drawback order, if issued by the customs authorities.

<sup>41</sup> Substituted vide SRO 470(I)/2007 dated 09.06.2007 for “excluding zero-rated invoices”.

<sup>42</sup> Inserted vide SRO 470(I)/2007 dated 09.06.2007.

<sup>43</sup> Inserted vide SRO 470(I)/2007 dated 09.06.2007.

(3) Where the refund claim is filed under section 66 of the Act, the claimant shall submit an application for refund indicating his name, address, registration number, the amount of sales tax refund claimed and reasons for seeking such refund along-with following documents, namely:--

- (a) input tax invoices in respect of which refund is claimed;
- (b) proof of payment of input tax claimed as refund; and
- (c) copy of the relevant order on the basis of which refund is claimed.

(4) The refund claimed under section 66 of the Act shall be sanctioned after verifying that no adjustment or refund of input tax has been claimed earlier and that the goods have been duly accounted for in the inventory records and the invoices claimed are validated by the <sup>44</sup>[CREST].

<sup>45</sup>[(5) In case of claims by diplomats, diplomatic missions and privileged persons and organizations, they shall submit original exemption order or certificate or CBR Booklet as referred to in Chapter X and original sales tax invoice. The refund shall be sanctioned after making necessary endorsements on these documents to the effect that the refund has been paid against the same.]

**39. Miscellaneous and savings.--**(1) In cases where refund has been found to have been paid in excess of the amount due, such excess paid refund shall be recovered along with default surcharge besides any other penal action that may be taken under the Act.

(2) The refund claims of a registered person, who is found to have committed tax fraud, shall be finalized after detailed scrutiny of all partners in the supply chain to establish the forward and backward linkages and after verifying input tax payment by them.

(3) The existing Sales Tax Treasury Offices functioning in the Collectorates shall continue to pay sales tax refund till such time the CSTRO is established and, accordingly, any reference to CSTRO, in this chapter, shall be construed as a reference to such existing Treasury Offices.

(4) The admissible refund claims received with supportive documents up to the date of commencement of these rules shall be sanctioned and paid in accordance with the provisions of the Sales Tax Refund Rules, 2002, or the Chapter V of the Sales Tax Rules, 2005, or the Sales Tax Refund on Zero-Rated Supply Rules, 2006, whichever is applicable.

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<sup>44</sup> Substituted for "RRAS" vide SRO 470(I)/2007 dated 09.06.2007.

<sup>45</sup> Sub-rule added vide SRO 307(I)/2008 dated 24.03.2008.

## Chapter VI

### SPECIAL AUDIT

**40. Application.**—The provisions of this chapter shall apply to the registered persons who are subject to special audit in terms of section 32A of the Act.

**41. Special Audit.**—The Board may cause special audit by a special auditor, of the records, tax invoices and monthly returns required to be maintained, issued or furnished by any registered person, or class or classes of registered persons under sections 22, 23 and 26 of the Act.

**42. Scope of special audit.**—The scope of the special audit shall be the expression of professional opinion with respect to the following, namely:-

- (a) whether the records, tax invoices and monthly returns have been maintained, issued or furnished correctly by the registered person; and
- (b) whether the monthly returns furnished by the registered person correctly reflect that—
  - (i) all taxable supplies in the tax period as revealed by the records and tax invoices; and
  - (ii) all input tax, output tax and the net amount of sales tax payable or refundable, as the case may be,

are in accordance with the provisions of the Act and are duly substantiated by the records required to be maintained for the purpose.

**43. Form of audit report.**—The special auditor shall submit his audit report in the form as specified in the terms of reference.

**44. Penalty.**—(1) In case of violation of this chapter or any clause of the terms of reference, the payment of fee as specified therein shall be withheld forthwith, without prejudice to any action that may be taken under the provisions of the Chartered Accountant Ordinance, 1961 (X of 1961), the Cost and Management Accountants Act, 1966 (XIV of 1966) and bye-laws made thereunder, or the Act.

(2) In case the payment has already been made in full or part thereof, to the special auditor, the same shall be returned within one week of issuance, by the Board, of a demand notice in this regard.

## Chapter VII

## ZERO-RATING OF SUPPLIES AGAINST INTERNATIONAL TENDER FOR AFGHAN REFUGEES

**45. Application.**—The provisions of this chapter shall apply to supplies of taxable goods made by registered persons against international tender to UNICEF, UNDP, WHO, WFP, UNHCR, EuronAid and ICRC for Afghan refugees.

**46. Procedure and conditions for making zero-rated supplies.**—In terms of clause (a) of section 4 read with serial No. 4 of the Fifth Schedule to the Act, supplies against international tender for Afghan refugees shall be charged to tax at the rate of zero percent subject to the following procedure and conditions, namely:—

- (i) the supply shall be made against international tender issued by UNICEF, UNDP, WHO, WFP, UNHCR, EuronAid or ICRC. The contract signed with the concerned organisation shall be retained by the supplier in his record along with a copy of the tender notice;
- (ii) payment for the supply shall be received in foreign currency which shall be surrendered to the State Bank and the supplier shall receive payment in Pak rupees as per State Bank procedure and foreign exchange regulations. A certificate from the respective bank or authorised dealer in foreign exchange to this effect shall be retained by the supplier in his record;
- (iii) a zero-rated invoice shall be issued for each supply, mentioning the full particulars of the buyer and the contract number, besides the particulars required in section 23 of the Act; and
- (iv) the goods shall be duly received by the organisation which signed the contract and a certificate to this effect shall be issued by the organisation which shall be duly attested by the Chief Commissioner or Commissioner of Afghan Refugees or as the case may be, by the ICRC Kabul or Herat, in which case ICRC Pakistan will also furnish relevant copies of Bill-of-Export.

**47. Maintenance of records.**—(1) The supplier shall maintain separate records of supplies of zero-rated goods and receipt of foreign currency under this chapter, indicating the number and date of the international tender, number and date of the contract, name of the organisation to whom goods were supplied, value of the goods, amount of foreign currency involved, and number and date of the certificates obtained under clauses (ii) and (iv) of rule 46.

(2) The supplier shall retain the documents specified in rule 46 in his record in addition to those mentioned in section 22 of the Act.

**48. Refund.**—When filing a claim for refund of sales tax against supplies made under this chapter, in addition to the relevant supporting documents specified in chapter

V of these rules, the claimant shall furnish the documents specified in rule 46 in original along with one set of legible photocopies. The original documents shall be returned to the claimant after comparing the same with copies thereof and endorsement of verification on the photocopies by a Deputy Collector or an Assistant Collector of the Refund Division.

**49. Penalty.**—In case the goods are found not to be supplied to the organisation specified in rule 48, or foreign exchange is not received within one hundred and twenty days of making the supply, the sales tax involved on such goods shall be recoverable from the supplier, besides legal or penal action under appropriate provisions of the Act.

**50. Other International Tenders.**— The provisions of rules 45 to 49 shall, *mutatis mutandis*, apply in case of supplies made against other international tenders subject to the condition that a certificate of the receipt and delivery of goods issued by the competent officer or authority of the organization, institution or department who has floated international tender shall be treated as a final proof of the supply having been made against such tender.

## Chapter VIII

### SUPPLY OF ZERO-RATED GOODS TO DIPLOMATS, DIPLOMATIC MISSIONS, PRIVILEGED PERSONS AND PRIVILEGED ORGANISATIONS

**51. Application.**—The provisions of this chapter shall apply to supplies of zero-rated goods and any other facility on the basis of reciprocity to diplomats, diplomatic missions, privileged persons and privileged organisations.

**52. Supplies to diplomats and diplomatic missions.**—(1) Any diplomat or diplomatic mission desirous of taking a zero-rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with the exemption certificate, in original, issued by the Ministry of Foreign Affairs in this behalf.

(2) The Ministry of Foreign Affairs shall issue such exemption certificates on the following basis, namely:-

- (a) reciprocity shall be observed; and



- (b) minimum value of purchases for a transaction is ten thousand rupees or more.

Provided that in case sales tax has been paid by a diplomat or diplomatic mission, the Ministry of Foreign Affairs shall forward such claims to the Board for refund, which fulfil the aforesaid conditions.

(3) The Assistant Collector or Deputy Collector shall make entry of the goods being purchased by the diplomat or diplomatic mission on the original exemption certificate, keep the same for office record, and issue an "Authorization for Zero-Rated Supplies" in the form as in STR-12 to these rules, in the name of the said registered person.

(4) The registered person shall make the zero-rated supply and shall keep record of the same for presentation to the sales tax department as and when required to do so.

**53. Supplies to privileged persons.—**(1) A privileged person desirous of taking zero-rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with the "CBR Booklet" issued in his name.

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased by the privileged person in the CBR booklet, keep a photocopy of the same for office record and issue an "Authorization for Zero-Rated Supply", as aforesaid, in the name of the said registered person.

(3) The Assistant Collector or Deputy Collector shall ensure that the value of the goods to be purchased does not exceed the limit specified in the Model Rules as referred to in clause 0 of sub-rule (1) of rule 2.

(4) The registered person shall make the zero-rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

**54. Supply of POL products to privileged persons.—** (1) Zero-rated sales tax invoices shall be issued by the registered oil companies for each supply of POL, products to the privileged person, mentioning that the said invoice is being issued under this rule, besides the particulars required in section 23 of the Act.

(2) A monthly statement summarizing all the particulars of the supplies made in the month against invoices issued under rub-rule (1) shall be prepared in triplicate by the registered oil company making the zero-rated supplies and shall be signed by the authorized person of the registered oil company. All three copies of the said signed monthly statement shall be got verified by the registered oil company from the person authorized to receive the supplies in the secretariat of the privileged person, confirming that supplies mentioned in the monthly statement have been duly received.

(3) After verification from the secretariat of the privileged person, original copy of the monthly statement will be retained by the registered oil company, duplicate copy will be retained by the secretariat of the privileged person and the triplicate copy shall be provided by the registered oil company to the Collector of Sales Tax having jurisdiction, by fifteenth day of the month following the month in which zero-rated supplies under rub-rule (1) were made.

(4) The registered oil company shall make the zero-rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

**55. Refund.—** When filing a refund of input tax paid by the registered oil companies against the supplies made under rule 54 in addition to the relevant supportive documents specified in Chapter V of these rules, the claimant shall furnish the duly verified original copy of the monthly statement specified in sub-rule (2) of rule 54 along with one set of legible photocopies.

**56. Supplies to the United Nations and organisations working under it.—**  
(1) The United Nations or organisations working under it, desirous of taking a zero-rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with an exemption order, in original, issued by the Ministry of Foreign Affairs in this behalf.

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased on the original exemption order, keep the same for official record and issue an "Authorization for Zero-rated Supply", as aforesaid, in the name of the said registered person.

(3) The registered person shall make the zero-rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

**57. Supplies to Privileged Organisations other than the United Nations.—**  
(1) Any privileged organisation desirous of taking a zero-rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to take delivery of goods along with an exemption order, in original, duly issued by the Economic Affairs Division of the Government of Pakistan.

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased by the privileged organisation on the original letter of the Economic Affairs Division, keep the same for office record and issue an "Authorization for Zero-Rated Supply", as aforesaid, in the name of the said registered person.

(3) The registered person shall make the zero-rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

## Chapter IX

### TAXPAYER'S AUTHORIZED REPRESENTATIVES

**58. Application.**—The provisions of this chapter shall apply to persons authorized by a taxpayer to represent him or appear on his behalf before the Appellate Tribunal or any other adjudicating authority.

**59. Persons authorized to represent a taxpayer.**—For the purpose of this chapter, only the following persons are authorized to represent a taxpayer before the adjudicating authority and Appellate Tribunal, namely:—

- (a) a person in the employment of the taxpayer working on a full-time basis and holding at least a bachelor's degree in any discipline from a university recognized by the Higher Education Commission provided that such person shall represent only the taxpayer in whose employment he is working on full-time basis;
- (b) an advocate entered in any rolls, and practicing as such, under the Legal Practitioners and Bar Councils Act, 1973 (XXXV of 1973);
- (c) a person holding a Bachelor or Masters degree in Commerce;
- (d) a person who has retired or resigned after putting in satisfactory service in the Sales Tax Department or Customs Department or Federal Excise Department for a period of not less than ten years in a post or posts not inferior to that of an Assistant Collector:

Provided that no such person shall be entitled to represent a taxpayer for a period of one year from the date of his retirement or resignation, or in a case in which he had made, or approved, as the case may be, any order under the relevant Acts; and

- (e) an accountant.

**60. Disqualifications.**—The following persons shall not be entitled to represent a taxpayer under this chapter, namely :—

- (a) any person who has been convicted as a result of any criminal proceedings under any law for the time being in force in Pakistan;
- (b) a person who has been dismissed or compulsorily retired from service;
- (c) a person who is an undischarged insolvent; and
- (d) a person who has been found guilty of misconduct as defined in clause (xxxi) of sub-rule (1) of rule 2.

**61. Procedure to appoint authorized representative.**—To appoint his authorized representative, a taxpayer shall issue a Letter of Authorization, in the form specified in STR-13, duly signed by proprietor, partner or director of the company or business concern, which shall be submitted by the authorized representative before the adjudicating authority or Appellate Tribunal. The authorized representative will use the Letter of Authorization for a single hearing, or till final decision of the case, by the adjudicating authority or the Appellate Tribunal as the case may be.

**62. Power to disqualify.**—On receipt of a complaint against any authorized representative for misconduct from the Appellate Tribunal or, as the case may be, an adjudicating authority, the Board may, after affording such representative an opportunity of being heard, disqualify him from representing the taxpayer.

## Chapter X

### ALTERNATIVE DISPUTE RESOLUTION

**63. Application.**-- The provisions of this Chapter shall apply to all cases of dispute brought or specified for resolution under section 47A of the Act.

**64. Application for alternative dispute resolution.**-- Any registered person interested for resolution of any dispute under section 47A may submit a written application for alternative dispute resolution to the Board, stating *inter alia*, the following namely:-

- (a) the Collectorate of Sales Tax and the office of the Sales Tax with whom a dispute has arisen.
- (b) the particulars of the case;
- (c) the grounds on the basis of which a resolution of a dispute is being sought by the applicant duly supported with relevant documents;
- (d) the extent or the amount of sales tax, default surcharge and penalties, which the applicant agrees to pay, if any;
- (e) details of amounts already paid, if any; and
- (f) the particulars of any person who will represent the applicant.

**65. Appointment of Alternative Dispute Resolution Committee.**— (1) The Board, after examination of the contents of an application by a registered person and facts stated therein and on satisfaction that a dispute deserves consideration for resolution for the removal of hardship under section 47A of the Act, may constitute a committee for examination of the issues involved in the dispute and for taking other actions as provided under sub-section (3) of section 47A of the Act.

(2) The Board may appoint one of the members of the committee, other than a public servant, to be its chairman.

(3) The Board shall require the committee to submit its report within <sup>46</sup>[sixty] days of its appointment.

Provided that the time so specified may, if requested by the Chairman of the committee for reasons to be recorded in writing, be extended by the Board to such extent and subject to such conditions and limitations as it may deem proper.

**66. Working of the Committee.**— The committee shall hold all its meeting in the office of the Collectorate of Sales Tax. The Collectorate shall be responsible to provide the requisite staff and material for the smooth functions of the Alternative Dispute Resolution Secretariat in the Collectorate. The Chairman of the Committee shall be responsible for deciding the procedure to be followed by the committee which may, *inter alia*, include the following, namely:-

- (a) to specify date and time for conducting proceedings by the committee;
- (b) to supervise the proceedings and ensure maintenance of record of proceedings of the committee;
- (c) to issue notices by courier, registered post or electronic mail to the applicant;
- (d) to requisition and procure relevant records or witnesses from the Collectorate or other concerned quarters;
- (e) to ensure attendance of all concerned;
- (f) to co-opt any other technical, professional or legal expert or tax consultant;
- (g) to consolidate recommendations of the committee and submission of the conclusive report to the Board; and
- (h) for any other matter covered under this chapter.

**67. Recommendations of the Committee.**-- (1) The committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit. The committee shall formulate its recommendations in respect of any matter mentioned in the sub-section (1) of section 47A of the Act.

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<sup>46</sup> Substituted for “forty-five” vide SRO 470(I)/2007 dated 09.06.2007.

(2) The Chairman of the committee shall send a copy of the recommendations of the committee to the Board, applicant and the concerned Collector simultaneously.

**68. Reconsideration by the committee.--** (1) The Board of its own motion, or on the request of the applicant, may refer back the recommendations of the committee for rectification of any obvious error or for reconsideration of the facts not considered earlier.

(2) The committee after rectification of the error or reconsideration of the facts as aforesaid shall furnish to the Board its fresh or amended recommendations within such period, as may be specified by the Board.

**69. Decision of the Board.--** (1) The Board, after examining the recommendations of the committee, shall finally decide the dispute and make such orders, as it may deem fit for the resolution of the dispute under intimation to the applicant, the Chairman of the committee and the concerned Collectorate.

(2) On receipt of the Board's order as aforesaid, the concerned Collectorate shall implement the order issued by the Board in the manner provided for in sub-section (5) of section 47A of the Act.

(3) A complete record of all proceedings of the cases dealt with under the alternate dispute resolution scheme shall be maintained by the concerned Collectorate and the concerned Collector shall ensure that proper arrangements are made for the purpose of maintaining such records in appropriate manner.

## Chapter XI

### RECOVERY

#### PART - I

**70. Application.—**The provisions of this chapter shall apply to recoveries made under section 48 of the Act.

**71. Initiation of recovery action.—**(1) On expiry of thirty days from the date on which the Government dues are adjudged, the referring authority shall deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer.

(2) In case the government dues are not fully recovered under sub-rule (1), the referring authority may,—

- (a) serve a notice to the Sales Tax, Customs, Federal Excise and Income Tax officers in the form as set out in STR-16 to deduct the Government dues from any money owing to the defaulter which may be under their control; and a copy of such notice shall be endorsed to the defaulter;
- (b) require by notice in writing, any person or organization who holds, or may subsequently hold, any money for or on account of the defaulter, to pay to such officer the amount specified in the notice;
- (c) require, by notice in writing, the customs officers to stop the clearance of any goods imported by the defaulter; and
- (d) attach the bank accounts of the defaulter:

Provided that either before or after the initiation of recovery proceedings, the Collector may, if so requested by the person concerned, recover the dues in such instalments as he may deem proper.

Provided further that in case a registered person pays the amount of tax less than the due tax as indicated in his return, the referring authority may directly proceed to recover the short-paid amount by attachment of the bank accounts of the defaulter or through stoppage of clearances from the business premises, as provided in the following rule, after serving a notice for payment of the short-paid amount in three days.

**72. Stoppage of clearances and sealing of business premises.—**(1) In case the government dues are not recovered in the manner prescribed in rule 71, the referring authority shall serve upon the defaulter a notice as set out in STR-17, informing him that removal of any goods from his business premises shall be stopped with effect from the date specified in the notice till such time the dues are paid or recovered in full:

Provided that if the government dues still remain unpaid, the referring authority shall seal the business premises of the defaulter till such time the dues are paid or recovered in full.

(2) If the referring authority is satisfied that the defaulter is likely to conceal, remove or dispose of the whole or any part of such of his movable or immovable property, as shall be liable to attachment in the process of recovery, and that the realization of government dues in consequence be delayed or obstructed, he may at any time after the issue of the notice under sub-rule (1), direct, for reasons to be recorded in writing, execution of the notice by ignoring the specified time limit.

(3) The referring authority may, if he deems fit, publish such notice as mentioned in sub-rule (1), in one or more newspapers circulated in the district of normal residence of the defaulter.

**73. Demand note.**—In the event of failure of recovery measures taken by the referring authority under rules 71 and 72, the referring authority, shall issue a demand note, in the form set out in STR-14, to the Recovery Officer, specifying therein the details of Government dues meant for recovery and shall also certify that the formalities under clauses (a), (b), (c), (ca), (d) and (f) of sub-section (1) of section 48 of the Act have been completed and there exists no bar or stay order against the proposed recovery.

**74. Attachment and sale of property.**—The Recovery Officer, on receipt of the demand note, shall serve upon the defaulter a notice as set out in STR-18 and his movable and immovable property shall stand attached and subsequently shall be sold if the recovery is not otherwise effected.

**75. Master registers to be maintained by the referring authority and the Recovery Officer.**—(1) The referring authority and the Recovery Officer shall maintain master registers in the form set out in STR-15 and every notice, order and demand note shall be entered in this register serially, and they shall authenticate all entries by affixing their signatures and seal thereon.

(2) The referring authority and the Recovery Officer shall exchange their information for completion of corresponding entries in the master registers of both offices in the form of a monthly return which shall be the exact replica of STR-15, after filling the respective columns by the concerned office.

**76. Power to require information to be furnished.**—The referring authority or the Recovery Officer may, by requisition in writing, require any person or organisation, whether registered under the Act or otherwise, to furnish any information, required for the proceedings under this chapter.

**77. Mode of service of notice.**—All notices or orders served under this chapter, unless otherwise specifically provided, shall be served —

- (a) by tendering the notices or orders or sending by registered post or courier service, to the person for whom these are intended or to his agent, at his last known address; or
- (b) if the notice cannot be served in the manner as provided in clause (a), by affixing it on the notice board in the office of the Recovery Officer.

**78. Disposal of proceeds of execution.**—(1) Whenever Government dues are realized, by sale or otherwise, in execution of a notice of recovery, they shall be applied to the following purposes in their respective order, namely:—



- (a) first to pay the expenses of the sales;
- (b) then to pay the freight or other charges, if any, payable in respect of goods, if notice of such charges has been given to the person holding the goods in custody;
- (c) then to pay the Government dues; and
- (d) then to pay the charges due to the person holding such goods in custody.

(2) After making all payments under sub-rule (1), the balance, if any, shall be paid to the owner of the goods, provided that he applies for it within six months of the sale of the goods or shows sufficient cause for not doing so.

**79. Ruling regarding disputed matters.**—Save as otherwise expressly provided in the Act or this chapter, any question arising between the referring authority and the defaulter or their representatives, relating to the execution of a notice or discharge or satisfaction of a demand note duly issued under this chapter, or relating to the confirmation or setting aside by an order under this chapter of a sale held in execution of such notice, shall be determined by the Recovery Officer, before whom such question arises.

**80. Property liable to attachment and sale in execution.**—The following is liable to attachment and sale in execution of a notice, namely: lands, houses or other buildings, goods, bank notes, Government securities, bonds or other securities for money, cheques, bills of exchange, *hundies*, promissory notes, shares in corporation and, save as hereinafter mentioned, all other saleable property, movable or immovable, belonging to the defaulter, or over which, or the profits of which, he has a disposing power which he may exercise for his own benefit, whether the same be held in the name of the defaulter or by another person in trust for him or on his behalf:

Provided that the following particulars shall not be liable to attachment or sale, namely:—

- (i) the necessary wearing apparel, cooking vessels, beds and bedding of the defaulter, his wife and children, and such personal ornaments, as, in accordance with religious usage, cannot be parted with by any woman;
- (ii) tools of artisan, and, where the defaulter is an agriculturist, his implements of husbandry and such cattle and seed grain as may, in the opinion of the Recovery Officer, be necessary to enable him to earn his livelihood as such;
- (iii) stipends and gratuities allowed to a pensioner of a Government or payable out of any service or family pension fund notified in the official Gazette by the Federal Government or the Provincial Government in this behalf, and political pensions;

- (iv) the wages of labourers and domestic servants, whether payable in money or in kind;
- (v) salary to the extent of first hundred rupees and one half of the remainder;
- (vi) all compulsory deposits and other sources in or derived from any fund to which the Provident Funds Act, 1925 (XIX of 1925), for the time being applies, in so far as they are declared by the said Act not to be liable to attachment;
- (vii) any allowance forming part of the emoluments of any servant of the Government or local authority which the Federal Government or Provincial Government may, by notification in the official Gazette, declare to be exempt from attachment, and any subsistence grant or allowance made to any such servant while under suspension;
- (viii) any expectancy of succession by survivor-ship or other merely contingent or possible right or interest; and
- (ix) a right to future maintenance.

**81. Objections and investigations, thereof.**—(1) When any objection is raised to the attachment or sale of any property in execution of a notice, on the ground that such property is not liable to such attachment or sales, the Recovery Officer shall proceed to investigate into it.

(2) If the Recovery Officer is satisfied that the objection is raised to delay the proceedings, he shall reject the objection summarily.

(3) Pending investigation, the Recovery Officer may adjourn recovery proceedings, upon such terms as to security or otherwise as he may deem fit.

(4) The objector shall produce evidence to prove the legitimacy of the objection, failing which the Recovery Officer shall reject the objection.

**82. Removal of attachment on satisfaction of cancellation of a demand note.**—When the Government dues are paid to the Recovery Officer or the demand note is cancelled, the attachment shall be deemed to be withdrawn and the withdrawal shall, if the defaulter so desires, be proclaimed at his expense, and a copy of the proclamation shall be affixed in the manner provided by this chapter for a proclamation of sale of immovable property.

**83. Officer entitled to attach and sell.**—The attachment and sale of movable and immovable property may be made by such officer as the Recovery Officer may direct in each case of recovery.

**84. Adjournment or stoppage of sale.**—(1) The Recovery Officer may adjourn any sale proceedings to a specified day and hour, and an officer conducting any sale may adjourn any sale hereunder to a specified day and hour by recording his reasons for such adjournment.

(2) Every sale shall be stopped if, before the lot is knocked down, the amount due is tendered to the officer conducting the sale or proof is given to his satisfaction that the amount has been paid to the Recovery Officer, who ordered the sale.

**85. Defaulter not to interfere with attached property.**— Where a notice has been served on a defaulter under rule 74, the defaulter or his representative in interest shall not sell, mortgage, charge, lease or otherwise deal with any property belonging to him except with the permission of the Recovery Officer.

**86. Prohibition against bidding or purchase by officer.**— No officer or other person having any duty to perform in connection with any sale under this chapter shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property being sold.

**87. Assistance for action.**—(1) An officer authorised to attach or sell any property or charged with any duty to be performed may take along with him a contingent of sales tax staff and sepoy, armed or otherwise, for any assistance he may require in the performance of his duties.

(2) In addition to sub-rule (1), such officer may apply to the officer in charge of the nearest police station for such assistance as may be necessary in the discharge of his duties.

## **PART - II**

### **ATTACHMENT AND SALE OF MOVABLE PROPERTY**

**88. Warrant of attachment.**—Where any movable property is to be attached, the Recovery Officer shall furnish a warrant, in the form prescribed in the form STR-19, to the attachment officer, in writing and signed with his name along with official seal, specifying therein the name of the defaulter and the Government dues to be realized.

**89. Service of copy of warrant.**— (1) The attachment officer shall cause a copy of the warrant to be served on defaulter or his agent in person.

(2) If service of a copy of warrant in terms of sub-rule (1) is not immediately possible, the same shall be considered to be served when affixed on the notice board in the office of the Recovery Officer.

**90. Attachment.**—If, after service of copy of the warrant, the amount is not paid forthwith, the officer shall proceed to attach the movable property of the defaulter:

Provided that the standing crops or the agricultural produce lying in the field or stored in or near the dwelling house of the defaulter or stored on the land owned, leased or cultivated by the defaulter, which represent the agricultural produce of the land owned, leased or cultivated by the defaulter, shall not be attached.

**91. Property attached how to be dealt with.**—(1) Whether the property to be attached is movable property in the possession of the defaulter or in the possession of any other person on behalf of the defaulter, the attachment shall be made by actual seizure.

(2) When anything is seized, the attachment officer, as soon as may be, inform in writing the person from whose possession the things are seized, of the grounds of such seizure.

**92. Search how to be made.**—All searches shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).

**93. Seizure after search of a building or premises.**—(1) The attachment officer, if he has reasons to believe that any movable property liable to seizure is hidden, concealed or stored in any building or premises, he may break open any inner or outer door or window of the building or premises in order to seize such movable property:

Provided that the officer shall notify his authority and intention of breaking open if admission is not given. He shall, however, give all reasonable opportunity to women to withdraw.

(2) The attachment officer shall, after seizure of moveable property, prepare an inventory of the property in the presence of two or more persons who shall witness the process and sign the inventory.

**94. Seizure between sunrise and sunset.**— The attachment by seizures shall be made after sunrise and before sunset and not otherwise.

**95. Seizure not to be excessive.**— The attachment by seizure shall not be excessive, that is to say, the property attached shall be as nearly as possible, proportionate to the recoverable Government dues.

**96. Attachment of movable property which cannot be removed due to certain reasons.**—Where it is not practicable to seize any movable property, the attachment officer may serve on the owner of goods or any person holding them in his possession or charge an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission in writing of the Recovery Officer:

Provided that the attachment officer shall inform the Recovery Officer, in writing, of the reasons due to which the movable property could not be seized.

**97. Storage of seized movable property.**— (1) All things seized for the purposes of attachment under this chapter shall, without unnecessary delay, be delivered into the care of the officer of sales tax authorised to receive the same, unless otherwise specifically provided by the Act or rules made thereunder.

(2) If there be no such officer at hand, such things shall be carried to and deposited at the Custom House nearest to the place of seizure.

**98. Attachment of negotiable instrument.**—When the property to be attached is a negotiable instrument not deposited in a court, nor in the custody of a public officer, the attachment shall be made by actual seizure, and the instrument shall be brought before the Recovery Officer and held subject to his orders.

**99. Attachment of property in custody of public officer.**—When the property to be attached is in the custody of any public officer, the attachment shall be made by a notice to such officer requesting that such property and any interest or dividend becoming payable thereon, may be held subject to the further orders of the Recovery Officer by whom the notice is issued.

**100. Attachment of share in movable property.**—(1) Where the property to be attached consists of an interest of the defaulter in movable property belonging to him and others as co-owners, the attachment shall be made by a notice to the defaulter prohibiting him from transferring such share or interest or subjecting the same to a charge in any manner.

**101. Attachment of property in partnership.**—(1) Where the property be attached consists of an interest of the defaulter, being a partner, in the partnership property, the Recovery Officer may make an order charging the share of such partner in the partnership property and profits, with payment of the amount due under the notice, and may by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct maintenance of accounts and enquiries and make an order for the sale of such interest or may make such other order as the circumstances of the case may require.

(2) The other partners shall be at liberty at any time to redeem the interest charged or, in the case of a sale being directed, to purchase the same.

**102. Sale.**—(1) The Recovery Officer may direct that any movable property attached under this chapter or such portion thereof as may seem necessary to satisfy the notice shall be sold.

(2) The sale shall be made in one or more lots, as the Recovery Officer may consider desirable and, if the Government dues to be realized by sale are satisfied by the sale of a portion of the property, the sale shall be only with respect to that portion of the property and the sale of the remaining property shall be stopped.

**103. Proclamation of sale.**—(1) When any sale of movable property is ordered by the Recovery Officer, he shall issue a proclamation of the intended sale, specifying therein the time, place and whether the sales is subject to confirmation or not.

(2) The proclamation shall be made in writing in Urdu, English and language of the Province where sale is intended and shall be publicized by –

- (a) affixing a copy thereof at the notice board in the office of the Recovery Officer;
- (b) affixing copy thereof at such places as the Recovery Officer may direct; and
- (c) publishing in one or more newspapers through auctioneer appointed under the Act and rules made thereunder.

**104. Sale after fifteen days.**—Except where the property is perishable or if the expenses of keeping it in custody is likely to exceed its value, no sale of movable property under this chapter shall be ordered without the consent, in writing, of the defaulter, until after the expiry of at least fifteen days from the date on which a copy of proclamation of sale was affixed in the office of the Recovery Officer.

**105. Sale by public auction.**—Sale by public auction shall be governed by the provisions of Chapter V of the Customs Rules, 2001.

**106. Sale by tender or sealed bids.**—The Recovery Officer may, if he deems fit, order sale by tender or sealed bids.

**107. Preference for the co-owner.**—Where the movable property to be sold is share belonging to the defaulter and one or more co-owners, and the bid of such co-owner and some other person is the same, the bid of co-owner shall have preference.

**108. Transfer of title.**— On completion of sale proceedings the Recovery Officer shall grant to the purchaser a certificate specifying therein the property

purchased, the price paid and the name of the purchaser, and the sale shall thereupon become absolute.

**109. Irregularity not to vitiate sale.**—Any error or irregularity in publishing or conducting the sale of movable property shall not vitiate the sale if the provisions of this chapter have been substantially complied with.

**110. Negotiable instrument or share in a corporation.**—Notwithstanding anything contained in this chapter, where the property to be sold is a negotiable instrument or a share in a Corporation, the Recovery Officer may, instead of directing the sale to be made by public auction, authorise the sale of such instrument or share through a broker.

**111. Order for payment of coin or currency notes to the Referring Authority.**— Where the property attached is coins or currency notes, the Recovery Officer may, at any time during the continuance of the attachment, direct that such coins or notes, or part thereof, sufficient to satisfy the demand note, to be paid over to the referring authority.

### **PART III**

#### **ATTACHMENT AND SALE OF IMMOVABLE PROPERTY**

**112. Attachment of immovable property.**—Attachment of the immovable property of the defaulter shall be made, by the Recovery Officer, by an order prohibiting the defaulter from transferring or subjecting the property to a charge in any manner and prohibiting all persons from taking any benefit under such transfer or charge.

**113. Service of order.**—A copy of the order of attachment shall be served on the defaulter in the same manner as of service of notices laid down in this chapter.

**114. Proclamation of attachment.**—The order of attachment shall be proclaimed on or adjacent to the property attached by affixing a copy of order of attachment at a conspicuous place and a copy of the same shall also be affixed at the notice board in the office of the Recovery Officer.

**115. Sale and proclamation of sale.**—(1) The Recovery Officer may direct that any immovable property, which has been attached, or such portion thereof, as may be necessary to satisfy the demand note, shall be sold if the amount due is not otherwise recoverable.

(2) Where an immovable property is ordered to be sold, the Recovery Officer shall cause a proclamation to be made in the same manner as provided in rule 104.

**116. Contents of proclamation of sale.**—(1) A proclamation of sale of immovable property shall be drawn after proclamation of attachment and shall specify therein the time and place of sale and also specify—

- (a) the location of property to be sold;
- (b) as fairly and accurately as possible, the revenue or rent, if any, assessed upon the property or any part thereof; and
- (c) the Government due for the recovery of which the sale is ordered.

(2) The proclamation may also specify any other thing which the Recovery Officer considers material for a purchaser to know in order to judge the nature and value of the property.

**117. Time of sale.**—No sale of immovable property under this chapter shall, without the consent in writing of the defaulter, take place until after the expiration of thirty days from the date on which copy of the proclamation of sale was affixed on the property or in the office of the Recovery Officer, whichever is later.

**118. Sale to be by public auction or tender.**—The sale shall be made by public auction or tender and shall be subject to confirmation by the Recovery Officer.

**119. Deposit by purchaser and re-sale in default.**—(1) On every sale of immovable property, the person declared to be the purchaser shall pay immediately, after the declaration, a deposit of twenty-five per cent of the amount of his purchase money to the officer conducting the sale; and in default of such deposit the property shall forthwith be re-sold.

(2) The full amount of purchase money payable shall be paid by the purchaser on or before the fifteenth day from the date of sale of the property.

**120. Procedure in default of payment.**—(1) In default of payment within the time mentioned in sub-rule (2) of rule 119, deposit made vide sub-rule (1) thereof shall be kept as deposit to be dealt with as mentioned in rule 122.

(2) The immovable property shall be re-sold and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may be subsequently sold.

**121. Amount recoverable from purchaser in default.**—Any deficiency of price which may happen on a re-sale by reason of a purchaser's default including all expenses attending such re-sale, shall be recoverable from defaulting purchaser up to the maximum of deposit money and if there is any surplus, after meeting the deficiency, the same shall be refunded to the defaulting purchaser.



**122. Authority to bid.**—All persons bidding at a sale shall be required to declare if they are bidding on their own behalf, or on behalf of their principals and, in the later case, they shall be required to deposit their authority to bid and in default their bid shall be rejected.

**123. Application to set aside sale of immovable property.**—(1) Where immovable property has been sold in execution of a notice, the defaulter, or any person whose interests are affected by the sale may, at any time within thirty days from the date of sale, apply to the Recovery Officer to set aside the sale on his depositing—

- (a) for payment to the Referring Authority, the Government dues specified in the proclamation of sale as that for the recovery of which sale was ordered with a surcharge thereon at the rate of ten per cent per annum, calculated from the date of the proclamation of sale to the date when deposit is made; and
- (b) for payment to purchaser, a sum equal to ten per cent of the purchase money.

(2) Where a person makes an application under rule 124 for setting aside sale of his immovable property, he shall not, unless he withdraws that application, be entitled to make an application under sub-rule (1).

**124. Application to set aside sale of immovable property on ground of non-service of proclamation or irregularity.**—Where immovable property has been sold in execution of a demand note, the referring authority, the defaulter, or any other person whose interests are affected by the sale, may, at any time within thirty days from the date of sale, apply to the Recovery Officer to set aside the sale on the ground that proclamation of attachment or proclamation of sale was not made in the prescribed manner and he could not pay the Government dues or on ground of a material irregularity in publishing or conducting the same:

Provided that -

- (a) no sale shall be set aside on any such ground unless the Recovery Officer is satisfied on the basis of evidence produced before him that the applicant has sustained losses by such reasons; and
- (b) an application made by defaulter under this rule shall be disallowed unless he deposits the amount recoverable from him in execution of demand note.

**125. Setting aside of sale where defaulter has no saleable interest.**—At any time within thirty days of the sale, the purchaser may apply to the Recovery Officer to set aside the sale on the ground that the defaulter had no saleable interest in the property sold.

**126. Confirmation of sale.**—(1) Where no application is made for setting aside the sale under this chapter or where such an application is made and disallowed, the Recovery Officer shall, if the full amount of purchase money is paid, make an order confirming the sale and there upon the sale shall become absolute.

(2) Where such application, is made and allowed or in case of an application to set aside the sale on deposit of amount and penalty and surcharge the deposit is made within thirty days of sale, the Recovery Officer shall set aside the sale:

Provided that no such order shall be made unless notice of the application has been given to the persons affected thereby.

**127. Return of purchase money in certain cases.**—Where a sale of immovable property is set aside, any money paid or deposited by the purchaser on account of the purchase, together with the penalty, if any, deposited by him, shall be paid to the purchaser.

**128. Sale Certificate.**—(1) Where a sale of immovable property has become absolute, the Recovery Officer shall grant a certificate specifying therein the property sold and the name of the person who at the time of sale was declared to be the purchaser.

(2) Such certificate shall state the date on which the sale became absolute.

**129. Postponement of sale to enable defaulter to raise amount due under notice.**—(1) Where an order or proclamation of sale of immovable property has been made and the defaulter satisfies the Recovery Officer that there are reasons to believe that amount of the note can be raised by mortgage or lease or private sale of such property, or some part thereof, or of any other movable or immovable property, the Recovery Officer may, on the application of the defaulter, postpone the sale on such terms and for such period as he thinks proper, to enable defaulter to raise the amount.

(2) In such case, the Recovery Officer shall grant a certificate to defaulter authorizing him, within a period to be mentioned therein and notwithstanding any thing contained in this chapter, to make the proposed mortgage, lease or sale:

Provided that all money payable under such mortgage, lease or sale shall be paid not to the defaulter but to the Recovery Officer:

Provided further that no mortgage, lease or sale under this rule shall become absolute until it has been confirmed by the Recovery Officer.

**130. Issue of fresh proclamation before re-sale.**—Every re-sale of immovable property, in default of payment of purchase money within the period allowed for such

payment, shall be made after the issue of a fresh proclamation in the same manner as provided for the proclamation of sale.

**131. Bid of co-owner to have preference.**— Where the property sold is a share of undivided immovable property of two or more persons, of whom defaulter is a co-sharer and the bid of the co-sharer and some other person is the same, the bid of the co-sharer shall have preference.

## **PART - IV**

### **APPOINTMENT OF RECEIVER**

**132. Appointment of receiver for business.**—(1) Where the property of defaulter consist of a running business, the Recovery Officer may attach the business and appoint a person as receiver to manage the business.

(2) Attachment of a business under this rule shall be made by an order prohibiting the defaulter from transferring or subjecting the business to a charge in any manner and prohibiting all persons from taking any benefit under such transfer or charge and intimating that the business has been attached under this rule.

(3) Proclamation of attachment under this rule shall be made in the same manner as provided for proclamation of sale under rule 103.

(4) Where the Recovery Officer so directs, such order shall also be published in newspapers.

**133. Appointment of receiver for immovable property.**—Where immovable property is attached, the Recovery Officer may, instead of directing a sale of the property, appoint a person as receiver to manage such property.

**134. Qualification for receiver.**— (1) Any person from the general public can be appointed as receiver upon having sufficient knowledge of the kind of business or the property for which he is to be appointed as receiver.

(2) Notwithstanding anything contained in sub-rule (1), any officer of Customs, Federal Excise or Sales Tax, not below the rank of Principal Appraiser or Superintendent or Senior Auditor, may be appointed as receiver of the attached business and property.

**135. Manner of working of receiver.**— (1) Where it appears to the Recovery Officer to be just and convenient, he may by order—

- (a) remove any person from the possession or custody of an attached business or property;

- (b) commit the same to the possession, custody or management of the receiver; and
- (c) confer upon the receiver all such powers, as to bringing and defending suits and for the realization, management, protection, preservation and improvement of the property, the collection of the rents and profits thereof, the application and disposal of such rents and profits, and the execution of documents as the owner himself has or such of those powers as the Recovery Officer thinks fit:

Provided that nothing in this rule shall authorise the Recovery Officer to remove from the possession or custody of business or property any person whom any party to the recovery proceedings has not a right to remove.

(2) The Recovery Officer may, by general or special order, fix the amount to be paid as remuneration for the services of the receiver but a Government officer appointed as receiver shall not be entitled to such remuneration.

(3) Every receiver appointed by the Recovery Officer, except Government officers, shall—

- (a) furnish such security, if any, as the Recovery Officer deems fit, to account duly for what he shall receive in respect of the business or property;
- (b) submit his accounts as such periods and in such forms as the Recovery Officer directs;
- (c) pay the amount due from him as the Recovery Officer directs; and
- (d) be responsible for any loss occasioned to the business or property by his wilful default or gross negligence:

Provided that the Government officer appointed as receiver shall furnish all such information as desired by the Recovery Officer regarding the progress of recovery along with accounts of proceeds after such intervals as prescribed by the Recovery Officer.

(4) The profits or rents and profits of such business or property shall, after deducting the expenses of management, be adjusted towards discharge of the Government dues and the balance, if any, shall be paid to the defaulter.

**136. Withdrawal of management.**—The attachment and management under aforesaid rules may be withdrawn at any time at the discretion of the Recovery Officer, or if the Government dues are realized by receipt of such profits and rent or are otherwise paid.

## PART - V

### MISCELLANEOUS

**137. Offences and penalties.**—(1) All cases relating to confiscation of goods or imposition of penalty with reference to operation of this chapter shall be adjudicated under Chapter VIII of the Act.

**138. Continuance of proceedings.**—(1) No proceedings shall cease to be in force by reason of the death of the defaulter.

(2) If, at any time before or after the issue of a demand note to the Recovery Officer, the defaulter dies, the proceedings under this chapter may be continued against the legal heirs of the defaulter, who shall be liable to pay, out of the properties left by the deceased defaulter to the extent to which the properties are capable of meeting the outstanding Government dues, and provisions of this chapter shall apply as if the legal heirs were the defaulter.

**139. Recovery from surety.**—When any person has, under this chapter become surety for the amount due by the defaulter he may be proceeded against under this chapter as if he were the defaulter.

**140. Receipt to be given.**—If any amount is received by any officer or other person in pursuance of this chapter, he shall issue receipt of the amount so received.

**141. Delivery of property in occupancy of defaulter.**—Where the immovable property sold is in the occupancy of the defaulter, or of some person on his behalf or of some person claiming under a title created by the defaulter subsequent to the attachment of such property and a certificate in respect thereof has been granted under rule 128, the Recovery Officer shall, on the application of the purchaser, order delivery to be made by putting such purchaser or any person whom he may appoint to receive such delivery on his behalf, in possession of the property and, if need be, by removing any person who refuses to vacate the same.

**142. Delivery of property in occupancy of tenant.**— Where the immovable property sold is in the occupancy of a tenant or other person entitled to occupy the same and a certificate in respect thereof has been granted under rule 128, the Recovery Officer shall, on the application of the purchaser, order delivery to be made by affixing a copy of the certificate of sale at some conspicuous place on the property, and proclaiming to the occupant that the interest of the defaulter has been transferred to the purchaser.

**143. Resistance or obstruction by defaulter.**—Where the Recovery Officer is satisfied that resistance or obstruction was occasioned without any just cause by the defaulter or by any person at his instigation, he shall direct that the applicant be put into the possession of the property, and where the applicant is still being resisted or obstructed in obtaining possession, the Recovery Officer may also, at the instance of the applicant, order the use of force.

**144. Resistance or obstruction by a *bonafide* claimant.**—Where the Recovery Officer is satisfied that the resistance or obstruction was occasioned by any person other than the defaulter, claiming in good faith to be in possession of the property on his own account or on account of some person other than the defaulter, the Recovery Officer shall make an order dismissing the application.

**145. Dispossession by certificate holder or purchaser.**—(1) Where any person other than defaulter is dispossessed of immovable property by the holder of a certificate, issued under rule 128, for the possession of such property or where such property has been sold in execution of demand note, by the purchaser thereof, he may make an application to the Recovery Officer, complaining of such dispossession.

(2) The Recovery Officer shall fix a day for investigating the matter and shall summon the party against whom the application is made to appear and answer the same.

**146. *Bonafide* claimant to be restored to possession.**—When the Recovery Officer is satisfied that the applicant was in the possession of the property on his own account or on account of some person other than defaulter, he shall direct that the applicant be put into possession of the property.

**147. Rules not applicable to transferee *pendente lite*.**—Nothing in rules 144 and 145 shall apply to resistance or obstruction in execution of a certificate for the possession of a property by a person to whom the defaulter has transferred the property after the institution of proceedings in which the order was passed or to the dispossession of any such person.

**148. Delivery of moveable property, debts and share.**—(1) Where the property sold is moveable property of which actual seizure has been made, it shall be delivered to the purchaser.

(2) Where the property sold is moveable property in the possession of some person other than the defaulter, the delivery thereof to the purchaser shall be made by giving notice to the person in possession prohibiting him from delivering possession of the property to any person except the purchaser.

(3) Where the property sold is a debt not secured by a negotiable instrument or is a share in a corporation, the delivery thereof shall be made by a written order of the Recovery Officer prohibiting the creditor from receiving the debt or any interest thereon, and the debtor from making payment thereof to any one except the purchaser, or prohibiting the person in whose name the share may be standing from making any transfer of the share to any person except the purchaser, or receiving payment of any dividend or interest thereon, and the manager, secretary, or other proper officer of the co-operation from permitting any such transfer or making any such payment to any person except the purchaser.

**149. Execution of documents and endorsement of negotiable instruments.**—Where any endorsement or execution of documents is required to transfer a negotiable instrument or any share to purchaser under this chapter, such document shall be executed or endorsement shall be made thereon by the Recovery Officer.

**150. Form.**—Any notice, proclamation, certificate or order to be issued under this chapter shall be in such Form as may be prescribed by Central Board of Revenue, in annexes to these rules or otherwise. In case the Central Board of Revenue has not prescribed any of such Forms, it shall be in such form as adopted by the Recovery Officer.

## <sup>47</sup>[CHAPTER XII

### **SPECIAL PROCEDURE FOR ACCESSING THE COMPUTERIZED SYSTEM**

**150A. Application.**— The provisions of this Chapter shall apply to persons authorized as users of the computerized system under section 50A of the Act.

**150B. Authorization.**—(1) A person desirous to be authorized as user of computerized system under this Chapter may apply to the Board, at such time and in such manner, as may be prescribed.

(2) Upon scrutiny of the information provided by the applicant, the Board may grant authorization to the applicant or refuse the application after giving the applicant a reasonable opportunity of being heard.

(3) No person shall access the computerized system for transmission to or receipt of information therefrom, unless authorized as aforesaid.

**150C. Unique User Identifier.**— Every person authorized as user of computerized system shall be allotted a 'Unique User Identifier' for his

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<sup>47</sup> Chapters XII, XIII and XIV added vide SRO 470(I)/2007 dated 09.06.2007.

identification in relation to accessing the computerized system for transmission to or receipt of information therefrom.

**150D. Access to computerized system.—** Subject to the conditions, restrictions and limitations, as may be prescribed by the Board, the authorized user shall access the computerized system for transmission to or receipt of information therefrom:

Provided that the Board may impose any additional conditions upon any authorized user or class of authorized users for accessing the computerized system or to maintain confidentiality or security thereof:

Provided further that the Board may require an authorized user or class of authorized users including their accredited agents to use any additional electronic security including digital certification for electronic filing of return or any other declarations.

**150E. Responsibility of the user.—** The authorized user shall be responsible for security and confidentiality of the 'Unique User Identifier' allotted to him and where any information is transmitted to the computerized system using a 'Unique User Identifier', the transmission of that information shall be sufficient evidence that the authorized user to whom such 'Unique User Identifier' has been issued has transmitted that information.

**150F. Cancellation of registration.—** (1) Where the Board is satisfied that any user authorized to use the computerized system has—

- (a) failed to comply with any of the conditions prescribed by the Board; or
  - (b) acted in contravention of any of the provisions of the Act or this Chapter;
- or



(c) failed to take adequate measures for security and confidentiality of the 'Unique User Identifier'; or

(d) been convicted in an offence under this Act or any other law for the time being in force;

the Board may cancel the authorization of that user after affording him an opportunity of being heard.

(2) Pending consideration whether an authorization be cancelled under sub-rule (1), the Board may suspend the authorization.

**150G. Recording of transmissions.—** The Board shall keep record of each transmission sent to or received from an authorized user, for a period of five years from the date of such transmission or receipt.

**150H. Scrutiny of records.—** An officer or officers of Sales Tax, authorized by the Collector in this behalf, may examine records maintained by an authorized user, whether electronically or otherwise, in relation to a specific transaction or to verify adequacy or integrity of the system or media on which such records are created and stored.

### Chapter XIII

## **ELECTRONIC INTERMEDIARIES**

**150I. Application.—** This Chapter shall apply to the persons appointed as e-intermediaries by the Board under sub-section (1) of section 52A of the Act to electronically file return and such other documents as may be prescribed from time to time, on behalf of a person registered under section 14 of the Act.

**150J. Appointment of e-intermediary.**– (I) A person having sufficient information technology infrastructure and professional experience in the field of providing taxation services, desirous of being appointed as e-intermediary, shall apply to the e-declaration administrator on the format prescribed in STR-20:

Provided that for the purposes of this rule, the 'professional experience', shall mean any of the following, namely:-

- (a) a firm or sole proprietorship approved to practice by the Institute of Chartered Accountant of Pakistan or Institute of Cost and Management Accountants of Pakistan; or
- (b) a person appointed as authorized representative under Chapter IX of the Sales Tax Rules, 2006,
- (c) a person or firm approved to practice as Income Tax Practitioner under the Income Tax Ordinance, 1979; or
- (d) any other person approved by the Board.

(3) The e-declaration Administrator, after receipt of application for appointment as e-intermediary, and after verification, as aforesaid, shall forward the application along with his specific recommendation to the Board for appointment of the applicant as e-intermediary.

(4) The Board, after receipt of the recommendations from the e-declaration Administrator, may appoint the applicant as an e-intermediary and issue him a unique user identifier, subject to such conditions, restrictions and limitations, as may be prescribed:

Provided that the Board may refuse to entertain an application for appointment as e-intermediary for reasons to be recorded and conveyed in writing.

(5) In case of any change in the particulars or information provided by the e-intermediary in the application for registration, he shall immediately inform the concerned e-declaration Administrator about such change.

**150K. Cancellation of appointment.** – (1) Where the Board is satisfied that the e-intermediary has-

- (a) failed to comply with any of the conditions prescribed by the Board;  
or
- (b) acted in contravention of any of the provisions of the Act or these rules; or
- (c) failed to take adequate measures for security and confidentiality of the Unique User identifier; or
- (d) been convicted in an offence under the Act or any other law for the time being in force;

the Board may cancel the appointment of such e-intermediary after affording him an opportunity of being heard.

(2) Pending consideration whether the appointment of the e-intermediary be cancelled under sub-rule (1), the Board may suspend the appointment.

(3) An e-intermediary who intends to surrender his appointment, shall file an application to this effect to the Board.

(4) The Board may, on receipt of an application referred to in sub-rule (3), cancel the appointment of the e-intermediary after necessary inquiry, as it may deem proper to conduct.

**150L. Procedure to be followed by registered persons.** – (1) A registered person, may authorize an e-intermediary, duly appointed by the Board, to furnish e-declarations on his behalf, under intimation to the e-declaration Administrator having jurisdiction.

(2) The e-intermediary shall generate hard copy of the declaration in duplicate which shall be signed and retained by both the registered person and the e-intermediary.

**150M. Procedure to be followed by e-intermediary.** – The e-intermediary shall digitize the data of e-declaration, duly signed by the registered person and electronically transmit the same to the computerized system in the manner prescribed under Chapter XII of these Rules.

**150N. Responsibilities of e-intermediary.**– (1) The e-intermediary shall be responsible for security and confidentiality of the ‘Unique User Identifier’ allotted to him, and where any e-declarations is transmitted to the computerized system by using his ‘Unique User Identifier’, transmission of that e-declaration shall be deemed to have been transmitted by the e-intermediary to whom such ‘Unique User Identifier’ has been allotted.

(2) The e-intermediary shall retain the data relating to all e-declarations transmitted by him electronically on behalf of a registered person, for a period of five years following the date of such declarations.

**150O. Responsibility of e-declaration Administrator.**– Without prejudice to the foregoing provisions, an e-declaration Administrator shall ensure

compliance by e-intermediary operating within his jurisdiction including the verification about their credentials, any complaints received against the e-intermediaries and such other matters as he may deem fit and inform the Board wherever required.

**150P. Scrutiny of records.** – (1) An officer of Sales Tax, authorized by the Collector in this behalf, may examine records maintained by an e-intermediary, whether electronically or otherwise, in relation to a specific transaction or to verify adequacy or integrity of the system or media on which such records are created and stored.

**(2) In case any discrepancy or irregularity is committed by the e-intermediary, he shall be liable to imposition of penalty prescribed under the Act or rules made thereunder.**

## CHAPTER XIV

### SPECIAL PROCEDURE FOR ISSUANCE OF ELECTRONIC SALES TAX INVOICES BETWEEN BUYERS AND SELLERS

**150Q. Application.—** The provisions of this Chapter shall apply for electronic transmission of sales tax invoices by the registered persons who opt to do so in the manner specified hereunder.

**150R. Eligibility to use electronic invoicing system.—** Every registered person who is engaged in making supply of taxable goods or providing or rendering taxable services and wishes to use electronic invoicing system shall seek prior authorization, in writing, from the concerned Collector before issuing electronic invoices.

**150S. Issuance of electronic invoice and record.—** (1) The registered person shall issue an electronic sales tax invoice for every taxable supply made by him, containing such information as required under section 23 of the Act. The registered person shall also retain the record and documents for a period of five years on electronic media as provided under section 24 of the Act.

(2) A sales tax invoice may be generated and transmitted electronically where the authenticity of the origin and integrity of the invoice data are guaranteed by means of either an advanced electronic signature or electronic data interchange (EDI) or by any other means as approved by the Collector.

**150T. Transmission of electronic invoice to the Collector.—** The registered supplier making supplies under this Chapter shall simultaneously transmit a copy of all such electronically issued invoices to the Collector of Sales Tax having jurisdiction.

**150U. Use of formats and controls over transmission of electronic invoices.—** (1) The registered person may use any electronic invoice message format provided it contains all the information specified under section 23 of the Act.

(2) The invoice shall be transmitted in a secure environment, using industry-accepted security technologies in respect of messages as well as communication links and networks over which the invoice is transferred.

(3) During the transfer of invoice data between the supplier and the buyer, the registered person shall ensure—

(a) completeness and accuracy of the invoice data;

- (b) timeliness of processing;
- (c) usage of necessary security measures for authenticity and integrity of data; and
- (d) prevention of duplication of processing by the recipient.

(4) The registered person shall invariably maintain a back-up data to overcome any possible system failure or loss or corruption of data.

**150V. Conditions for electronic storage.**— (1) The registered person shall ensure the authenticity and integrity of the data during and after application processing and use all electronic or procedural means to prevent loss and corruption of data during the storage.

(2) The invoice data shall be stored in such manner that information at the time of original transmission of invoice is re-created at the time of departmental audit.

**150W. Audit.**— (1) The registered person shall allow access to the record and documents maintained in electronic form as and when required by an officer of Sales Tax as provided under section 25 of the Act.

- (2) The officer of Sales Tax shall have access to—
- (a) the operation of any computer system which generates or receives sales tax invoices;
  - (b) supporting documentation including file structures, etc., operational and technical manuals, audit trail, controls, safe keeping and information on how the accounting system of the registered person is organized; and

(c) business intelligence tools to scrutinize the information available on the system.

(3) The officer of Sales Tax shall be allowed to obtain any information from the system in any format, and for this purpose the registered person shall provide,—

(a) physical access to system at his premises; and

(b) indirect access providing information on electronic media, or possibly *via* remote access.

**150X. Same conditions to apply in respect of buyer for receiving electronic invoices.—** (1) The registered buyer who receives electronic invoices from the registered supplier shall fulfil the same criterion and conditions for storing them, as are specified for the supplier in this Chapter.

(2) In case the buyer wishes to store the electronic invoices received from the supplier in a paper-based system, he can do so after obtaining necessary approval from the Collector of Sales Tax having jurisdiction.

**150Y. Failure to meet the conditions for electronic invoicing system.—** If the registered person has issued and stored invoices electronically but has failed to meet the conditions relating to the prescribed procedure, besides other legal actions which may be taken for such failure, he shall be required to issue paper invoices till such time the Collector is satisfied that the electronic system of the registered person is capable of doing the job.

**150Z. Provisions of Electronic Transactions Ordinance, 2002, to apply.—** All the provisions of Electronic Transactions Ordinance, 2002 (LI of



2002), relating to the recognition of documents, records, information, communication and transaction in electronic form, accreditation of certification service providers and for matters ancillary thereto, shall apply.]

## <sup>48</sup>[CHAPTER XV

### REPEAL

**151. Repeal.** —The Sales Tax Rules, 2005, the Electronic Filing of Sales Tax Return Rules, 2005, and the Sales Tax Refund on Zero-Rated Supply, Rules, 2006, are hereby repealed.]

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<sup>48</sup> Substituted vide SRO 470(I)/2007 dated 09.06.2007 for “**151. Repeal.**—(1) The Sales Tax Rules, 2005, the Electronic Filing of Sales Tax Return Rules, 2005, and the Sales Tax Refund on Zero-Rated Supply, Rules, 2006, are hereby repealed.”

**Sales Tax**

**Application for Registration  
“(Corporations / Companies / AOP’s / Individuals)”**

**(Please see the appended instructions before you fill this application form)**

- Before you begin to fill in the application, please refer to Chapter – I of the Sales Tax Rules, 2006.
- This form may be filled in accordance with the appended instructions.
- Write clearly in black ink and use capital letters.
- Additional sheets may be attached if required.
- In case of any problem, please contact your LRO or call the CRO.

**NATIONAL TAX NUMBER FOR THE BUSINESS**

								-	
--	--	--	--	--	--	--	--	---	--

**Part – 1 ABOUT THE BUSINESS**

Collectorate \_\_\_\_\_ (where registration desired)

- (1) Business Name
- (2) Address of Registered Head Office
- (i) City
- (ii) Post Code
- (iii) Premises (Tick ✓ )     Self Owned     Rented
- (iv) Phone No.
- (v) Fax No.
- (vi) E-mail address
- (vii) Consumer number for electricity
- (viii) Consumer no. for gas
- (ix) Bank Account No.
- (x) Bank name & address
- (xi) Cost of fixed Assets
- (xii) Address of all branches, manufacturing units, godowns and outlets) may be stated separately on the above format

**Note :** In case of additional information for columns 2(iv) to (x) above, please provide on separate sheets, and follow the format given above

- (4) (a) Business Activity.  
(Please tick (✓) which ever is applicable).
- Manufacturer     Importer     Exporter     Distributor
- Retailer     Wholesaler     Service Provider

(b) Principal Business Activity ( Please tick ( ✓ ) only one of the categories below):  
 Manufacturer / Importer / Exporter / Distributor / Wholesaler / Retailer / Service Provider

(c) Primary product dealt in.  
 Product Name \_\_\_\_\_ PCT Code 



  
*(For Official Use)*

(d) Services rendered \_\_\_\_\_ Service Code 



  
*(For official Use)*

(Only one column from column (1) to column (3) is required to be filled. The remaining may be left blank)

(1)  **INDIVIDUAL**

- (a) Name of owner
- (b) N.I.C. number
- (c) National Tax Number
- (d) Date of commencement of business
- (e) Initial capital employed  Rs.

(2)  **AOP**

- (a) Data of constitution
- (b) Initial capital employed  Rs.
- (c) No. of members   
*Please fill in attachment No. STR-1 (A) for each member*
- (d) Date of commencement of business

(3)  **COMPANY**

- (a) Company registration number
- (b) Date of incorporation
- (c) No. of directors   
*Please fill in attachment No. STR-1 (A) for each director*
- (d)  Limited by share  Limited by guarantee
- (e) Initial capital employed  Rs.
- (f) Date of commencement of business

(g) TYPE OF COMPANY (Please tick ( ✓ ) the most appropriate box applicable below)

- Private Limited Company  Public Limited Company (Not Listed)
- Public Limited Company (Listed)  Local Authority
- Public Authority or Corporate Body (wholly owned by Government)  Other (please specify) \_\_\_\_\_

**Part – 3**

**TAXABLE ACTIVITY OR SERVICES RENDERED**

Please give Business activity (Part-1, column-4) and commodity name in relevant column below (Attach additional sheets if required)

<b>BUSINESS ACTIVITY</b> <small>Reference (Part-1, Column-4)</small>	<b>GOODS OR SERVICES SUPPLIED OR TO BE SUPPLIED</b>

**PCT Code**  
*(For Official use)*


**Part – 4**

**BUSINESS RECORDS**

(1) Business record keeping (Tick (✓) appropriate box)

- (a)  Manual
- (b)  Computerized
- (c)  Intend to computerize by \_\_\_\_\_ (date)

**Part – 5**

**DECLARATION**

I, \_\_\_\_\_,

NIC # -, Owner / Member / Director, solemnly declare that to the best of my knowledge and belief, the information given in this application is correct and complete. Furthermore, I also declare that I have not been allotted any Sales Tax Registration Number nor have I applied for it elsewhere. I understand that incorrect information can lead to penal action.

\_\_\_\_\_                                  \_\_\_\_\_                                  \_\_\_\_\_  
**Date**    **Official Stamp**    **Authorized Signature**

**Part – 6**

**FOR OFFICIAL USE**

- (1) Sales Tax Registration Number Allotted \_\_\_\_\_
- (2) Date \_\_\_\_\_
- (3) Serial No. \_\_\_\_\_


\_\_\_\_\_  
**SIGNATURE & STAMP of issuing office**

**PARTNER / DIRECTOR DETAILS**

For Official Use only (Date of Receipt \_\_\_\_\_)  
(This information is required in respect of each director/ partner)

Please (Tick ✓ ) relevant

Owner      Member      Director

(1) Full Name

(1A) Nationality

(2) Home Address

(3) Post Code  Phone No.

(4) Bank Account Number

Bank Name

(5) National Tax Number

(6) N.I.C Number

(6A) Passport number. (in case of foreign national)

(7) Are you running any other sales tax registered business?  
(If "yes" provide its sales tax registration number)      Yes       No

Registration Number

Signature

Date

<sup>49</sup> Entries (1A) and (6A) inserted vide SRO 470(I)/2007 dated 09.06.2007.

## INSTRUCTIONS

**National Tax Number** If this column is not filled, your application will not be entertained for registration.

Specify Collectorate where you want your unit to be registered.

### Part - 1

- (1) Write complete Business Name.
- (2) Write complete address of the Head office giving room/house/shop number, street name/number, city, post code, phone, fax, e-mail, electricity and gas consumer number, bank address and account number. Write complete address of all the branches, manufacturing units, godowns and outlets giving room/house/shop number, street name/number, city, post code, phone, fax, e-mail, electricity and gas consumer number. Specify bank account number, bank name & address.

In case of additional information for any of the above columns, please use separate sheet(s) and follow the same format.

- (4)(a) Tick the category under which the business falls. In case of more than one type of business category, all the relevant boxes may be ticked.
- (4)(b) The principal / main business activity which defines your business most closely is required to be ticked. (Tick only ONE activity)
- (4)(c) Please give the name of the primary product dealt in.
- (4)(d) Please provide name and type of service rendered.

### Part - 2

- (1)(a) (b) (c) Please give complete name of owner, N.I.C and N.T.N.

**Remember: In case the columns N.I.C, N.T.N are not filled the application will not be entertained for registration.**

- (1)(d) (e) Please give date of commencement of business and initial capital employed.
- (2) Each member of AOP is required to fill in attachment No. **STR-1 (A)**
- (3)(a) (b) (d) Please give Company's registration number, date of incorporation, limits, initial capital employed, date of commencement of business and tick the relevant "Type of Company"
- (e) (f) (g)
- (3)(c) Each director of company is required to fill in attachment No. **STR-1 (A)**

**Part – 3** Please mention the name of goods supplied or intended to be supplied as manufacturer.

**Part – 4** Please tick the relevant mode of maintenance of business records.

**Part – 5** Tick only the appropriate box.

**Part – 6** Please ensure that the declaration is signed by the authorized person.

**Part – 7** **FOR OFFICIAL USE ONLY.**

**Sales Tax**

**Application for change in the particulars of Registration  
(Name, Address or other particulars)**

- Before you begin to fill in the application, please refer to Chapter – I of the Sales Tax Rules, 2006.
- This form may be filled in accordance with the appended instructions.
- Write clearly in black ink and use capital letters.
- Additional sheets may be attached if required.
- In case of any problem, please contact your LRO or call the CRO.



**Part – 1**

**CHANGE OF OWNERSHIP**

To be completed by new owner

(1) New owner's Name

(2) Business Name

(3) Legal Status

Individual     Firm     AOP

Company

(4) I will continue using previous sales Tax Registration No. which is

(attach Form-ST-1)

***(Application will not be entertained without attaching STR-1 Form)***

I will assume ownership from following date.

**(NOTE)**

(6) Position in Business

Signature

Date

To be completed by previous owner

Previous owner's Name



Business Name



Legal Status

Individual     Firm     AOP

Company

I agree to cancel my registration and transfer my number to the new owner. My registration No. was

I have also applied for de-registration. (attach Form-STR-3)

***(Application will not be entertained without attaching STR-3 Form)***

I will relinquish ownership from following date.

Position in Business

Signature

Date

**Part – 2**

**Other Changes**

Ref. Col #	Name of Column	Existing Particulars	New Particulars
(1)			
(2)			
(3)			
(4)			
(5)			

Registration #

Signature

Date

## INSTRCUCTIONS

### Fill the particulars in Part – 1, if there is “Change in Ownership” of the business

The LEFT PART is to be filled in by the NEW OWNER.

#### Part - 1

- (1) Write your full name.
- (2) Write complete business name.
- (3) Tick the appropriate legal status of your business.
- (4) Write the registration number of the business you have brought.  
This will be an assurance of continuity of the previous registration number associated with the business.

***Remember:*** In case STR-1 form is not attached application for change in ownership of business will not be entertained.

- (5) Write the date, you will assume ownership of the business.
- (6) Please specify your position / designation in the business.

Please sign and specify date (The application will be rejected if it is not signed)

THE RIGHT PART is to be filled by the PREVIOUS OWNER.

- (1) Write your full name.
- (2) Write complete business name.
- (3) Tick the appropriate legal status of your business.
- (4) Write your business registration number for agreeing to transfer the registration number to the new owner.

***Remember:*** In case STR-3 Form is not attached the application will not be entertained.

- (5) Please specify the date you will relinquish ownership from business / registration number.
- (6) Please write your position / designation in the business.

Please sign and specify date (The application will not be entertained, if it is not signed).

***(In case of Change in Ownership attach Form STR-1 (to be filled by new owner) and Form STR-3 (to be filled by Previous owner)***

#### Part- 2

Please specify the registration # & the Column Name(s) of ST-1 form in which change has occurred. Mention the new particulars as required to be amended. The old particulars will be the same as specified previously.

***(In case of Change in Address attach Form STR-1)***

## Sales Tax

### Application for De-Registration

- Before you begin to fill in the application, please refer to Chapter – I of the Sales Tax Rules, 2006.
- This form may be filled in accordance with the appended instructions.
- Write clearly in black ink and use capital letters.
- Additional sheets may be attached if required.
- In case of any problem, please contact your LRO or call the CRO.



**STOCKS DECLARATION FORM**

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Description of taxable goods available in stock.	Name and registration number of the supplier *	Sales Tax invoice No. and date or name of customs station of clearance vessel name, IGM No. and date, index No. BE, cash No. & date.	Value (exclusive of Sales Tax)	Sales Tax involved
1	2	3	4	5

\* In case of local goods, mention name and registration number of the supplier from whom such taxable goods were purchased during a period of 30 days prior to the date of application for registration. In case of goods imported during a period of 90 days prior to the date of application for registration, mention the exporter's name and country.

**GOVERNMENT OF PAKISTAN**  
**Central Board of Revenue**  
**Islamabad**

File No. \_\_\_\_\_

**CERTIFICATE OF REGISTRATION**  
**(Under Sales Tax Act, 1990)**

This is to certify that M/s.

\_\_\_\_\_

Address

\_\_\_\_\_

have been registered as:

- |                                       |                                   |   |                                      |
|---------------------------------------|-----------------------------------|---|--------------------------------------|
| <input type="checkbox"/> Manufacturer | <input type="checkbox"/> Importer | <input type="checkbox"/> Exporter         | <input type="checkbox"/> Distributor |
| <input type="checkbox"/> Wholesaler   | <input type="checkbox"/> Retailer | <input type="checkbox"/> Service Provider |                                      |

This means that they must:

- of (i) Charge sales tax on all taxable supplies made during the course of taxable activity.
- the (ii) File a return in the designated bank relating to a month on or before 15th of the following month, unless otherwise prescribed.
- (iii) File a Nil-Return if no taxable activity takes place during a tax period.
- (iv) Abide by provisions of Sales Tax Act, 1990, and rules made thereunder.

Their Sales Tax Registration Number is:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Date of Registration is:

		--				--													
--	--	----	--	--	--	----	--	--	--	--	--	--	--	--	--	--	--	--	--

and National Tax Number is

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

[Note: The Sales Tax Registration number must be shown in the return and on all the invoices issued by them and quoted in all their correspondence with the Sales Tax Department.]

**Secretary (Registration)**  
**CENTRAL REGISTRATION OFFICE**

C.No. \_\_\_\_\_

Date \_\_\_\_\_

M/s. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SUBJECT: COMPULSORY REGISTRATION**

Whereas it has been ascertained that you are liable to be registered under the Sales Tax Act, 1990, for the reason that:

\_\_\_\_\_  
\_\_\_\_\_;

Whereas you have not yet got yourself registered; therefore, you are hereby given an opportunity to apply for registration in the form attached with this notice. You may also declare the stocks in hand, if any, in terms of section 59 of the Sales Tax Act, 1990, read with rule 5(2) of Chapter I of the Sales Tax Rules, 2006 in the form at STR-4 to the Sales Tax Rules, 2006.

2. Kindly note that in case you fail to apply for registration by \_\_\_\_\_ (date),--

(a) you shall be compulsorily registered under section 14 of the Act, read with rule 6 of the Sales Tax Rules, 2006, without any further notice;

(b) you shall render yourself liable to penalty under clause 7 of section 33(1) of the Sales Tax Act, 1990; and

(c) you shall also render yourself liable to arrest and prosecution in terms of section 37A of the Sales Tax Act, 1990.

Encl. Registration Form (STR-1)

Local Registration Officer  
Telephone:  
Fax:  
E-Mail:





Sales Tax & Federal Excise Return-cum-Payment Challan

Payable - Cr/- Refund	45	Whether excluded from Section 8B(1), under SRO 647(I)/2007 (Yes / No)	
	46	<b>Admissible Credit</b> - if 45 = Yes then 21; if 45 = No, then least of "90% of 29" or 21 or 44	-
	47	<b>Payable ST</b> - if 44 > 46 then (44 - 46) otherwise zero	-
	48	<b>Excess Unadjusted Credit</b> - if 45 = Yes and if 46 > 44 then (46 - 44) otherwise zero; if 45 = No then (21 - 46)	-
	49	Input tax paid on inputs consumed in zero-rated supplies/ exports ( <b>Refund Claim</b> )	-
	50	<b>Credit to be carried forward</b> - if 49 > 48, then zero; if 49 < 48, then (48 - 49)	-
51	<b>Sales Tax withheld by the return filer (STWH)</b>	-	

Federal Excise		Value	Rate	FED
52	Excisable goods cleared for domestic consumption (a)	-	-	-
53	(b)	-	-	-
54	(c)	-	-	-
55	(d)	-	-	-
56	(e)	-	-	-
57	Excisable services rendered	-		-
58	Excisable goods exported	-		
59	Zero-rated clearances	-		
60	Exempt clearances	-		
61	Less: FED paid on goods used in manufacturing of Goods cleared for domestic consumption	-		-
62	<b>Payable FED</b> - Add 52 to 57 minus 61 (ignore negative value)			-
63	Excise duty on import of edible oil Rs. / kg			
64	Goods chargeable to special FED	-	1%	-
65	(-) Special FED on inputs used in manufacturing of Goods cleared for domestic consumption	-	1%	-
66	<b>Payable Special FED</b> (64 - 65)			-
67	(-) FED paid on goods used in manufacturing of Goods exported ( <b>drawback</b> )	-		-
68	(-) Special FED paid on goods used in manufacturing of Goods exported ( <b>drawback</b> )	-		-
69	(-) Total FED Drawback (67 + 68)	-		-
70	<b>Total FED</b> (62 + 66 - 69)			-

PDL	71	<b>Petroleum Development Levy</b>	PDL	-
-----	----	-----------------------------------	-----	---

Payment	Sales Tax Arrears		ST liability due to late filing			
	72	Principal amount	-	76	Default surcharge	-
	73	Default surcharge	-	77	Penalty	-
	74	Penalty	-	78	Surcharges	
	75	<b>ARR (ST)</b> (Add 72 to 74)	-	79	<b>ST (SUR + PEN)</b> (76 + 77)	-
	80	<b>Net Sales Tax Payable</b> (47 + 51 + 75 + 79)				-
	FED Arrears		FED liability due to late filing			
	81	Principal amount	-	85	Default surcharge	-
	82	Default surcharge	-	86	Penalty	-
	83	Penalty	-	87	Surcharges	
84	<b>ARR (FED)</b> (Add 81 to 83)	-	88	<b>FED (SUR + PEN)</b> (85 + 86)	-	
89	<b>Net FED Payable</b> (if 70 + 84 + 88 > 0 then 70 + 84 + 88, otherwise zero)				-	
90	<b>Net FED Drawback</b> (if 70 + 84 + 88 < 0 then -(70 + 84 + 88), otherwise zero)				-	
91	<b>Total Taxes Payable</b> (71 + 80 + 89)				-	
92	<b>Tax paid on normal/ original return</b> (applicable in case of revised return)				-	
93	<b>Balance Tax Payable/ Refundable</b> (91 - 92)				-	

I, \_\_\_\_\_, holder of CNIC Nr \_\_\_\_\_  
 In my capacity as self/member or partner of association of persons/principal/ officer / trustee/ representative of named above, do solemnly declare that to the best of my knowledge and belief the information given in this return is/ are correct and complete in accordance with the provisions of the Sales Tax Act, 1990, the Federal Excise Act, 2005, and rules and notifications issued thereunder.

Date \_\_\_\_\_ Stamp \_\_\_\_\_ Signature \_\_\_\_\_

Head of Accounts	Head of Account	Amount	For Bank Use	
			CPR No.	Amount
	B02341 - Sales Tax			
	B02366 - Sales Tax on services			
	B02367 - FED in VAT mode			
	B02485 - Federal Excise Duty			
	B03041 - PDL			
	<b>TOTAL AMOUNT PAYABLE</b>			

Total Amount in Figures \_\_\_\_\_  
 Amount Received in words : \_\_\_\_\_  
 Bank Officer's Signatures, Date & Stamp

## INSTRUCTIONS

### HOW TO FILL UP THE RETURN

- (1) These instructions are illustrative only and have no effect upon the provisions of the Sales Tax Act, 1990 or the Federal Excise Act, 2005.
- (2) This return is required to be filed by all persons registered under the Sales Tax Act, 1990 and the Federal Excise Act, 2005.
- (3) The return shall be filed printed on both sides of paper.
- (4) Instructions relating to different parts of the return are given below:

#### **Registry**

**CNIC:**

The registered person having the status of 'individual' or 'proprietor' is required to mention his Computerized National Identity Card number. In all other cases this information can be skipped.

**Normal/ Revised:**

Normal return means the first return filed for any specific tax period. A revised return can be filed under section 26(3) of the Sales Tax Act, 1990. While filing the revised return, the taxpayer shall check the relevant box and fill in all the relevant data for the month including the columns which were correctly filled in the normal return.

**Monthly/ Quarterly:**

All registered persons are required to file return on monthly basis, except persons engaged exclusively in commercial imports, who shall file the same return on quarterly basis.

**Tax Period:**

The tax period has to be mentioned in the format "mm yy". For example, August 2007 is to be mentioned as "08 07". The persons filing the quarterly return shall mention the last month of the quarter. For example, in case of quarter July to September 2007, the month of September 2007 should be mentioned as follows: "09 07".

#### **Sales Tax Credit**

**Details of taxable purchases from Top 20 suppliers:**

Details of top 20 local suppliers with respect to tax charged are to be provided in descending order. After providing the details for top 19 suppliers, the total for the remaining suppliers is to be provided in the last row. When a single supplier is making supplies at multiple rates of sales tax, the supplies at each rate are to be provided in separate rows. In case there are no taxable sales to registered persons and the total number of suppliers does not exceed nineteen, the registered person shall not be required to furnish separate invoice summary as prescribed under SRO 559(I)/2006 dated 5.6.2007.

**Domestic Taxable purchases/ services @15%, 17.5% and 20%:**

Data of all purchases (goods & services) subject to tax at 15%, 17.5% and 20% is to be given here after adjustment on account of debit/ credit notes. The figures for telecommunication services including telephone will be given here.

**Capital/ Fixed Assets to be credited in twelve parts:**

The adjustment of sales tax on each fixed asset has to be spread over twelve months. 'Accumulated amount' is the total value of fixed assets against which adjustment has not been completely made. For example, in the first month fixed assets valuing Rs. 8,000 (sales tax Rs. 1200) were purchased and in the second month assets worth Rs. 16,000 (Sales tax Rs. 2400) were purchased; in first month

accumulated purchases would be Rs. 8000 and adjustment of Rs. 100 would be made. In the second month, accumulated purchases would be Rs. 24,000 and the adjustment of Rs. 300 would be made. When all twelve instalments of adjustment against a particular fixed asset have been availed, the value of such asset shall not be mentioned in accumulated amount.

**Others (Pl. Specify):**

Data of all purchases/ imports on which sales tax has not been paid on the standard rates (15%, 17.5% or 20%) shall be given here. A brief description must also be provided in the available space.

**Inadmissible input tax relating to exempt supplies/ non-taxed services etc:**

The input tax which is attributed to exempt supplies or to non-taxable services is to be mentioned here. Any other input tax which is not admissible as credit is also to be included. If any part of input tax relates to both taxable and exempt supplies or services, inadmissible input tax is to be calculated in accordance with the Apportionment Rules as in the Sales Tax Rules, 2006.

**Ship imports by ship-breakers:**

The LDT of ships imported during the current month need to be mentioned.

**Commercial Imports (S.R.O. 645(I)/2007):**

The commercial importers shall mention here the total amount of sales tax paid i.e. 2% under SRO 645(I)/2007 plus in addition to the tax payable under section 3(1) and 3(2). The amount of tax should be total tax i.e. paid at normal rate plus 2% tax.

**Part of input tax attributed to zero-rated supplies/ exports:**

The registered person shall work out the amount of input tax relating to inputs consumed in zero-rated supplies or exports made during the tax period. This amount constitutes the refund claim which will be processed under refund rules, after the required documents/ information have been provided. This amount cannot be greater than the sum of total input tax for the month mentioned and the credit brought forward. In case, there are local sales as well, the refund claim should be lower than the sum as aforesaid.

**Previous month credit brought forward:**

This is the amount of tax which could not be adjusted previous month and should strictly be the amount mentioned in the column 'Credit to be carried forward' in the previous return. It is to be noted that previous month's refund claim should not be included in this column. In the return for the tax period July 2007, this amount shall be zero.

**Accumulated Credit:**

This is the total input tax available for adjustment against output tax. This is the sum of total admissible Input tax for the month plus Credit brought forward from the previous month.

**Sales Tax Debit**

**Taxable supplies chargeable @ 15%, 17.5% and 20%:**

Data of all supplies subject to tax at 15%, 17.5% and 20% is to be given here after adjustment on account of debit/ credit notes.

**Taxable services rendered:**

The services chargeable to sales tax under provincial ordinances and the services subject to FED in VAT mode are to be mentioned here. For example courier services and domestic air travel services etc. will be mentioned here.

**Others (Pl. specify):**

Data of all supplies on which sales tax is not required to be paid on the standard rates (15%, 17.5% or 20%) or other liabilities under law for which no specific column has been provided shall be given here. A brief description must also be provided in the available space. The retailers, subject to tax on turnover basis, shall mention their turnover and payable sales tax in this column.

**Electricity supplied to steel sector:**

The electricity distribution companies shall mention the units supplied to steel sector as covered under the Sales Tax Special Procedures Rules, 2007, on which sales tax is payable at the rate of Rs. 4.75 per unit.

**Sales Tax deducted by withholding agent @ 1/5<sup>th</sup> of tax invoiced:**

This column allows a registered person to subtract the sales tax which has been deducted by a withholding agent from his output tax liability. Only the amount actually deducted needs to be mentioned.

**Commercial Importers:**

The commercial importer shall provide the value and sales tax charged on all invoices issued by him. In case the sales tax charged exceeds the amount paid on the same goods at import stage, the differential amount has to be mentioned in space provided.

**Invoices issued under Special procedures**

Where the registered person, other than a commercial importer, is allowed to issue invoices showing amount of sales tax but the actual tax liability has already been discharged, such as in case of steel sector, the registered person shall provide the value and sales tax charged on all invoices issued by him. This detail is for information only and does not add to the tax payable with the return.

**Whether excluded from Section 8B(1), under SRO 647(I)/2007:**

The registered person should tick the relevant box and calculate net liability and the amount of tax to be carried forwarded in accordance with the formulas provided.

**Sales Tax withheld by the return filer (STWH):**

If a registered person is also withholding sales tax under SRO 660(I)/2007, he shall mention the tax deducted during the tax period from the amounts payable to suppliers.

### **Federal Excise Duty**

**Excisable goods cleared for domestic consumption:**

Space has been provided for five types of excisable goods. If such goods are more than five, then top four in terms of highest duty payable should be specified and the rest should be clubbed and mentioned against the heading description 'others'. Following nomenclature should be adhered to while specifying the goods:

- 1 Vegetable ghee and cooking oil
- 2 Concentrates for aerated beverages
- 3 Aerated waters
- 4 Aerated waters with sweetener etc.
- 5 Aerated waters made from pulp/juice etc.
- 6 Unmanufactured tobacco.
- 7 Cigars, cheroots, cigarillos and cigarettes
- 8 Cement
- 9 Clinker
- 10 Solvent oil (non-composite)
- 11 Other petroleum oils
- 12 Other fuel oils
- 13 Lubricating oils
- 14 Lubricating oil in bulk
- 15 Lubricating oil if manufactured from reclaimed oils
- 16 Mineral greases
- 17 Base lube oil
- 18 Transformer oil
- 19 Other mineral oils
- 20 Waste oil
- 21 Petroleum gases in liquefied state
- 22 Natural gas in gaseous state and other petroleum gases
- 23 Carbon black oil etc

24	Methyl tertiary butyl ether (MBTE)
25	Flavours and concentrates
26	Perfumes and toilet waters:
27	Beauty or make-up preparations etc.
28	Preparations for hair
29	Pre-shave, shaving or after-shave preparations etc.
30	Greases
31	Organic composite solvents and thinners
32	Other solvents excluding thinners

**Excisable services rendered:**

Excisable services on which FED is being charged (not in VAT mode) are to be mentioned here; such as international air travel and services chargeable to FED at 5% i.e. insurance, non-fund banking services, franchise services etc.

**Exempt clearances**

All clearances of exempt excisable goods as in the Third Schedule or under any notification should be mentioned here.

**FED paid on goods used in manufacturing of Goods cleared for domestic consumption:**

The credit of FED paid on inputs consumed in excisable goods supplied during the tax period will be availed by mentioning the same. This value has to be less than excise duty payable on finished goods supplied. It would be greater only in case where the rate of excise duty on inputs is higher. In such cases no refund of higher duty on inputs is admissible.

**Excise duty on import of edible oil:**

The fixed FED at Re. 1/kg on imported oils under SRO 24(I)/2006 is to be mentioned here.

**Goods chargeable to special FED:**

Information in respect of Special FED under SRO 655(I)/2007 is to be provided.

**Special FED on inputs used in manufacturing of Goods cleared for domestic consumption:**

Special FED on inputs used in goods supplied during the tax period is to be given here.

**Payment**

**Arrears and current liability:**

In this part sales tax and FED arrears arising from various orders, observations or voluntary assessments can be mentioned and paid. Separate space is provided for mentioning and paying default surcharge and penalty due to late filing of the return being filed.

**Tax paid on normal/ original return:**

In case the return is being revised, the credit of the amount paid on the normal/ original return can be availed by mentioning the said amount.

**Balance Tax Payable / Refundable:**

Balance payable is the amount to be deposited on the return.

**Declaration:**

Declaration can be filled in by any person duly authorized to file the return. CNIC mentioned here should belong to the person making the declaration.

**Head of Accounts:**

The break-up of tax being payable on the return is to be provided. If the taxpayer is dealing in more than one type of taxes he should provide the head-wise break up of the total amount payable for the month i.e. the amount mentioned in the column “**Total Taxes Payable (Net ST Payable + Net FED Payable + PDL)**”. The amount falling in FED and PDL can easily be determined. However, the problem may arise while providing break-up of sales tax, provincial sales tax and FED payable in VAT mode because of common inputs involved. In case the registered person is not conveniently able to determine such break-up, then the total payable amount for such heads can be apportioned on the basis of value of supplies/ services relating to a particular head of account.]

51 [\*\*\*]

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<sup>51</sup> Form STR-8 omitted vide SRO 470(I)/2007 dated 09.06.2007.

**GOVERNMENT OF PAKISTAN**

**Sales Tax Return - cum - Payment Challan for  
"Distributors & Wholesalers dealing in Third Schedule items"**

Regular Revised  
Pl. tick the relevant box

(01) Sales Tax Registration No. <input style="width: 100%;" type="text"/>	(02) N.T.N # <input style="width: 100%;" type="text"/>				
(03) Name & Address <input style="width: 100%;" type="text"/>	(04) Tax period <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Month</td> <td style="width: 50%; text-align: center;">Year</td> </tr> <tr> <td><input style="width: 100%;" type="text"/></td> <td><input style="width: 100%;" type="text"/></td> </tr> </table>	Month	Year	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Month	Year				
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>				

(05) Opening balance/ inventory	Value excluding (Sales tax)	Sales tax involved	Value including Sales tax
	Rs.	Rs.	Rs.

(06) Purchases made during the tax period	Value excluding (Sales tax)	Sales tax involved	Value including Sales tax
	Rs.	Rs.	Rs.

(07) Supplies made during the tax period	Value excluding (Sales tax)	Sales tax involved	Value including Sales tax
	Rs.	Rs.	Rs.

(08) Closing Balance/Inventory	Value excluding (Sales tax)	Sales tax involved	Value including Sales tax
	Rs.	Rs.	Rs.

(09) Sales tax arrears	Rs. <input style="width: 100%;" type="text"/>	(11) Penalty	Rs. <input style="width: 100%;" type="text"/>
------------------------	---	--------------	---

(10) Sales tax (if payable on account of increase in price)	Rs. <input style="width: 100%;" type="text"/>	(12) Default surcharge	Rs. <input style="width: 100%;" type="text"/>
---	---	------------------------	---

(13) <b>TOTAL SALES TAX PAYABLE [9+10+11+12]</b>	Rs. <input style="width: 100%;" type="text"/>
--	---

**Note:** The sales tax, if payable, shall be deposited under the head of account "B02341 – Sales Tax"

**Declaration** / I declare that the entries in this return are true and correct.

Name	<input style="width: 100%;" type="text"/>	Signature	<input style="width: 100%;" type="text"/>						
CNIC #	<input style="width: 100%;" type="text"/>	Stamp	<input style="width: 100%;" type="text"/>						
Designation	<input style="width: 100%;" type="text"/>	Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">Day</th> <th style="width: 25%;">Month</th> <th style="width: 50%;">Year</th> </tr> <tr> <td><input style="width: 100%;" type="text"/></td> <td><input style="width: 100%;" type="text"/></td> <td><input style="width: 100%;" type="text"/></td> </tr> </table>	Day	Month	Year	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Day	Month	Year							
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>							

**Annual Sales Tax Return**

1. **Type of Return**  
(Please mark ✓ in the relevant box)

Original	Revised	<b>STR-10</b>
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(As required under section 26 of the Sales Tax Act, 1990 read with Rule 17 of Sales tax Rules, 2006)

2. Tax Year Ending	<b>3 0 - 0 6 -</b>	3. NTN	
4. Sales Tax Reg. No.	Please mark ✓ in the relevant box		
5. Federal Excise Reg. No.		6. Status	Ind AOP Coy
7. Taxpayers Name	(As per Sales Tax Registration Certificate)		
8. Taxpayers Address			

**9. Turnover/Sales**

	Value excluding Sales Tax	Rate	Output SalesTax
(a) Supplies made, services rendered/provided including utilities and goods & services subject to excise duty in VAT mode			
(i) Taxable - Supplies - Local Services			
(ii) Zero-rated - Supplies - Local Supplies - DTRE Supplies - Export			
(iii) Exempt - Supplies - Local			
(iv) Others - If any, specify			
(v) Total supplies/services & Output Sales Tax as per Monthly Returns [Add 9(a)(i) to 9(a)(iv)]			
(b) Adjustments in Supplies/Services to arrive at Turnover/Sales			
(i) Rebates / duty draw backs			
(ii) Advances against sales outstanding at the begning of the year included in the supplies/services of the preceeding year			
(iii) Any other, specify _____			
(iv) Sub-Total [Add 9(b)(i) to 9(b)(iii)]			
(v) Commission and brokerage			
(vi) Advances against sales outstanding at the end of the year included in the supplies/services of the current year			
(vii) Any other, specify _____			
(viii) Sub-Total [Add 9(b)(v) to 9(b)(vii)]			
(c) Turnover/Sales and Output Sales Tax [9(a)(v) plus 9(b)(iv) minus 9(b)(viii)]			

**10. Summary of Sales Tax Paid, Refund, Adjustment, Etc., claimed in monthly Sales Tax Returns**

(a) Opening balance of:	
(i) Un-paid refunds claim	
(ii) Un-adjusted adjustment notes	
(b) Sales tax paid during the year	
Month    Year        Amount      Month    Year        Amount      Month    Year        Amount	
Jul        _____      Nov        _____      Mar        _____	
Aug        _____      Dec        _____      Apr        _____	
Sep        _____      Jan        _____      May        _____	
Oct        _____      Feb        _____      Jun        _____	
(c) Sales Tax refundable for the year (Add refundables for each of the months)	
(d) Sub-Total [Add 10(a) and 10(c)]	
(e) Sales Tax refunds received durring the year	
(f) Balance carried forward [10(d) minus 10(e)]	
(f) Represented by closing balances of:	
(i) Un-paid refunds claim	
(ii) Un-adjusted adjustment notes	
(iii) Total [10(f)(i) plus 10(f)(ii)]	

**Verification**

I, \_\_\_\_\_, holder of CNIC No. \_\_\_\_\_, in my capacity as Self/Member or Partner of Association of persons/Principal Officer/Trustee/Representative\* of the Taxpayer named above, do solemnly declare that to the best of my knowledge and belief the information given in this Return, is/are correct, complete and in accordance with the provisions of the Sales Tax Act, 1990 and Rules and Nofications issued thereunder.

\* As defined in section \_\_\_ of the Sales Tax Act, 1990 and Section \_\_\_ of the Federal Excise Act, 2005

(The alternative in the verification, which is not applicable, should be scored out)

Date (dd/mm/yyyy) \_\_\_\_\_ Stamp \_\_\_\_\_ Signature \_\_\_\_\_

For Assistance - Call Help line Center at Tele: 0800-00-227, 051-111-227-227, Fax 051-9205593 and E-mail at helpine@cbr.gov.pk



[See rule **Error! Reference source not found.**(5)]

**Sales Tax Payment Challan  
(for Electronic Filing of Tax Returns)**

(1) Sales Tax Reg.No.

(2) N.T.N.

(3) Name   
Address

(4) Tax Period 

Month	Year
<input type="text"/>	<input type="text"/>

(5) Net amount payment

(under each head)

<input type="checkbox"/> B02340 Sales Tax			<input type="text"/>
Sales Tax		-	
Arrears / Recoveries		-	
Default Surcharge		-	
Penalty		-	<input type="text"/>

B02366 Sales Tax on Services collected on behalf of Provincial Govt.

B02367 Sales Tax on goods and services levied as FED in VAT mode

Total Amount

Amount in Words \_\_\_\_\_

**Declaration:** I declare that the entries in this challan are true and correct.

Name.

Designation

CNIC#

Date 

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature. \_\_\_\_\_

Stamp. \_\_\_\_\_

**For Bank use only:**

Computerized payment \_\_\_\_\_

Date: \_\_\_\_\_

Receipt No. \_\_\_\_\_

Branch Code: \_\_\_\_\_

Bank Branch \_\_\_\_\_

Bank Officer's Sign. \_\_\_\_\_

Bank's Stamp \_\_\_\_\_

**AUTHORIZATION FOR ZERO-RATED SUPPLY**

S.No. \_\_\_\_\_

Date: \_\_\_\_\_

Messrs. \_\_\_\_\_ (*name of buyer*) have applied for zero-rated supply under Chapter VIII of the Sales Tax Rules, 2006, on the basis of the following documents:

1. CBR Booklet No. \_\_\_\_\_
2. M/o Foreign Affairs Exemption Order No. \_\_\_\_\_ dated \_\_\_\_\_
3. Other \_\_\_\_\_

The claim for zero-rating has been found in order and the formalities specified in the said Rules have been fulfilled by this office.

M/s. \_\_\_\_\_ (*name & registration No. of registered supplier*) are, therefore, authorised to deliver the following goods to the said applicant against a zero rated invoice:-

<b>S. No.</b>	<b>Description</b>	<b>Quantity and/or value</b>
1.		
2.		
3.		
4.		
5.		
6.		

Assistant / Deputy Collector  
(*Signature, name, and official seal*)

**LETTER OF AUTHORIZATION**

I, \_\_\_\_\_, Proprietor/Partner/Director of  
M/s \_\_\_\_\_, hereby authorize  
Mr. \_\_\_\_\_ s/o Mr. \_\_\_\_\_  
N.I.C. No. \_\_\_\_\_ to represent before the adjudicating authority  
or the Customs, Excise and Sales Tax Appellate Tribunal, \_\_\_\_\_ Bench on  
behalf of M/s. \_\_\_\_\_ Sales Tax/Federal  
Excise Registration No. \_\_\_\_\_ for single hearing on  
\_\_\_\_\_ (date) / till the decision of the case. (cross out whichever is  
not applicable) or till withdrawal of this authorization, whichever is earlier.

I also affirm and certify that he fulfils the conditions of an authorized representative  
as prescribed in Chapter IX of the Sales Tax Rules, 2006.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Proprietor/Partner/Director)

N.I.C. No. \_\_\_\_\_

Company or business Seal/Stamp \_\_\_\_\_

**FORM OF DEMAND NOTE**

C. No \_\_\_\_\_

Dated \_\_\_\_\_

SUBJECT: \_\_\_\_\_

Reference \_\_\_\_\_

(e.g. Order-in-Original No., Bank Guarantee No., Insurance Guarantee No., etc.)

WHEREAS a sum of Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only), as Government dues (as per Schedule attached) is outstanding and needs to be recovered from the following;

M/s. \_\_\_\_\_  
Address \_\_\_\_\_  
Phone No. \_\_\_\_\_  
Sales Tax Registration No. \_\_\_\_\_  
N.T.N. No \_\_\_\_\_  
Known properties: \_\_\_\_\_

2. The above-mentioned Government dues are on account of Sales Tax and other levies under the Sales Tax Act, 1990. It is certified that all other formalities under the Act and rules made thereunder have been completed as follows, and there exists no bar or stay order against recovery:

- (a) Action taken under clause (a) of sub-section 48 of the Sales Tax Act, 1990
- (b) Action taken under clause (b) of sub-section 48 of the Sales Tax Act, 1990
- (c) Action taken under clauses (c) and (ca) of sub-section 48 of the Sales Tax Act, 1990, and
- (d) Action taken under clause (d) of sub-section 48 of the Sales Tax Act, 1990

3. You are, therefore, requested to recover the above-mentioned Government dues in terms of section 48 of the Sales Tax, 1990 and rules made thereunder. The Government dues may be remitted to the undersigned as soon as the same are recovered.

Referring Authority

(Name)

Assistant/ Deputy Collector of Sales Tax  
Seal \_\_\_\_\_

To,

The Sales Tax Recovery Officer,  
\_\_\_\_\_

SCHEDULE

S. No.	Description	Amount
1.	Serial No. _____	
2.	File No. _____	
3.	Sales tax	Rs. _____ (Rupees _____ only)
4.	Default surcharge	Rs. _____ (Rupees _____ only)
5.	Federal Excise duty	Rs. _____ (Rupees _____ only)
6.	Customs duty	Rs. _____ (Rupees _____ only)
7.	Fines	Rs. _____ (Rupees _____ only)
8.	Penalty	Rs. _____ (Rupees _____ only)
9.	Personal Penalty	Rs. _____ (Rupees _____ only)
10.	Surcharge	Rs. _____ (Rupees _____ only)
11.	Penal surcharge	Rs. _____ (Rupees _____ only)
12.	License fee	Rs. _____ (Rupees _____ only)
13.	Income Tax	Rs. _____ (Rupees _____ only)
14.	Other	Rs. _____ (Rupees _____ only)
	(i)	Rs. _____ (Rupees _____ only)
	(ii)	Rs. _____ (Rupees _____ only)
	(iii)	Rs. _____ (Rupees _____ only)
	(iv)	Rs. _____ (Rupees _____ only)
	<b>TOTAL</b>	<b>Rs. _____ (Rupees _____ only)</b>

**FORM OF MASTER REGISTER**

1. Sr. No. \_\_\_\_\_
2. Defaulters Name, Address and Phone No. \_\_\_\_\_  
\_\_\_\_\_
3. Referring Authority. \_\_\_\_\_
4. (i) No. and date of issue and date of receipt of Demand Note \_\_\_\_\_  
(ii) Reference Nos. \_\_\_\_\_
5. Details of Government dues \_\_\_\_\_

S. No.	Description	Amount
1.	Sales tax	Rs. _____ (Rupees _____ only)
2.	Default surcharge	Rs. _____ (Rupees _____ only)
3.	Federal Excise duty	Rs. _____ (Rupees _____ only)
4.	Customs duty	Rs. _____ (Rupees _____ only)
5.	Fines	Rs. _____ (Rupees _____ only)
6.	Penalty	Rs. _____ (Rupees _____ only)
7.	Personal Penalty	Rs. _____ (Rupees _____ only)
8.	Surcharge	Rs. _____ (Rupees _____ only)
9.	Penal surcharge	Rs. _____ (Rupees _____ only)
10.	License fee	Rs. _____ (Rupees _____ only)
11.	Income Tax	Rs. _____ (Rupees _____ only)
12.	Other	Rs. _____ (Rupees _____ only)
	(i)	Rs. _____ (Rupees _____ only)
	(ii)	Rs. _____ (Rupees _____ only)
	(iii)	Rs. _____ (Rupees _____ only)
	(iv)	Rs. _____ (Rupees _____ only)
	<b>TOTAL</b>	<b>Rs. _____ (Rupees _____ only)</b>

6. Date of issue of notice under rule 71 \_\_\_\_\_
7. Date of issue of notice under rule 72 \_\_\_\_\_
8. Date of issue of notice and action taken under rule 74 \_\_\_\_\_

9. Known properties of the defaulter
  - (i) Movable \_\_\_\_\_
  - (ii) Immovable \_\_\_\_\_
10. Name and designation of Attachment Officer \_\_\_\_\_  
\_\_\_\_\_

11. Details of movable properties attached
  - (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_

12. Date of proclamation of attachment of immovable properties
  - (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_

13. Details of immovable properties attached.
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
  - (v) \_\_\_\_\_

14. Date of appointment of receiver, name of receiver and details of business or properties.

(i) \_\_\_\_\_  
(ii) \_\_\_\_\_

15. Date of sales of properties and their details.

(i) \_\_\_\_\_  
(ii) \_\_\_\_\_

16. Amount of sale proceeds or amount of profits along with mode of receipt.

(i) \_\_\_\_\_  
(ii) \_\_\_\_\_

17. Disposal of sale proceeds \_\_\_\_\_  
\_\_\_\_\_

18. Date of recovery and details of Government dues shown in column recovered along with the manner of recovery.

\_\_\_\_\_

**FORM OF NOTICE TO SALES TAX, CUSTOMS, FEDERAL EXCISE  
AND INCOME TAX AUTHORITIES**

C.No \_\_\_\_\_

Dated \_\_\_\_\_

SUBJECT: \_\_\_\_\_

WHEREAS, Government dues amounting to Rs. \_\_\_\_\_ (Rupees  
\_\_\_\_\_ only), are outstanding against M/s.  
\_\_\_\_\_ (Name and  
Complete Address), having Sales Tax Registration No. \_\_\_\_\_ which  
they have failed to pay so far.

2. Now, THEREFORE, in exercise of the powers conferred by clause (a) of sub section  
(1) of section 48 of the Sales Tax Act, 1990, I do hereby require all Customs, Federal  
Excise, Sales Tax and Income Tax Authorities that with immediate effect and till further  
orders—

- (a) to deduct the aforesaid amount from any money owing to the said M/s  
\_\_\_\_\_ which may be under the control of respective  
authorities; and
- (b) the Government dues so recovered should be sent to the undersigned immediately.

Referring Authority

(Name)

Assistant/Deputy Collector of Sales Tax  
Seal \_\_\_\_\_

To,

- (i) M/s \_\_\_\_\_ (defaulter).  
(ii) M/s \_\_\_\_\_ (clearing agent or representative).  
(iii) All other concerned.



**FORM OF NOTICE OF RECOVERY**

C.No. \_\_\_\_\_

Dated: \_\_\_\_\_

**SUBJECT: Notice for Recovery under section 48 of the Sales Tax Act, 1990.**

WHEREAS Government dues amounting to Rs. \_\_\_\_\_ (Rupees  
\_\_\_\_\_ only), are recoverable from you (M/s.  
\_\_\_\_\_) on account of  
\_\_\_\_\_.

2. AND WHEREAS, you have failed to deposit the above said Government dues recoverable from you and it is believed that the outstanding Government dues cannot be recovered from you in the manner so far followed;

3. Now, THEREFORE, you (M/s. \_\_\_\_\_) are hereby served with this notice in terms of section 48 of the Sales Tax Act, 1990 to pay the amount within fifteen days from the date of service of this notice, failing which following proceedings under section 48 of the Sales Tax Act, 1990 will be initiated without any further notice: -

Removal of goods from your business premises shall be stopped and the business premises sealed after fifteen days of issue of this notice till such time the amount of tax is paid or recovered in full.

4. You are also directed not to directly or indirectly, sell, mortgage, charge, lease or otherwise deal with all movable and immovable property belonging to you except with the permission of the undersigned.

Referring Authority

(Name)

Assistant Collector of Sales Tax

Seal \_\_\_\_\_

To,

- (iv) M/s \_\_\_\_\_ (defaulter).
- (v) M/s \_\_\_\_\_ (clearing agent or representative).
- (vi) All other concerned.

**FORM OF NOTICE FOR ATTACHMENT AND RECOVERY**

Subject: **Notice for recovery under Section 48 of the Sales Tax Act, 1990.**

WHEREAS, Government dues amounting to Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only) are recoverable from you, M/s.  
\_\_\_\_\_ on account of  
\_\_\_\_\_.

2. AND, WHEREAS, you have failed to deposit the above said Government dues recoverable from you and no recovery could be made in terms of clauses (a), (b), (c), (ca), (d) and (f) of sub-section (1) of section 48 of the Sales Tax Act, 1990.

3. AND WHEREAS, it is believed that the outstanding Government dues cannot be recovered from you in the manner so far followed.

4. NOW, THEREFORE, you are hereby served with this notice in terms of Section 48 of the Sales Tax Act, 1990 to pay the amount within fifteen days from the date of service of this notice, failing which following proceedings under Section 48 of the Sales Tax Act, 1990 and the rules made thereunder shall be initiated without any further notice:-

- (a) attachment and sale of moveable and immovable property; and
- (b) appointment of receiver for the management of the movable or immovable property.

5. You are also directed not to directly or indirectly, sell, mortgage, charge, lease or otherwise deal with all movable and immovable property belonging to you except with the permission of the undersigned.

6. You are also informed that all your movable and immovable properties shall stand attached on the expiry of 15 days of the service of this notice.

7. Such attached properties can be seized/sold under chapter XI of the Sales Tax Rules, 2006, or a receiver can be appointed to manage them. To avoid such a situation it shall be in your own interest to pay the Government dues within fifteen days from the date of service of this Notice.

\_\_\_\_\_  
(Name)  
Sales Tax Recovery Officer  
\_\_\_\_\_  
Seal

To,

- (i) M/s \_\_\_\_\_ (defaulter).
- (ii) M/s \_\_\_\_\_ (agent or representative).
- (iii) M/s. \_\_\_\_\_ (other concerned).

**FORM OF WARRANT OF ATTACHMENT**

C. No. \_\_\_\_\_

Date: \_\_\_\_\_

Subject: \_\_\_\_\_.

WHEREAS Mr. \_\_\_\_\_ (*Designation* \_\_\_\_\_) has been appointed as Attachment Officer in terms of the chapter XI of the Sales Tax Rules, 2006, to attach the movable properties of M/s. \_\_\_\_\_ for the recovery of outstanding Government dues amounting to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), recoverable from the above-mentioned defaulter.

THEREFORE, Mr. \_\_\_\_\_ (*Designation* \_\_\_\_\_) is hereby directed to seize the movable properties belonging to the defaulter while observing the provisions of chapter XI of the Sales Tax Rules, 2006, save exceptions as provided under the above said rules. He is also directed to report to the undersigned about the completion of attachment formalities as soon as these are completed.

\_\_\_\_\_  
(Name)  
Sales Tax Recovery Officer

\_\_\_\_\_  
Seal

To,

- (i) The Attachment Officer,  
\_\_\_\_\_,  
\_\_\_\_\_.

along with a copy to be served on the defaulter or his agent.

- (ii) Notice Board.

**Application for appointment as e-intermediary**

**Collectorate \_\_\_\_\_ (where registration desired)**

(1) Business Name

(2) NTN #

(3) Business Status

(4) Address of Registered Head Office

(i) City

(ii) Post Code

(iii) Premises (Tick  Self Owned  Rented

(iv) Phone No.

(v) Fax No.

(vi) E-mail address

(vi) Bank Account No.

(vii) Bank name & address

I, \_\_\_\_\_, the undersigned, hereby, certify that the information above is true and correct and further that the applicant has not been involved in any case of tax fraud.

**Signature & Stamp:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Designation:** \_\_\_\_\_

]

[C.No.3(1)ST-L&P/06]

(Abdul Hameed Memon)  
Secretary (ST L&P)

<sup>52</sup> Form STR-20 added vide SRO 470(I)/2007 dated 09.06.2007.