

Tax Review/Taxation

Daily Alert Services

Huzaima & Ikram
October 01, 2013

This special email service from Monday to Friday, part of subscription package, is aimed at keeping you informed about tax and fiscal matters. It contains news, legislative changes, case-law, in-depth articles and analyses covering all areas of taxes at domestic and international level. On every Saturday evening, we email weekly compilation of the entire material. Every month, *Taxation* in printed form, is sent through post and digital version of *Tax Review International* is made available for download at www.huzaimaikram.com.

For subscription, please visit our [website](#) or contact offices mentioned below.

This service is available only for paid subscribers. If you are a subscriber of *Law and Practice of Income Tax (LPIT)*, *Law and Practice of Sales Tax (LPST)*, *Taxation or Tax Review International* but not receiving this service, please send your email address at sales@huzaimaikram.com quoting subscription number.

Disclaimer:

The material contained in this publication is not intended to be advice on any particular matter. No subscriber or other reader should act on the basis of any matter contained in this publication without seeking appropriate professional advice. The publisher, the authors and editors, expressly disclaim all and any liability to any person, whether a purchaser of this publication or not, in respect of anything and of the consequences of anything done or omitted to be done by any such person in reliance upon the contents of this publication.

This issue contains:

- **ARTICLE**

Vodafone Tax Sag

- **TAX NEWS**

New office-bearers of ICCI take oath

First quarter tax collection up 17 percent

FBR issues new ST refund procedure

Manufacturing bond scheme: hosiery mill allowed to import certain dyes, chemicals

Crest helps Lahore RTO surpass first quarter tax target

Amending taxation regime without Parliament's consent: no action taken against FBR officials

- **STATUTES**

F.No.1(11)Jurisdiction/2009/130217-R, dated September 25, 2013

F.No.1(1)Jurisdiction/2013/130343-R, dated September 25, 2013

F.No.1(4)Jurisdiction/2010/130394-R, dated September 26, 2013

Sales Tax General Order 39 of 2013, dated September 27, 2013

Sales Tax General Order 40 of 2013, dated September 27, 2013

Sales Tax General Order 41 of 2013, dated September 27, 2013

Kind regards

Mrs. Huzaima Bukhari
Editor

Lahore

Suite No. 14, Second Floor,
Sadiq Plaza, Regal Chowk, Mall Road,
Lahore 54000 Pakistan
Ph. (+9242) 36280015 & 36365582

Karachi

Ms. Sadaf Bukhari
Cell: 0301-8458701

Vodafone Tax Saga

by
Sagar Wagh

One of the world's "hottest" tax dramas of our times is the long legal battle between Vodafone and Indian authorities. The mobile telecommunications giant got tangled into a multi-billion tax dispute with India's revenue service in the year 2007 when it acquired Hutchinson Essar, a local mobile operator from international group Hutchinson International. The fact that, the aforesaid purchase occurred through exchange of offshore (shell) companies outside of India, didn't prevent the Indian tax authorities from claiming a 2.5 billion dollars capital gains tax.

Last year, when after a series of episodes, the honorable Supreme Court of India ruled in favor of Vodafone, everyone thought that, Vodafone's long-drawn legal battle with Indian revenue authorities had come to an end. However, Vodafone's victory celebration was short-lived, as the Indian government jumped into the game and introduced retroactive amendments to the tax law, imposing capital gains tax on the offshore transactions that took place in the previous years.

The dispute involves acquisition by 'Vodafone International Holdings BV' (Vodafone Netherlands) of the entire share capital of Cayman Islands' based 'CGP Investments Holdings' (CGP) from 'Hutchison Telecommunications International' (HTIL)—another Cayman Islands company. CGP through various intermediate companies and contractual arrangements held controlling interest in 'Hutchison Essar Ltd' (HEL), an Indian entity. HEL along with its Indian subsidiaries held licenses for providing cellular services in 23 telecom circles in India.

According to Indian income tax rules as it then stood, the pre-condition for non-resident to be taxable to capital gains income in India was that, the capital asset prior to its transfer should be situated in India. In this high profile case, the revenue authorities sought to tax the capital gains arising from the sale of CGP shares by alleging that CGP's shares derived its value from HEL's underlying business and assets in India. Thus, the sale of CGP shares was in substance a transfer of Hutch's "controlling interest in an Indian entity," which is a capital asset situated in India. The use of offshore vehicles by Vodafone and Hutch was viewed as a pure tax avoidance act.

However, much to the disappointment of the tax authorities, the Supreme Court of India looked at the transaction holistically and held that the transaction was a genuine business transaction which involved sale of CGP's shares so as to facilitate Hutch's exit from Indian telecom business and enable Vodafone to take up such business in India. As exiting a business is an important right of any strategic investor, it was held that,

such transaction was a genuine business transaction and not just a tax avoidance scheme.

The Supreme Court's judgment came as a relief to many international investors operating in India and worldwide. It reinforced the idea that dealing between two non-resident entities is out of the scope of local tax authorities. But the issue had already become political and the response of the administration didn't take long to appear. In order to nullify the Supreme Court's judgment, the Indian government through Finance Act 2012 retroactively amended source rules provided in Income Tax Act, and stipulated that "a capital asset, being share or interest, in any foreign entity shall be deemed to be capital asset situated in India, if such share or interest derives directly or indirectly its value substantially from the assets located in India." Further, in order to subject Vodafone to tax, the Finance Act provided a validating clause which stated that "amended source rules would apply irrespective of previous judgment delivered by any court."

To fight against the retrospective character of the amendment, Vodafone Netherlands took recourse to the India-Netherlands Bilateral Investment Promotion and Protection Treaty (BIT). However, in the first quarter of 2013, Vodafone was issued reminder notices for payment of tax. In response to these notices, instead of commencing arbitration proceedings under BIT, Vodafone offered a compromise in the form of a non-binding conciliation of the tax dispute with the Indian government. The government seems to look favorably to this proposal, and is in the process of introducing new provisions in income tax statute in order to facilitate such conciliation. Most probably, Vodafone's tax liability will be reduced by waiving off interest and penalty as part of such conciliation.

It is important to note that, although Indian legislature can reverse Supreme Court decisions by introducing a retroactive amendment to the statute, such retroactive amendment can only change the law *in general*, that is in such a way as to affect a whole class of persons and events at large, and not the persons who were parties to that decision whose rights and liabilities had attained finality by the aforesaid decision. In Vodafone's case, by introducing this validating clause, the Indian legislature is attempting to function as an appellate court or tribunal which is legally impermissible (as per Apex court in *Re Cauvery Case*). Hence, the correct way forward for Vodafone would have been to challenge the validating clause and amendment in apex court rather than opting for non-binding conciliation.

The success of the retroactive amendment is still doubtful as the tax statute does not provide for mechanism to compute capital gains, without which, the source rules virtually lack teeth to subject similar kind of transactions to tax. Also most of the Double Tax Treaties entered into by India with other countries do not support the concept of indirect transfer of Indian business by the virtue of transfer of shares of a foreign company. However, the government's action is representative of a new

way of dealing with international taxation and will certainly affect the perceptions of tax risk and compliance of multinational companies worldwide.

New office-bearers of ICCI take oath

Newly elected office bearers and executive members of Islamabad Chamber of Commerce and Industry were administered oath in the 29th Annual General Meeting of ICCI. Shaban Khalid was sworn in as the new President, Khalid Mehmood Chaudhry and Mirza Muhammad Ali as senior vice President and vice President respectively for 2013-14. Shaban Khalid vowed to work on a focused agenda for the welfare of business community. Close liaison would be developed with Capital Development Authority and Federal Board of Revenue to address the key issues of businessmen. Youth entrepreneurship would be high on agenda, trade and industry would get equal attention and there would be no distinction in resolving their problems. Outgoing President Zafar Bakhtawari hoped the new body would more effectively promote the interests of traders and industrialists. – *Courtesy Daily Times*

First quarter tax collection up 17 percent

The Federal Board of Revenue witnessed 17 percent growth in revenue collection during first quarter July-September of (2013-14) as compared with previous fiscal year. Sources told here on Monday that the FBR has provisionally collected Rs 480 billion in July-September 2013-14 against estimated target of over Rs 500 billion, reflecting a shortfall of Rs 20 billion.

In September 2013, the FBR has provisionally collected Rs 201 billion against the target of Rs 210 billion, reflecting a shortfall of Rs 9 billion. It is expected that the revenue collection would further increase by Rs 4-5 billion on compilation of final figures. The revenue collection would surpass Rs 206 billion following reconciliation of data and revenue reporting from far-flung areas.

However, the revenue collection in 2013-14 has shown an increase when compared with the corresponding period of 2012-13. The Inland Revenue data compiled late Monday night revealed 98.92 percent achievement of the assigned targets of sales tax and FED during 2013-14. The provisional collection of Inland Revenue (sales tax and FED) amounted to Rs 89.822 billion during September, 2013 against target of Rs 90 billion for this period, reflecting achievement of 98.92 percent of the target.

The FBR has provisionally collected Rs 89.822 billion sales tax and FED in September 2013 against Rs 67.452 billion in September

2012, reflecting a growth of 33.17 percent. Break-up of Inland Revenue taxes in September 2013 revealed that the sales tax collection was Rs 81.304 billion against Rs 58.821 billion, reflecting an increase of 38.22 percent. The provisional collection of federal excise duty was Rs 8.518 billion in September 2013 against Rs 8.631 billion, reflecting a negative growth of 1.31 percent.

According to sources, the FBR has been able to maintain healthy growth of 17 percent in revenue collection during first quarter of July-September (2013-14) when compared with previous fiscal. This growth has been witnessed as a result of impact of budgetary measures in 203-14. The exemption of federal excise duty on certain items was withdrawn in budget (2013-14) with enhancement in the rate of sales tax from 16 to 17 percent and imposition of one percent further tax.

The expansion of the scope of withholding taxes and effective monitoring and enforcement strategy during the first quarter of current fiscal also contributed to increase in revenue collection during the period under review. Sources also termed hard work of present team of tax managers as one of the key factors behind growth of 17 percent during first quarter of 2013-14. The system checks like Crest in refund payments also controlled revenue leakage during this period. – *Courtesy Business Recorder*

FBR issues new ST refund procedure

The Federal Board of Revenue (FBR) has decided that the sales tax refund cheques would be issued against Refund Payment Order (RPO) on first come first serve basis as per dates of RPOs under the new procedure of sales tax refunds payment. In this regard, the FBR has issued new sales tax refund procedure to the Chief Commissioners of all Large Taxpayer Units (LTUs) and Regional Tax Offices (RTOs) here on Monday.

Sources said that the transparency has been resorted to in the payment of sales tax refund on explicit instructions by FBR Chairman Tariq Bajwa. According to the procedure, the FBR has directed the Chief Commissioners of LTUs/RTOs to strictly follow the laid down procedure in processing and payment of sales tax refund. The FBR has also given priority to the sales tax refund claims, warranting immediate processing on account of Court/Federal Tax Ombudsman orders, sources said.

The FBR's instructions said that the Sales Tax Refund Rules, 2006, notified under SRO 555(1)/2006 dated 5th June, 2006 prescribe procedure for processing and sanctioning of sales tax refund. Presently, sales tax refund claims are processed through ERS where these are filed by the manufacturers cum exporters (Zero Rated Sectors) against export sales whereas claims of other claimants are processed in respective LTUs/RTOs. Instances have come to notice that propriety of refund processing has left much to be desired. In order to fortify equity and transparency in the whole process, following instructions are issued for proper implementation of the Refund Rules 2006:

In the Expeditious Refund System (ERS), the claims shall be processed through supply chain and the cheques shall be issued against Refund Payment Order (RPO) on first come first served basis as per dates of RPOs. Unverified amounts shall be referred to respective LTU/RTOs for disposal as per law/rules, FBR said. The FBR has further directed the field formations that the refund claims that are filed in RTOs/LTUs shall be replicated immediately when the same are received. Objection memo shall be issued where any information is required from the claimant.

The claims shall be processed on first come first served basis. For this purpose, the queue shall be maintained on the basis of the receipt of the refund claims. However, the claim lacking any document/information shall be blocked by the system and next claim in the line shall be processed with the approval of the refund sanctioning authority. Similarly claim warranting immediate processing on account of Court/FTO orders shall be given priority in the queue with the approval of the refund sanctioning authority, FBR maintained.

The FBR further said that the blocked claim shall retain its position in the queue in the computer system and shall be processed after documents/information are furnished. The management information system (MIS) report in respect of claims processed by breaking the queue shall be available to the concerned officers of LTUs/RTOs for proper management and monitoring. The Chief Central Sales Tax Refund Office (CSTRO) in respect of RPOs of ERS claims and the concerned Chief Commissioner in case of claims processed in RTOs/LTUs shall be responsible for ensuring the settlement and disposal of the claims in above stated manner, FBR's procedure added. – *Courtesy Business Recorder*

Manufacturing bond scheme: hosiery mill allowed to import certain dyes, chemicals

The Federal Board of Revenue has allowed a hosiery mill of Faisalabad to import certain types of dyes and chemicals under manufacturing bond scheme in line with the fulfilment of conditions of the Import Policy Order 2013. Sources told here on Monday that the FBR has directed the Model Customs Collectorate (MCCs) to follow the observations of the Ministry of Commerce while allowing import of dyes and chemicals by the hosiery mill of Faisalabad.

This is subject to the relevant condition of Import Policy Order 2013 that the dyes importable subject to certificate from the suppliers that the dyes are neither based on benzidine, nor contain any contents thereof. The FBR has also communicated the letter of Ministry of Commerce, on 'request for permission certificate for import against manufacturing bonded warehouse under SRO 450(I)/2001, dated 18.6.2001 & SRO 327(I)/2008' to the Collectors of Customs for further necessary action.

According to the Ministry of Commerce letter to the FBR, refer to the request of M/s Kamal Hosiery Mills, Faisalabad for import permission of dyes and chemicals ie Sunzol Block DN (HS Code 3204.1600), Optical Brightener (HS Code 3204.2000) and Ultra Fresh NM V-2 (HS Code 3808.9400) under manufacturing bonds vide their letter dated June 15, 2013.

The request of the said hosiery mill has been examined in the light Sr. No 48, Part-I, Appendix-B of the Import Policy Order 2013, which states that "Dyes importable subject to certificate from the suppliers that the dyes are neither based on benzidine, nor contain any contents thereof". The Customs authorities are, therefore, requested to allow the import of subject Dyes against manufacturing bonded ware house, subject to aforesaid conditions and other codal formalities after payment of duties/taxes if otherwise in order, Commerce Ministry added. – *Courtesy Business Recorder*

Crest helps Lahore RTO surpass first quarter tax target

The effective implementation of Computerised Risk-Based Evaluation of Sales Tax (Crest) has enabled the Regional Tax Office (RTO) Lahore to surpass the assigned revenue collection target for first quarter of July-September (2013-14). It has been

reliably learnt on Monday that the Crest has been cross matching the sales tax refund related data within the supply chain with direct positive impact on the revenue collection in Lahore.

It has been ascertained that Crest and close monitoring by Board resulted in surpassing revenue target by Regional Tax Office Lahore. The up-gradation of Crest on the basis of feedback from different tax offices has very salutary effect on tax collection in Regional Tax office Lahore.

During the month the collection of Sales tax as against target amounted to 130 percent. This growth has been shared both on taxes from domestic as well as from import. On the basis of system analysis, the physical monitoring also contributed in paint, paper sector as well as with prompt recovery from current demands. The sales tax system monitoring also contributed to the direct taxes side. The target for the current month as well as for the first quarter has also been met. On the direct tax side, there has been 27 percent growth over the 1st quarter last year in the collection from Income tax.

It is interesting to note that the growth on the sales tax side is 35 percent in first quarter which will further improve the direct tax collection in coming months. Such growth by itself is impressive but assumes phenomenal importance when FBR posted growth in single digit last year. The overall target for both the taxes have not only been met but surpassed. The collection amounted to 110 percent of the targets. The technology proved as a very strong support to operational management, which without any conventional methods of taking advances not only met the targets, but posted very positive growth on all counters.

Some neutral tax analysts observed that with these trends the growth is expected to further accelerate in next quarters of the year. This opinion, he added is due to the fact that revenue target has been achieved despite extension of one month period in filing annual income tax return that taxes which will be deposited with return will jack up revenue collection during the next quarters, they concluded. – *Courtesy Business Recorder*

Amending taxation regime without Parliament's consent: no action taken against FBR officials

The Federal Board of Revenue (FBR) has not taken action against the officials responsible for amending the taxation regime without

proper approval and thus causing losses worth billions to the exchequer. Federal Tax Ombudsman (FTO) has ruled that the FBR act of issuing Circular 06/2009 and then inserting Clause 79 in the Second Schedule without approval of the Parliament speaks of improper motive, as also inefficiency, incompetence and ineptitude.

Sources told that it has been declared by the former FTO Muhammad Shoaib Suddle that FBR has no authority to issue SROs/Circulars which contradict the statutory provisions of tax laws, as held by the Supreme Court. As no amendment to Section 153 was approved by the Parliament, the insertion of Clause 79 in the Second Schedule, changing the whole spirit of taxation regime, was clearly an act without jurisdiction.

Sources said that earlier former FTO Dr Suddle has directed the FBR to initiate appropriate action against officials who approved/issued Circular 06/2009, while deciding a complaint C.No 577/11 filed by Waheed Shahzad Butt, thereafter, while rejecting review petition filed by FBR in R.A 12/12 (Secretary Revenue Division Vs Waheed Shahzad Butt), it has been observed by FTO that the bumpy and conflicting sequence of Circulars and SROs leading to insertion of Clause 79 through SRO 1003 being wilful and mala fide comes under the definition of maladministration.

The FTO order clearly said that the FBR issued Circular No 6 for which it had no mandate. The issuance of exemption certificates by certain Commissioners to corporate entities, especially Cellular Companies was clearly illegal as after introduction of minimum taxation of all service providers through Finance Act 2009, the 6 percent tax withheld became the minimum tax below which there was no possible threshold. Following officials of the FBR submitted their viewpoint to ascertain the facts: Taj Hamid, Secretary IR Judicial, Aftab Ahmad who issued FBR Circular 6 on 18.8.2009, Khalid Aziz Banth, the then Member DT, Additional Secretary Revenue and Chief Income Tax Policy.

FTO order further said that Aftab Ahmad, the then Chief ITP, stated that he signed the FBR Circular 6 under pressure from Member DT, Khalid Aziz Banth. He did not fully grasp the significance of the Circular but just signed it. He stated that Banth had made up his mind that companies deriving income from services ought not be subjected to minimum tax @ 6 percent under Section 153(1)(b). He remained upset by the act of signing the Circular and ultimately on 26.04.2011 withdrew the notification.

Also, he was told by Banth that his predecessor had already approved the issuance of the Circular. This assertion however turned out to be false. The then Member DT, made a written deposition dated 24.09.2012. He stated that 1st Proviso to Section 153(6) had excluded companies rendering services from FTR and had also placed them out of the Minimum Tax Regime. The corporate sector was already subject to minimum tax @ 1 percent of receipts through Section 113 of the Ordinance when the third proviso was added through Finance Act 2009. Therefore, a second minimum tax under Section 153(6) (iii) could not relate to the corporate sector.

The first point that needs to be resolved is the import of Section 153(6)(iii). The 3rd Proviso clearly states that sub clause (b) of sub section (1) of Section 153 shall be the minimum tax. Banth in his statement maintained that this did not relate to the corporate sector. This contention is not based on any valid argument except that Section 113 makes the services performed by the corporate sector subject to a minimum tax @ 1 percent of receipts. However, Section 113 applies only under certain conditions when no tax is payable by an individual, an AOP or a company. If minimum tax above 1 percent is leviable, then Section 113 is not applicable. Banth has also sought the shelter of Circular No 3 of 2009 and the Finance Act of 2011. Both do not support the issuance of Circular No 6.

The FTO Office is concerned with the motive of Banth in pressurising his subordinates to issue Circular No 6. The attendant circumstances tend to show that he was doing this for improper motives. The service providers were first issued certificates of exemption by Commissioners, which were withdrawn when the FBR realised that the law did not provide for such exemptions, after Waheed Shahzad Butt lodged a complaint before the concerned Commissioners alleging huge loss of revenue being allowed to certain corporate sector service providers. The FTO decided to obtain the assistance of the following amicus curiae: Dr Ikramul Haq Advocate Supreme Court and International Tax Consultant. Rana Munir Hussein, Advocate, General Secretary Pakistan Tax Bar Association, Habib Fakhruddin(formerly Member Tax Policy, CBR) and Syed Pervaiz Amjad(formerly Member Audit, CBR).

Rana Munir Hussein said that he was of the considered view that earlier Circulars (C.No 1(6)WHT/2009 dated 04.07.2009 & Circular

No 3 of 2009 dated 17.07.2009) and SROs issued after Circular No 6 for corporate taxpayers' income tax returns (SRO 1158 (1)/2010 dated 30.12.2010 and SRO 850(I)/2011 dated 17.09.2011 to notify electronic returns for Tax Years 2010 and 2011) were illegal because they did not support the law pertaining to levy of minimum tax as enacted by the Parliament. Habib Fakhruddin pointed out that notifications for corporate returns for Tax Year 2010 and Tax Year 2011 were in line with Circular No 3 that correctly explained the minimum tax levy and were against Circular No 6 and its distorted view of minimum tax. Syed Pervaiz Amjad, FCA, was of the view that new taxation measures were generally meant to seek increase in revenues. However, Circular No 6 went against this objective and was a strange 'Clarification' of the law. Dr Ikramul Haq, Advocate Supreme Court, said that the statute was required to be read as a whole and not piecemeal. He said that the rationale for levy of alternate minimum tax was clear. So many inflated expenses are booked by taxpayers when filing returns that the tax base is drastically eroded and tax yield plummets to an intolerably low level. The only way out of this predicament is to resort to measures like enactment of alternate minimum tax. Summing up, three of the four amicus curiae unequivocally held that minimum tax under Section 153(1)(b)/153(6), and, after Finance Act 2011, Section 153(1)(b)/153(3)(b), was for all service sector taxpayers, corporate as well as non-corporate. All three affirmed that Circular No 6 was based on a wrong and possibly motivated view of the law pertaining to minimum taxation under Section 153. – *Courtesy Business Recorder*

F.No.1(11)Jurisdiction/2009/130217-RIslamabad, the 25th September, 2013**ORDER**

In exercise of the powers conferred by Sub-Section (1) of Section 209 of the Income Tax Ordinance, 2001, Sections 30 and 31 of the Sales Tax Act, 1990 and Section 29 of the Federal Excise Act, 2005, Federal Board of Revenue is pleased to transfer the jurisdiction over the case of M/s Kainat Traders, Peshawar, NTN 1326261-7, STRN 0702500400719, from Chief Commissioner IR, RTO, Rawalpindi to Chief Commissioner Inland Revenue, RTO, Peshawar.

2. This order shall take immediate effect.

F.No.1(1)Jurisdiction/2013/130343-RIslamabad, the 25th September, 2013**ORDER**

In exercise of the powers conferred by Sub-Section (1) of Section 209 of the Income Tax Ordinance, 2001, Sections 30 and 31 of the Sales Tax Act, 1990 and Section 29 of the Federal Excise Act, 2005, Federal Board of Revenue is pleased to transfer the jurisdiction over the case of M/s Primamax (Pvt) Ltd, NTN 3554429-5, STRN 2300355442914, from Chief Commissioner IR, RTO, Rawalpindi to Chief Commissioner Inland Revenue, RTO, Islamabad.

2. This order shall take immediate effect.

F.No.1(4)Jurisdiction/2010/130394-RIslamabad, the 26th September, 2013**ORDER**

In exercise of the powers conferred by Sub-Section (1) of Section 209 of the Income Tax Ordinance, 2001, Sections 30 and 31 of the Sales Tax Act, 1990 and Section 29 of the Federal Excise Act, 2005, Federal Board of Revenue is pleased to transfer the jurisdiction over the case of M/s Diamond Industries Ltd, NTN 0000164-3, STRN 03-06-9404-010-37, from Chief Commissioner IR, RTO, Lahore to Chief Commissioner Inland Revenue, RTO, Peshawar.

2. This order shall take immediate effect.

C.No.4(1)ST-L&P/2011-131050 Islamabad, the 27th September, 2013

SALES TAX GENERAL ORDER NO. 39/2013

Subject: **Amendment in STGO 17/2007 dated 13-09-2007 – allowing facility of zero-rating on supply of gas.**

In exercise of powers conferred by clause (d) of section 4 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to make the following further amendments in its Sales Tax General Order No. 17 of 2007 dated 13th September, 2007, namely:–

In the aforesaid General Order, in the table, after serial number 1109 in column (1) and the entries relating thereto in columns (2), (3) and (4), the following new serial number and the entries relating thereto shall be **added**, namely:–

S. #	Name of Unit	Registration No.	Consumer No.
1110	M/S Zeno Textile	0300310090810	84739933293

C.No.4(5)ST-L&P/2011-131050 Islamabad, the 27th September, 2013

SALES TAX GENERAL ORDER NO. 40/2013

Subject: **Amendment in STGO 08/2007 dated 13-09-2007 – allowing facility of zero-rating on supply of electricity.**

In exercise of powers conferred by clause (d) of section 4 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to make the following further amendments in its Sales Tax General Order No. 08 of 2007 dated 13th September, 2007, namely:–

In the aforesaid General Order, in the table, after serial number 791 in column (1) and the entries relating thereto in columns (2), (3) and (4), the following new serial number and the entries relating thereto shall be **added**, namely:–

S. #	Name of Unit	Registration No.	Consumer No.
792	M/S H.M.R. Textile	0304520804819	24115321007702U
793	M/S Qamar Fabrics	0300365011413	24112359000725U
794	M/S Zeno Textile	0300310090810	24111250031008U

C.No.4(14)ST-L&P/2011/131147-R Islamabad, the 27th September, 2013

CORRIGENDUM

SALES TAX GENERAL ORDER NO. 41/2013

Subject: **Amendment in STGO 36/2010 dated 24.09.2010 – allowing facility of zero-rating on supply of electricity.**

In exercise of powers conferred by clause (d) of section 4 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to state that in its Sales Tax General Order No. 36/2010 dated 24.09.2010 (as amended vide STGO. 25 of 2013 dated 08.06.2013), in the Table, at S.No. 17, the figures “BH 001064” shall be read as “BH 001065”.
