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ARTICLE

State oligarchy and the poor

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STATUTES

S.R.O. 809(I)/2013, dated September 20, 2013.
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(3)Jurisdiction/2013/131814-R, dated September 25, 2013.
F.No.1(4)Jurisdiction/2010/130394-R, dated September 26, 2013.
Sales Tax General Order No. 39 of 2013, dated September 27, 2013.
Sales Tax General Order No. 40 of 2013, dated September 27, 2013.
Sales Tax General Order No. 41 of 2013, dated September 27, 2013.
F.No.1(13)Jurisdiction/2011/132104-R, dated September 27, 2013.
F.No.1(19)Jurisdiction/2007-Vol-II/132045-R, dated September 30, 2013.
F.No.1(4)Jurisdiction/2010-Vol-IV/132914-R, dated September 30, 2013.
Sales Tax General Order No. 42 of 2013, dated September 30, 2013.
Sales Tax General Order No. 43 of 2013, dated October 01, 2013.
S.R.O. 895(I)/2013, dated October 04, 2013.
S.R.O. 896(I)/2013, dated October 04, 2013.
S.R.O. 897(I)/2013, dated October 04, 2013.
S.R.O. 898(I)/2013, dated October 04, 2013.
S.R.O. (I)/2013, dated October, 2013.

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Kind regards

Mrs. Huzaima Bukhari
Editor

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State oligarchy and the poor

by
Huzaima Bukhari & Dr. Ikramul Haq

The World Bank and IMF lure Third World countries into debt traps—extending loans for projects they don't need. Since these countries lack capacity to pay back, lenders demand sale of national assets to international loan sharks at throwaway prices. Musharraf's handpicked Prime Minister Shaukat Aziz sold many such assets—now Nawaz-Ishaq duo is following the same path. They have already shortlisted 30 State Owned Entities (SOEs) for sale as part of deal with IMF under $ 6.67 billion Extended Fund Facility.

Today's Pakistan represents a state where the ruling oligarchy (*Riasti ashrafiya)*—indomitable militro-judicial-civil complex, industrialist-turn-politicians and profit-hungry businessmen—is very affluent, but the country is on the brink of bankruptcy. This state of affairs is the direct outcome of policies of successive governments, allowing a free hand to tax evaders, forces of loot and corruption. Since the policy of appeasement towards tax evaders, money launderers and plunderers of national wealth continues unabated, the country is fast approaching complete disaster. The shameless indulgence of rulers in wasteful expenditure—when half of the population of the country is facing malnutrition—is criminal. These rulers are religiously following the agenda of foreign lenders to make the life of the downtrodden more and more miserable.

While the rich and mighty are thriving on taxes collected from the famished and foreign loans, the people are suffering more and more with every passing day—the government with effect from 1 October 2013 enhanced electricity tariffs and prices of POL products beyond the paying capacity of an overwhelming majority of the population. On 2 October 2013, the Chief Justice of Pakistan (CJP), while taking strong exception of the government's move, observed that "instead of evolving an effective strategy for recovering the outstanding amount of Rs. 441 billion, the government increased the electricity tariff despite the fact that fuel prices in the international market were decreasing". CJP observed that what option was left with the people other than dying"? CJP asked why this burden was being passed down to consumers who paid their bills. "Our problem is that you are increasing the power tariff day by day and poor people are being targeted," the CJ said. Justice Jawwad S Khawaja remarked that even the circular debt was paid off by burdening the common man.

According to notification, tariff for domestic consumers using 200-300 units to face 72.6% increase from Rs. 8.11 to Rs. 14 per unit, those consuming 301-700 units would have to pay 30% more from Rs. 12.33 per unit to Rs. 16 per unit and consumers who use more than 700 units of electricity per month are to pay Rs18 per unit instead of Rs. 15.07 per unit. These rates are part of "structural reforms" (sic) agreed with the IMF.

Lack of will of the government to collect taxes from the rich and mighty and resorting to indirect taxes is worsening the plight of the poor. We can easily collect taxes of Rs. 8 trillion to eliminate fiscal deficit. If out of total population of 180 million, there are 5 million individuals having taxable income of Rs 1.5 million, total income tax from them should be around Rs. 1600 billion. If we add income tax collected from corporate bodies, other non-individual taxpayers and individuals having income between Rs. 500,000 to Rs. 1,000,000, the gross figure would be nearly Rs. 3000 billion. FBR collected only Rs. 715 billion as income tax in 2012-13 (total direct tax collection is shown at Rs. 739.7 billion which included income tax and other direct taxes i.e. capital gain tax, workers welfare fund and workers profit participatory fund. The contribution of income tax in total direct taxes is around 97%).

About 35% of direct taxes are indirect taxes collected under the garb of presumptive taxes. Thus not only is there a whopping gap of Rs. 2284 billion in income tax alone, but the actual contribution of direct taxes is much lower than what is claimed by the FBR. Due to rampant corruption in sales tax, federal excise and custom duties, the total collection is only 25-35% of actual potential. In fiscal year 2012-13, FBR collected Rs. 841 billion under the head sales tax, Rs 119 billion under federal excise duty and only Rs. 239 billion under custom duties. Total indirect collection of Rs 1939 billion is pathetically low. It should have been at least Rs 5000 billion.

If existing tax gap is bridged, our revenue collection can reach Rs. 8000 billion (Rs 3000 billion direct taxes and Rs 5000 billion indirect taxes) which could change the entire fiscal scene and fate of the nation. By collecting this amount, we can easily meet current expenditure, development and public welfare outlays—government requiring no internal or external borrowing would be able to retire debts in a few years.

The reluctance to collect taxes from the rich and mighty, rather giving them free benefits and perquisites at State's expense, is worsening the miseries of the poor. There is no scarcity of resources as propagated by the rulers to shift blame on others, but the root cause is the outlandish living of the elites off taxpayers' money—'**Politics of plots and perks**', *Business Recorder*, July 12, 2013 . Look at residences of judges, generals and high-ranking civil officials with an army of servants and fleets of cars. Wasteful spending on *Ashrafiya* and disinclination to tax the rich is playing havoc with the economy. Behind the present chaotic socio-economic and political situation in Pakistan, amongst other factors, is an ever widening gulf between the rich and the poor. With every passing day, more and more people are being pushed below the poverty line—

their total number is now not less than 60 million in a country where rulers unashamedly waste billions on their comforts and personal security—'**Finance Bill 2013: Apathy of Parliament**', *Business Recorder*, July 5, 2013.

The present crisis testifies to the failure of power-hungry, money-greedy politicians and incompetent, inefficient and corrupt bureaucrats. Even the so-called technocrats always take the first flight to Washington after creating a mess—where are Shaukat Aziz and Abdul Hafeez now? In this bleak scenario, *Riasti Ashrafiya* (State oligarchy) is not ready to surrender extraordinary perks and privileges enjoyed by them at the cost of taxpayers' money. How can rulers and bureaucrats living in fortified containments, completely oblivious of the ordinary people's plight, feel the pinch of life's hardships?

We cannot come out of debt-enslavement unless we restructure our State on the principle enshrined in Article 3 of the Constitution—from each according to his ability, to each according to his work. For this, everyone should be given work and fair reward for that. There should be a complete change in the style of governance—the President, Governors, Prime Minister, Chief Ministers, ministers, parliamentarians, and high-ranking government officials should get 'consolidated pay package' liable to tax just like the income of an ordinary citizen. Palatial residences occupied by them should be sold or converted into income-yielding assets, and all perquisites of civil servants and public office-holders should be monetized to remove the burden off our country's broken financial back.

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 577/11filed 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*

FBR makes Rs. 481 bn record collection in first quarter

The Federal Board of Revenue (FBR) has set a new record by collecting over Rs481 billion taxes in the first quarter of 2013-14 which is 17 percent above compared to the first quarter of 2012.

The bureau recovered a total of Rs202 billion in September 30, 2013 which includes Rs85 billion as income tax, Rs87 billion as sales tax, Rs11 billion as federal excise duty and around Rs20 billion as custom duty.

Earlier, Rs180 billion was collected in 2012. It is expected that the recovery of taxes will exceed Rs485 billion in the first quarter. But despite that there would remain Rs24 billion shortfall in achieving the Rs509 billion target in the first quarter of 2013 and its basic reason is the recovery of income tax till October 31, 2013 instead of September 30 in accordance with the tax returns.

Besides this, the profits of banking sector were reduced and due to this the decrease of over Rs4 billion has taken place in advance tax during July to September 2013.Chairman FBR Tariq Bajwa and his team have exhorted the field formation to ensure collection of maximum taxes. Rs509 billion was the target of FBR in the first quarter of 2013 but it recovered Rs485 billion which, according to experts, is satisfactory. – *Courtesy International The News*

Verifying progress in cases of tax fraud/evasion: special teams to pay surprise visit to LTUs, RTOs

Special teams from the Directorate General of Intelligence and Investigation (I&I) Inland Revenue (IR) would pay surprise visits to Large Taxpayer Units (LTUs) and Regional Tax Offices (RTOs) to check their records as well as physically verify progress in big cases of tax frauds/evasion-- detected by the directorate for desired action of the relevant LTU/RTO.

Sources told here on Tuesday that the LTUs and RTOs have received strict directives of the agency on the progress in the reports/cases of tax evasion identified by DG I&I-IR and communicated to the RTOs/LTUs for processing. These cases involve billions of rupees. In most of the cases detected by the Directorate of Intelligence IR, field formations have not submitted any progress report to the Federal Board of Revenue (FBR). The agency has now decided to send special teams to the field formations to check record on the spot and ascertain reasons for not taking action in cases involving huge revenue.

The agency has also decided that the responsibility for any time barring of the proceedings, caused by delay in processing of the provided information, will lay with the respective RTO/LTU. In this regard, all RTOs and LTUs have received the directions of the intelligence arm of the FBR, sources said. Details revealed that the reports provided by the DG I&I IR contained comprehensive details of non-compliance such as details of taxes evaded, the adopted manner and method of tax evasion, the quantum of tax evaded and suggestions towards the legal course of action available in retrieving the revenue loss.

Sources said that if taken seriously, the reports shared by the agency with the concerned RTOs/LTUs could not only have generated substantial revenues to buttress the targets of the FBR field formations, but would also have contributed to enhancing tax compliance by sending a clear message of vigilance to the business community. In addition to the revenue implication worth billions of rupees, these reports also pointed towards important avenues of revenue pilferage. Therefore, concerted action on the information provided in the reports would have realised incremental revenues on the one hand, and at the same time, would also have contributed to the furtherance of a culture of tax compliance within the domains of the respective jurisdiction of relevant RTOs/LTUs. Accordingly, it was expected of the FBR's field formations that immediate action would be initiated not only in the reported cases, but taking clue from the reports, in other cases of similar nature worked out through their own efforts. It is, however, very unfortunate to note that FBR's field formations have not shown the required seriousness in taking up these cases. The result is that the FBR has not heard about the action taken by the field formations and a well-founded conclusion is that most of the information is begging attention of the FBR field formations if not gone down the drain.

Taking this into account, the agency has compiled detailed lists of the reports shared with each RTO/LTU. The lists contain details like particulars of the cases, issues involved and latest position of the response received from the concerned RTO/LTU.

In view of the lacklustre progress shown by the field formations, immediate action is requested on the following lines: Firstly, the lists provided with the instant letter may be matched with record of relevant RTO/LTU and the latest position communicated to the Board immediately on the specified format to update record. Secondly, immediate action may be initiated in cases where action has not been initiated so far and pending proceedings may be completed without further loss of time. It is desirable that in view of their huge revenue potential, the cases may be assigned to competent officers and progress in the cases be monitored by the respective Chief Commissioner himself/herself. Thirdly, the cases where the RTO/LTU concerned does not concur with the action proposed by this office may immediately report to this office along with reasons thereof. Fourthly, the constant liaison may be maintained with this office with regards to the disposal of the cases contained in the above reports.

Chairman FBR and Member (IR Operations) have already been apprised of the inordinate delay caused by the field formations in consideration of which, the tax authorities have agreed that progress on the information provided by Directorate General I&I-IR will be included in the agenda for the forthcoming Chief Commissioners Conference. Special teams of the Directorate General I&I-IR are also being constituted to physically check progress in the cases from the concerned record of the RTOs/LTUs. The responsibility for any time barring of the proceedings caused by delay in processing of the provided information will lay with the respective RTO/LTU, sources added. – *Courtesy Business Recorder*

Cars' import Amnesty scheme negatively hit duty collection

The amnesty scheme for the legalisation of non-duty paid smuggled cars has negatively impacted customs duty collection on import of cars during first quarter of 2013-14. Sources told here on Tuesday that the customs duty collection was Rs 20.5 billion in September 2013 against Rs 19.5 billion in same period of last fiscal.

Out of Rs 2475 billion target of 2013-14, customs duty target has been fixed at Rs 279 billion for 2013-14, requiring 16.7 percent growth over the duty collection of previous fiscal. The budgetary target of direct taxes was fixed at Rs 957.7 billion, sales tax Rs 1.053 billion and target of the Federal Excise Duty was fixed at Rs 166.8 billion for 2013-14.

The government has legalised over 50,000 vehicles under the amnesty scheme and generated revenue to the tune of Rs 15.8 billion. The amount has been shown in the revenue collection figures of last fiscal year. Due to presence of over 50,000 legalised vehicles in the country, now the collection of customs duty and sales tax on the import of vehicles has declined during the first quarter of 2013-14. Sources said that the government has also forecast 10 percent growth in imports at the time of fixation of targets for budget (2013-14). The decrease in the dutiable imports has negative impact on the customs duty collection during first quarter of 2013-2-14. – *Courtesy Business Recorder*

KCAA newly-elected body assumes charge

The newly elected managing committee of Karachi Customs Agents Association (KCAA) for the term 2013-14 has taken office charge in its 6th annual general body meeting held on September 30. The newly elected office-bearers are as follows:

Iftikhar Ahmad Sheikh, president, Muhammad Amin Essani, senior vice president, Muhammad Azam Malik, vice president, Tariq Rasheed Khan, assistant vice president, Faisal Mushtaq, general secretary, Khursheed Alam, joint secretary, Gohar Mehboob, information secretary and Muhammad Munaf Jangda, finance secretary. – *Courtesy Business Recorder*

FBR collects Rs 202 billion revenue in September

The Federal Board of Revenue (FBR) has collected revenue of Rs 202 billion in September this year against a total collection of Rs 180 billion in September, 2012. According to a press release of the FBR issued here on Tuesday, the total collection for the first quarter (July-September) stands at Rs 481 billion against an amount of Rs 414 billion collected for the corresponding period last year.

The revenue of Rs 481 billion includes Rs 161 billion Income Tax, Rs 235 billion Sales Tax, Rs 54 billion Customs duty and Rs 31 billion Federal Excise duty. – *Courtesy Business Recorder*

FBR raises GST rate to 19% on over 40 items

ISLAMABAD: The Federal Board of Revenue (FBR) Friday raised general sales tax (GST) on more than 40 items by two percentage points to 19 percent, media reported. According to media reports, the revenue body issued a notification to increase GST rate on various household items including air conditioners, fans, bulbs, gas appliances, geysers, heaters, refrigerators, televisions, telephones etc. GST rate on some edible items including biscuits, chocolates, toffees has also been raised. It is pertinent to mention here that FBR also notified a decrease in GST rate by 2.0 percentage points on some items including readymade garments.

The FBR clarified that the government had not imposed any new tax on household gas and electrical appliances, tiles, tyres etc.

In a statement issued here it said that these goods were chargeable to sales tax on retail price basis.

The FBR further clarified that sales tax on retail price basis means that sales tax of the complete chain from manufacturer till retailer is paid upfront by the manufacturer.

"The business community approached FBR on grounds that this system has posed many practical problems for them and requested FBR to do away with charging sales tax on retail price basis and in its lieu agreed to pay 2.0 percent additional sales tax (worked out on the basis of actual value addition from manufacturer till retailer) on all these items. This is, therefore, not a new tax or enhancement of existing rate, but only collection of tax which even otherwise was payable by the supply chain," FBR clarified.

It said that the news item broadcast by certain news channels regarding imposition of 2.0 percent additional sales tax on household gas and electrical appliances, ceramic tiles, tyres, foam and mattresses, auto parts, confectionery items is based on misinterpretation of SRO 896(I)/2013 issued on Friday.

The FBR said that during budget 2013, all these goods were added in the third Schedule to the Sales Tax Act, 1990 to charge sales tax on retail price basis.

The concept of charging sales tax on the basis of retail price is to charge the complete sales tax of the entire supply chain from the manufacturers till retail stage upfront from the manufacturer.

This step was introduced to collect sales tax payable by dealers, distributors and retailers on their value addition as virtually no collection was being made from these segments for these goods.

The FBR further said that the FPCCI, KCCI and trade associations of all these goods approached FBR with request that it is practically impossible for these sectors to comply with the requirements of printing retail price on each and every item to be sold in the market.

"These sectors also stated that the prices of these goods vary from market to market due to many circumstances, which makes it even more difficult to comply with the requirements of charging sales tax on retail price basis," it added.

"FPCCI, KCCI and trade associations requested that an alternate mode of collection of tax from dealers, distributors and retailers of these goods may be devised but the condition of charging sales tax on retail price basis may be done away with", it remarked.

The FBR said that in line with the requests of these sectors, FBR omitted these items from the Third Schedule to the Sales Tax Act, 1990, and in its lieu imposed a 2.0 percent additional tax on these items to be paid by the manufacturers in consultation and with the consensus of the trade bodies to provide relief to the business and for providing ease of business.

The rate of 2.0 percent was also worked out on the basis of actual value addition of these sectors from the manufacturers till retail stage.

Furthermore, it is also informed that the 45 items of daily and essential use are not chargeable to sales tax: Vegetables, pulses, fruits, red chillies, eggs, meat, fish, poultry, poultry feeds, ginger, turmeric, locally produced ware potato, locally produced onion, cereals, products of milling industry, ice, sugarcane, salt, fruit juices, bread, nan, chapattis, sheermal, bun, rusk, agricultural produce of Pakistan not subjected to process of manufacture, milk, yogurt, butter, cream, desi ghee, whey, preparations for infant use, fat filled milk, colours in sets, writing, drawing and marking inks, erasers, exercise books, pencil sharpeners, geometry boxes, pens, ball pens, markers and porous tipped pens, pencils and colour pencils. – *Courtesy Daily Times*

FBR promotes 39 officers in Scale 19

Federal Board of Revenue (FBR) Thursday issued notifications for promotion of 39 officers in Scale 19 and transfer of three senior officers.

According to the notification, Hina Akram, Additional Director (Training, Karachi), Ghulam Sarwar Shar, Additional Director (OPS, Multan) and Muhammad Sultan, Deputy Director Multan, have been transferred to the offices of additional director (internal audit, Karachi), secretary FBR, Islamabad, and additional commissioner (RTO, Bahawalpur), respectively.

Another notification was issued according to which Waqas Ahmed, Deputy Commissioner (RTO, Sialkot) has been made Deputy Director (Training, Lahore) and Shahid Zaman, Commissioner Inland revenue Zone IIII has been given additional charge of Commissioner Inland revenue Zone II, Peshawar.

The FBR also notified promotion of 15 IR Service officers from Scale 18 to Scale 19. Those promoted include Fahim Muhammad, Muhammad Anwar, Zulqarnain Ali, Shaheen Baral, Muhammad Javed Badr, Iqbal Hassan, Reema Masood and others.

It also promoted 12 more Scale 18 officers to Scale 19 on the basis of acting charge. They include Abdul Jawad, Abdul Shakoor Sheikh, Atya Ali Khan, Shaheed Mehboob, Muhammad Bilal

Malik, Syed Farooq Jamil and others. Deputy Chemical Examiner Hussain Tanzeem Naqvi has been made chemical examiner and seven officers of Pakistan Customs Service have been promoted in Scale 19. – *Courtesy International The News*

ST on all sorts of fabrics: FBR accused of creating distortion

The Federal Board of Revenue (FBR) has created distortion by imposing 3 percent uniform rate of sales tax on all sorts of fabrics without distinguishing between the finished and raw fabric under SRO.898 (I)/2013. Arshad Shahzad a renowned Karachi-based tax expert told on Friday that the FBR has introduced 3 percent, sales tax on fabric vide notification 898 in order to accept demand of business community as promised by Finance Ministry.

According to details, FBR in Finance Bill (2013) has introduced 17 percent sales tax on finished goods. Later, rate of tax was reduced to 5 percent vide notification 682(I)2013, however, a debate over application of 5 percent tax on finished fabric continued for some time. The Board in recent meetings with trade has agreed to introduce 3 percent sales tax on finished fabric to give separate treatment to the extent of finished fabric. However, while issuing notification FBR has imposed 3 percent tax on all sorts of fabric instead of distinguishing between finished and raw fabric.

To a question Arshad Shahzad clarified that the industrial input is subject to reduced of 2 percent sales tax in terms of clause vi of notification 1125, hence, un-processed fabric or processed fabric used as industrial input for manufacturing being one of the industrial input of textile export sector was chargeable to sales tax @2 percent. Now since under new amendment word fabric has been used for application of 3 percent sales tax rate, practically rate of sales tax has been increased on this textile raw material. Therefore, the Board rather extending incentive intentionally or un-intentionally has disincentives this sector which manufacturer further add to the misery of textile export sector. Shehzad said, rather introducing a new overriding clause, the board is only required to add word finished fabric in table 2 of notification 1125 with applicable 3 percent rate of tax. – *Courtesy Business Recorder*

Sales tax: 45 daily use items not chargeable: FBR

The Federal Board of Revenue (FBR) has said that 45 items of daily and essential use are not chargeable to sales tax under existing law. According to an Explanatory Note issued by the FBR here on Friday, it is informed that the following items of daily and essential use are not chargeable to sales tax.

Vegetables, pulses, fruits, red chillies, eggs, meat, fish, poultry, poultry feeds, ginger, turmeric, locally produced ware potato, locally produced onion, cereals, products of milling industry, ice, sugarcane, salt, fruit juices, bread, nan, chapattis, sheermal, bun, rusk, agricultural produce of Pakistan not subjected to process of manufacture, milk, yogurt, butter, cream, desi ghee, whey, preparations for infant use, fat filled milk, colors in sets, writing, drawing and marking inks, erasers, exercise books, pencil sharpeners, geometry boxes, pens, ball pens, markers and porous tipped pens, pencils colour pencils and colour pencils.

The FBR further said that the Board has not imposed any new tax on household gas and electrical appliances, tiles, tyres etc these goods were chargeable to sales tax on retail price basis. Sales Tax on retail price basis means that sales tax of the complete chain from manufacturer till retailer is paid upfront by the manufacturer. Business community approached FBR on grounds that that this system has posed many practical problems for them and requested FBR to do away with charging sales tax on retail price basis and in its lieu agreed to pay 2 percent additional sales tax (worked out on the basis of actual value addition from manufacturer till retailer) on all these items. This is, therefore, not a new tax or enhancement of existing rate but only collection of tax which even otherwise was payable by the supply chain."

The news regarding imposition of 2 percent additional sales tax on household gas and electrical appliances, ceramic tiles, tyres, foam & mattresses, auto parts, confectionery items is based on misinterpretation of SRO896(I)/2013 issued on 4th October 2013.

During Budget 2013, all these goods were added in the Third Schedule to the Sales Tax Act, 1990 to charge sales tax on retail price basis. The concept of charging sales tax on the basis of retail price is to charge the complete sales tax of the entire supply chain from the manufacturers till retail stage upfront from the manufacturer. This step was introduced to collect sales tax payable by dealers. Distributors and retailers on their value addition as virtually no collection is being made from these segments for these goods.

FPCCI, KCCI and Trade Associations of all these goods approached FBR with request that it is practically impossible for these sectors to comply with the requirements of printing retail price on each and every item to be sold in the market. These sectors also stated that the prices of these goods vary from market to market due to many circumstances, which makes it even more difficult to comply with the requirements of charging sales tax on retail price basis, FBR said.

FPCCI, KCCI and Trade associations requested that an alternate mode of collection of tax from dealers, distributors and retailers of these goods may be devised but the condition of charging sales tax on retail price basis may be done away with. In line with the requests of the these sectors, FBR omitted these items from the Third Schedule to the Sales Tax Act, 1990, and in its lieu imposed a 2 percent additional tax on these items to be paid by the manufacturers in consultation and with the consensus of the trade bodies to provide relief to the business and for providing ease of business. The rate of 2 percent was also worked out on the basis of actual value addition of these sectors from the manufacturers till retail stage, FBR added. – *Courtesy Business Recorder*

F.No.1(11)Jurisdiction/2009/130217-R

Islamabad, 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-R

Islamabad, 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-R

Islamabad, 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".

F.No.1(3)Jurisdiction/2013/131814-R

Islamabad, the 25th September, 2013

CORRIGENDUM ORDER

In the transfer of jurisdiction order F.No.1(3)Jurisdiction/2013-103125-R dated 31.07.2013, in the case of Mr. Najam Aziz Sethi, NTN 0453890-7, Syeda Maimant Mohsin, NTN 2377635-8, Ali Aziz Sethi, NTN 1801754-1, Mira Aziz Sethi, NTN 2755156-3 "Chief Commissioner IR, RTO, Lahore" may be substituted as "Commissioner IR, RTO-II, Lahore".

F.No.1(13)Jurisdiction/2011/132104-R

Islamabad, the 27th 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 Clean Fuel (Pvt) Ltd, Karachi, STRN 1223999950773, from Chief Commissioner IR, RTO, RTO-III, Karachi to Chief Commissioner Inland Revenue, RTO-I, Karachi.

2. This order shall take immediate effect.

F.No.1(19)Jurisdiction/2007-Vol-II/132045-R

Islamabad, the 30th 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 Iqbal Rice Mills, Chiniot, NTN 0430608-2, STRN 0890999972182, from Chief Commissioner IR, RTO, Sargodah to Chief Commissioner Inland Revenue, RTO, Faisalabad.

2. This order shall take immediate effect.

S.R.O. 809(I)/2013, Islamabad, the 20th September, 2013.– The Securities and Exchange Commission of Pakistan is hereby pleased to withdraw S.R.O. 763(I)/85 dated 7th August, 1985 and S.R.O. 1014(I)/86 dated 12th November, 1986, issued in exercise of powers conferred by section 246 of the Companies Ordinance, 1984, with effect from September 30, 2013.

F.No.1(4)Jurisdiction/2010-Vol-IV/132914-R

Islamabad, the 30th 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 Ittehad Steel Industries, NTN 0345163-1, STRN 0701721300673, from Chief Commissioner IR, LTU, Islamabad to Chief Commissioner IR, RTO, Islamabad.

2. This order shall take immediate effect.

C.No.4(6)ST-L&P/2011 Islamabad, the 30th September, 2013

SALES TAX GENERAL ORDER NO. 42/2013

Subject: **Amendment in STGO 09/2007 dated 13-09-2007 – withdrawal 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. 09 of 2007 dated 13th September, 2007, namely:–

In the aforesaid General Order, in the Table, serial numbers mentioned in the STGO, in column (1) and entries relating thereto in columns (2), (3) and (4) shall be **omitted;**

S#	S No of STGO	Name of Unit	Registration No.	Consumer No.	Reason/RTO Recommendation
1	2	M/S A.R.Textile	0802520909173	24313858064006R 24313858066004U	RTO Recommendation
2	6	M/S Abu Bakar Fabrics	0800520802255	22312373008901U	RTO Recommendation
3	10	M/S A.M. Gulshan	0801511101055	22312676032408U	RTO

		Bleaching Centre		22312676012705U	Recommendation
4	13	M/S A.U. Textile Industries	0800520800191	24312353102600U	RTO Recommendation
5	18	M/S Abdullal Textiles	0801520915519	24213252047004U 24313757007000U	RTO Recommendation
6	23	M/S Adeem Dyeing	0801600000819	24321202543002U	RTO Recommendation
7	35	M/S Aitmad Textile (PVT) LTD	0404520000255	24313757031000U	RTO Recommendation
8	39	M/S Akkash Weaving Factory	0804520805937	21333333015805U 21333333015908R	RTO Recommendation
9	53	M/S Al-Hussain Dyeing Ind.	0800511100237	23311272137506U	RTO Recommendation
10	55	M/S Ali Baba W/F	0801520830873	24312353044601U	RTO Recommendation
11	60	M/S Alipur Jute Mills LTD	0409531000273	24344252041003U	RTO Recommendation
12	69	M/S AL-Rehman Waste & Yarn Factory	0803480000455	24311454047008U 24311656019002U	RTO Recommendation
13	75	M/S Amin Weaving Factory	0801520833682	24322454026000U	RTO Recommendation
14	76	M/S Amir Weaving Factory	0804520806019	24333353047006U	RTO Recommendation
15	81	M/S Amna Textile Industries	0803520300119	24314555014008U	RTO Recommendation
16	116	M/S A.W. Weaving	0803520820873	24311656024005U	RTO Recommendation
17	121	M/S Ayyan Embroidery	0891999900146	22321300983001U	RTO Recommendation
18	135	M/S Best Embroidery Fabrics	0801581006791	22313272044802	RTO Recommendation
19	149	M/S Chand Dyeing & Finishing Mills	0803520000482	24312555054305U	RTO Recommendation
20	150	M/S Chand Tara Silk Factory	0801520915773	24312555077004U	RTO Recommendation
21	151	M/S Chand Textile Industries	0801520884255	24312353079100U	RTO Recommendation
22	159	M/S Chiniot Fabrics	0801520912219	24312353042701U	RTO Recommendation
23	164	M/S Crescent Cotton Products	0802520501191	24314252012031U	RTO Recommendation
24	165	M/S Crescent Cotton Products	0802520501191	24314252012031U	RTO Recommendation

25	170	M/S Dara Textiles	0802520801655	24313858019002R	RTO Recommendation
26	182	M/S Diamond W/F	0801520915028	24312353107008U	RTO Recommendation
27	189	M/S Ehsan Yousaf Textile LTD	0404511100564	5503020-6U 5106010-0U	RTO Recommendation
28	190	M/S Ellahi Fabrics	0801520913873	24312757001007U	RTO Recommendation
29	193	M/S F. T. Spinning Mills	0891999145682	24311656015006U	RTO Recommendation
30	204	M/S Fashion Pride (PVT) LTD	0404620001891	5504110-6U	RTO Recommendation
31	206	M/S Fazal Dying	0403511101319	24312454029009U	RTO Recommendation
32	217	M/S Ghaffar Weaving Industries	0801520837564	24313656003552R 24313656003106U 22313676004205R	RTO Recommendation
33	224	M/S Gul Muhammad Textile Mills (PVT.) LTD	0805520500419	24343151023073U	RTO Recommendation
34	227	M/S H.B.Weaving Factory	0801520888882	24312555001005U 22312575000115U	RTO Recommendation
35	235	M/S Haider Sultan Textile Processing Industries	0803520000637	24311252048005U	RTO Recommendation
36	240	M/S Hamza Weaving	0801591000173	24312353056651U	RTO Recommendation
37	246	M/S Haseeb Spinning Mills LTD	0406520201128	24333454009008U	RTO Recommendation
38	248	M/S Hassan Industries (Insaf Tex)	0802511100391	24311252091001U	RTO Recommendation
39	252	M/S Hayyat Weaving Factory	0802520806946	24314353035003R	RTO Recommendation
40	259	M/S Husnain Spinning Mills (PVT.) LTD	0803520504319	24344555028006	RTO Recommendation
41	261	M/S Hussain Dyeing & Printing Industries	0405511101964	24311252038007U	RTO Recommendation
42	280	M/S Ittifaq Dying	0803511100619	24311454014007U	RTO Recommendation
43	295	M/S Jeea Textiles	0890999145937	24313656008101R 24312555024801U 24312353036004U 24312757054003U	RTO Recommendation

44	301	M/S K. S. Enterprises	0801520502191	24311555043104U	RTO Recommendation
45	309	M/S Kashif Weaving Industries	0801520829155	22313676010305R 24313656020007U	RTO Recommendation
46	312	M/S Kausar Textile Indus.	0405511102537	5208200-2U	RTO Recommendation
47	321	M/S Khawaja Sarfraz Ilyas	0803581002637	22321408095007U	RTO Recommendation
48	323	M/S Khurram Ijaz	0801520900746	24312555011003U	RTO Recommendation
49	324	M/S Khushid Spinning Mills LTD	0404520200646	24313757047011R	RTO Recommendation
50	326	M/S Kohinoor Industries	0404520200155	5104901-5U	RTO Recommendation
51	328	M/S Lasani Sizing	0804520807673	21333232017601U	RTO Recommendation
52	331	M/S Lilly Apparel	0803600000973	24312353031606U	RTO Recommendation
53	336	M/S M. Hussain Weaving	0802520813791	243133878000808 U	RTO Recommendation
54	349	M/S Madni Spinning Mills	0803999904337	24334151012040U	RTO Recommendation
55	353	M/S Makki Madni Industries	0801581002164	22312373015109U	RTO Recommendation
56	381	M/S Moti Textile Mills	0804520804455	24333252031008U	RTO Recommendation
57	390	M/S Muhammad Ashraf Weaving Fact.	0801520800346	24312757011005U	RTO Recommendation
58	400	M/S Mukarram Textile Mills	0804520500591	24331959009026U	RTO Recommendation
59	401	M/S Mukhtar Textile Mills LTD	0405520200555	24333454015000U	RTO Recommendation
60	404	M/S Mushtaq Amin Textiles	0803999905164	24312353034453U	RTO Recommendation
61	409	M/S N. H. Weaving	0801520879973	23322411496058U	RTO Recommendation
62	411	M/S Nadeem W/F	0801520866928	24313656003302U	RTO Recommendation
63	417	M/S Naseem W/F	0801520914864	24312353109006U	RTO Recommendation
64	441	M/S Nisar Fabrics	0891999135864	24313656003400R	RTO Recommendation
65	451	M/S Owais Textiles	0800590000773	24312555085781U	RTO

					Recommendation
66	455	M/S Paruma International	0801520912473	24312555082007U	RTO Recommendation
67	463	M/S Punjab Cotton Waste Factory	0802520204437	24314575009009R	RTO Recommendation
68	464	M/S Punjab Sizing Industries	0804520807591	21333535014502U	RTO Recommendation
69	476	M/S Rana Hosiery & Textile Mills	0404580100282	24313151026003U 24313151027002U	RTO Recommendation
70	478	M/S Rana Mujahid Industrie	0802520801573	24314555016006R	RTO Recommendation
71	486	M/S Rehmat Weaving Factory	0801520836819	24313454065021U 24313454002777U	RTO Recommendation
72	488	M/S Riaz Ahmad Weaving Factory	0801520824773	24313656005202U	RTO Recommendation
73	491	M/S Riaz Yasin weaving Factory	0804520805855	21333333009205U	RTO Recommendation
74	500	M/S S.S.Safety Industries	0800611600182	22312575013003R	RTO Recommendation
75	503	M/S Saad Farooq Textile Mills	0803520503246	24313454054006U	RTO Recommendation
76	506	M/S Sadaqat Home Textile Exports	0803590003555	24312353067603U	RTO Recommendation
77	508	M/S Saeed Clothline (PVT) LTD	0803581000164	21313272003106	RTO Recommendation
78	510	M/S Saeed Textile Ind (PVT) LTD	0404511101891	24313252004005U	RTO Recommendation
79	514	M/S Sahrish Textile Mills	0405520200482	24333454020003U	RTO Recommendation
80	523	M/S Saqib Rashid Weaving Industries	0801520838482	24313656005006U	RTO Recommendation
81	530	M/S Sargodha Textile Mills	0409511100282	24341454084006U 24341353035000U	RTO Recommendation
82	531	M/S Sattar Weaving Factory	0801520837491	24313656004007R	RTO Recommendation
83	540	M/S Shaheen Cotton Factory	0409520500173	24342353076009U	RTO Recommendation
84	545	M/S Shahid Qaiser Embroidery Fabrics	0803581000991	23311272000500	RTO Recommendation
85	581	M/S Sufi Rehman Textile Mills	0804520500346	24331353015015U	RTO Recommendation
86	584	M/S Suleman Silk Industries (PVT) LTD	0801511100146	24312353089000U	RTO Recommendation

87	587	M/S Sun shine Weaving	0801520920546	24313656001028U	RTO Recommendation
88	590	M/S Superior Gloves	0801611600173	23322412851126U	RTO Recommendation
89	596	M/S Talib Ashraf Weaving	0801520813055	24313656001304U	RTO Recommendation
90	604	M/S Tayyaba Shahzad Textile	0801520894728	24313454003053U	RTO Recommendation
91	605	M/S The National Silk & Rayon Mills	0404511101146	24313151016005U 24313151015006U 24313151014007U	RTO Recommendation
92	634	M/S Yasir Weaving Factory	0801520879146	24312555014000U 24312555013001U	RTO Recommendation
93	800	M/S Nawab Exports	0803520822855	24312353110502U	RTO Recommendation
94	804	M/S Rahim Fabrics (PVT) LTD	0800540200137	24313757071154U	RTO Recommendation
95	814	M/S Al-Hussain Dyeing	0800511100237	23311272137506U	RTO Recommendation
96	821	M/S Ghaffar Cotton Factory	0801520203864	24313454068055R	RTO Recommendation
97	835	M/S Al-Jannat Weaving Factory	0800520807791	24321151004544U 22321112944053U	RTO Recommendation
98	846	M/S Gohar Enterprises	0802520804882	22313171013206R	RTO Recommendation
99	854	M/S Nadeem Weaving Factory	0804520818155	21333333010007U	RTO Recommendation
100	857	M/S Shehzad Weaving Factory	0803520834246	24333555021006U 24333555081001U	RTO Recommendation
101	861	M/S Tariq Weaving Factory	0800520806391	21333333008305U 21333333008001U	RTO Recommendation
102	1096	M/S Ayesha Yarn Factory	0803520505719	23322202270099U	RTO Recommendation
103	1101	M/S Fine Weaving Factory	0800520810091	22312777031904U 22312777009207U	RTO Recommendation
104	1105	M/S Hadiyat Weaving	2400520809855	24311353016125U	RTO Recommendation
105	1111	M/S Kamal W/F	0800844601228	24313858101001U	RTO Recommendation
106	1112	M/S Kashmir Sizing Ind.	0801520897046	24312656099601U	RTO Recommendation
107	1116	M/S K.M.H.Textiles	0800590000691	22321113119014U	RTO Recommendation

108	1133	M/S Nazir Latif Weavings	2400520800682	24313656003703R	RTO Recommendation
109	1136	M/S Piracha Spinning	2405520500173	24342454007009U	RTO Recommendation
110	1148	M/S Star International	0890999161437	24311252097032U 24321353051021U	RTO Recommendation
111	1151	M/S Umer Weaving	2400520815128	24312656069000U	RTO Recommendation
112	1158	M/S Adeel Weaving Factory	2400844604455	22313878062000U 22313878070000U 22313878065007U	RTO Recommendation
113	1166	M/S Aamir Fayyaz Weavin	2400520807619	24312555030108U	RTO Recommendation
114	1168	M/S Amjad Pervez W/F	2400521001637	24321555109005R	RTO Recommendation
115	1183	M/S Malik Nawaz Weaving	2400520804319	23311272017501U 23311272017707U 23311272062603U 23311272062408U 24311252019055U 23311272062104U 23311272060008U	RTO Recommendation
116	1194	M/S Muhammad Shafi Weaving Factory	2400520817691	23322207835005U	RTO Recommendation
117	1206	M/S Roshan Din W/F	2400520817028	23322207878003U	RTO Recommendation
118	1217	M/S S.M.Weaving Factory	2400844603791	24311353027113U	RTO Recommendation
119	1219	M/S Sundir Weaving Factory	0801520894564	23322101611000U 23322101608005U	RTO Recommendation
120	1223	M/S Usman Sizing	0800520801919	22312676014605U	RTO Recommendation
121	1244	M/S Allah Hoo Textiles	2400521009164	24321555051003U	RTO Recommendation
122	1245	M/S Al Hamad Weaving	0891999132555	24313252033206U	RTO Recommendation
123	1246	M/S Al Jamal W/F	2400520829819	23322101255001U	RTO Recommendation
124	1252	M/S Amna Anees W/F	2400521007673	24321454036009U	RTO Recommendation
125	1258	M/S Amjad Ali W/F	2400844600237	23311272039006U 23311272039104U 23311272038007U 23311272038105U	RTO Recommendation

				23311272037605U 23311272037703U	
126	1271	M/S Atif Weaving	2400844603046	24312555021001U	RTO Recommendation
127	1272	M/S A.U.A. Impex	0802590002819	24322554036504U	RTO Recommendation
128	1301	M/S Hassan W/F	2401520800182	24312656090307U	RTO Recommendation
129	1310	M/S JAJ Weaving	0801520801091	24312555054252U	RTO Recommendation
130	1319	M/S M.A.Weaving Factory	2400520824782	22313272039603U 22313272039701U	RTO Recommendation
131	1337	M/S Muhammad Nasir W/F	2400520822391	22321505745004R 22321505782106R	RTO Recommendation
132	1348	M/S Nadeem W/F	2400521006273	24321454029954U	RTO Recommendation
133	1350	M/S Nasir W/F	0801520920391	24321555094002U 22321505341002R	RTO Recommendation
134	1352	M/S Naseem Ashraf (PVT) LTD	0890999117891	24312555010004U	RTO Recommendation
135	1354	M/S New Ittefaq Sizing	0800520810337	22321416818006U	RTO Recommendation
136	1379	M/S S.J. Fabrics	0801520892091	24312353023508U	RTO Recommendation
137	1384	M/S Umer Hayar W/F	2400521004373	24313252049253U	RTO Recommendation
138	1390	M/S Weavex Sizing Industry	2400520824373	24312555078405U	RTO Recommendation
139	1397	M/S Zeeshan W/F	2400520820319	24322151033584U	RTO Recommendation
140	1405	M/S Abdul Satar Weaving	2400521009991	22321501832007R	RTO Recommendation
141	1419	M/S Al-Makkah W/F	2400520829991	24311353013100U	RTO Recommendation
142	1441	M/S A.R.Traders	0803520206082	24314555014106R	RTO Recommendation
143	1448	M/S Asad Weaving Factory	2400844608419	22321507347002R	RTO Recommendation
144	1458	M/S Bashir Ahmed W/F	2400520834846	23322101293005U 23322100931005U	RTO Recommendation
145	1461	M/S Bisma Supper Collection	0800520800682	23311272098200U	RTO Recommendation
146	1463	M/S Bismillah W/F	2400520807128	23322409929004U	RTO

					Recommendation
147	1465	M/S Chaudhry Hosiery	0802620000473	23322333324515U 23322333325514U 23322333326513U 23322333412518U	RTO Recommendation
148	1480	M/S Ghulam Murtaza Power Loom	2400520846564	24321555063009U	RTO Recommendation
149	1486	M/S Hafiz Umer W/F	2400520816455	23322101362001U	RTO Recommendation
150	1489	M/S Hayat Weaving	2400844609246	24322454027189U	RTO Recommendation
151	1495	M/S Idrees Knitting Industries	0890999147919	22312777018359R	RTO Recommendation
152	1498	M/S Ihtisham Munawar W/F	2400520823619	24322252069211U	RTO Recommendation
153	1500	M/S Imtiaz Enterprises	2400590700219	24321353024007U	RTO Recommendation
154	1502	M/S Imran W/F	2400999806019	23322100553002U	RTO Recommendation
155	1505	M/S Irfan Weaving Factory	2400844612037	22313878063009U	RTO Recommendation
156	1506	M/S Irfan Weaving Factory	2400844611464	23322408510001U 23322408504009U 23322408509004U	RTO Recommendation
157	1510	M/S Ittfaq Weaving Factory	2400520829164	24333555027000U	RTO Recommendation
158	1522	M/S Khadim Hussain W/F	2400844602964	22321505747002R 22321505746003R	RTO Recommendation
159	1523	M/S Khalid W/F	2400521009082	22321506963506R	RTO Recommendation
160	1524	M/S Khalid W/F	2400520846319	24321454002553U	RTO Recommendation
161	1528	M/S M. Ashfaq Power Looms	2400520810091	22321502710002R 22321502603100R	RTO Recommendation
162	1543	M/S Maqbool Ahmad W/F	2400521011128	24321454031200U	RTO Recommendation
163	1544	M/S Maqbool W/F	2400520817937	22321506938009R	RTO Recommendation
164	1551	M/S Mubarak W/F	2400520829328	24311656013008R	RTO Recommendation
165	1568	M/S Muhammad Jamil Hussain	2400520810582	22321505752004R 22321505748001R 22321505749000R	RTO Recommendation

166	1577	M/S Munawar Weaving Factory	2400520817855 1332150733100 9R 2232150531700 2R	RTO Recommendation	
167	1580	M/S Muhammad Shafiq W/F	2400521011382	24312353038501U	RTO Recommendation
168	1586	M/S Muhammad Yasin (Lesse Jadha Sizing)	0801520850828	2332223373001U	RTO Recommendation
169	1606	M/S New Jamia Sizing	0801520895973	23322213598000U	RTO Recommendation
170	1611	M/S Qasim Din Weaving	2400520806882	23322101027008U 23322101004005U 23322101008001U	RTO Recommendation
171	1614	M/S Rafiq Power Looms	2400520807955	22321502595002R 22321502574007R	RTO Recommendation
172	1617	M/S Raja Textile Industries	0801520886491	24312252078114U	RTO Recommendation
173	1620	M/S Rana Shehzad Mehmood W/F	2400844609655	24321555137001U	RTO Recommendation
174	1622	M/S Ray Imdad Ali W/F	2400521010219	22321507042000R	RTO Recommendation
175	1635	M/S Saeed Umer Textile	0880630500955	24311252013159U	RTO Recommendation
176	1646	M/S Shahid Hayat W/F	2400521011464	24321656079007U 22321417556000U 22321417557009U 22321417541008U	RTO Recommendation
177	1655	M/S Sitara Enterprises	2400510900355	24313252074028U	RTO Recommendation
178	1665	M/S S.A.S. Weaving Ind	0801520899028	24312555103501U	RTO Recommendation
179	1666	M/S Sultan Fabrics	0800520807955	22321415236002U 22321415239009U 22321415238000U 22321415237001U	RTO Recommendation
180	1671	M/S Tariq Cottox (PVT) LTD	0800520200728	24311656017004R	RTO Recommendation
181	1824	M/S Babar Ali Weaving Factory	2400520855628	23322101257009U 23322100834129U 23322100821008U	RTO Recommendation
182	1925	M/S Mubashar Weaving Factory	2400521012373	23322408978006U 23322408993007U 23322408997003U	RTO Recommendation

183	2137	M/S Abdullah Weaving Factory	0803520834991	24311252023282U	RTO Recommendation
184	2145	M/S Akhter W/F	2400844620946	22321502606009R	RTO Recommendation
185	2146	M/S Alhamdo Lillah Fabrics	2400731900455	23311171000504U 23311171000407U	RTO Recommendation
186	2147	M/S Ali Buksh W/F	2400844606682	23322203286008U	RTO Recommendation
187	2152	M/S Al-Musawar Embroidery	2400731900528	23311171000700U	RTO Recommendation
188	2153	M/S Ansari W/F	2400521019719	24315155012053U	RTO Recommendation
189	2159	M/S Aslam W/F	2400844621028	24321252018018U	RTO Recommendation
190	2160	M/S Asad Weaving Factory	2400844608419	24321555144002U	RTO Recommendation
191	2161	M/S Ashraf W/F	2400520820155	23322200772005U	RTO Recommendation
192	2164	M/S Babar Fancy Doubling	2400999816582	23311373006305U	RTO Recommendation
193	2165	M/S Babu Khan Cotton Waste	2403520200128	24321353009006U	RTO Recommendation
194	2167	M/S Cotton Waste Furqan	2400520901337	24314555003001U	RTO Recommendation
195	2170	M/S en Em Fabrics	2400520832782	24312656100109U	RTO Recommendation
196	2172	M/S Ghulam Hussain Weaving Factory	2400520813482	22321415159005U 22321415178002U 22321415179001U	RTO Recommendation
197	2175	M/S Haji Mukhtar W/F	2400520832119	24312555085157U	RTO Recommendation
198	2178	M/S Ishaq Weaving Factory	2400844610882	22321417467008U 22321417467009U	RTO Recommendation
199	2179	M/S Ishfaq W/F	2400844620782	22321502662180R	RTO Recommendation
200	2181	M/S Javed Power Looms	2400844620864	22321502771008R	RTO Recommendation
201	2187	M/S Maqbool Khan Weaving Factory	2400520854228	24321555174005U	RTO Recommendation
202	2192	M/S Muhammad Jamil Hussain W/F	2400520810582	22321504323846R	RTO Recommendation
203	2195	M/S Muhammad Ashraf Power Looms	2400520863391	22321502651003R 22321502604001R	RTO Recommendation

204	2197	M/S Muhammad Ishaq W/F	2400590023546	24322252020071U	RTO Recommendation
205	2199	M/S Muhammad Munir Weaving Factory	2400844622928	22321502596001R	RTO Recommendation
206	2207	M/S Muhammad Tariq Weaving Factory	2400844623346	23322407820008U	RTO Recommendation
207	2211	M/S Muhammad Zafar Weaving Factory	2400520813146	24321454029856U	RTO Recommendation
208	2224	M/S Roshen Din Weaving Factory	2400844623264	24322454027152U	RTO Recommendation
209	2225	M/S S.A.Fabrics	2400521008664	22321417600006U 22321417608008U 22321417590008U	RTO Recommendation
210	2226	M/S S.A.R.Weaving	2400521020864	24322151010162U	RTO Recommendation
211	2228	M/S Shahzad Aslam Weaving Factory	2400520852573	22321502663009R	RTO Recommendation
212	2230	M/S Tariq Mahmood Doubling Factory	2400520857119	23322408961005U	RTO Recommendation
213	2236	M/S Zubair Weaving Factory	2400520859682	24322252026124U	RTO Recommendation
214	2237	M/S Zulfiqar Weaving Factory	2400520820646	22321301291006U	RTO Recommendation
215	2517	M/S Abdul Hameed W/F	2400193524519	23132240857700U 23132240857600U 23132240857800U 23132240857200U 23132240856710U	RTO Recommendation
216	2563	M/S Lyallpur Textile Impex	0803590006782	24133215102001U	RTO Recommendation
217	2647	M/S Abdul Ghaffar W/F	2400354978112	23132210225500U	RTO Recommendation
218	2651	M/S Allah Hoo Textiles	2400521009164	24132255405615R	RTO Recommendation
219	2652	M/S Amjad Razzaq Weaving Factory	2400164136915	22132141518300U	RTO Recommendation
220	2654	M/S Asghar Ali Weaving Factory	2400520852164	24132155500900U 27132156502200 R 22132150205900R 22132150210300R 22132150210400R	RTO Recommendation

221	2656	M/S Butt Weaving Factory	2400274027111	27132226202902U	RTO Recommendation
222	2663	M/S Kaleem Khan Weaving Factory	2400590021982	27132156504340R 22132150031100R 27132156505013R 27132156505012R 22132150244500R	RTO Recommendation
223	2665	M/S Meezan W/F	2400500700464	24132155518100U	RTO Recommendation
224	2669	M/S Muhammad Saleem weaving Factory	2400010026917	27131346457431U 27131326205460U	RTO Recommendation
225	2674	M/S Sajid Ayub Weaving Factory	2400520866937	23132210046000U 23132210046200U	RTO Recommendation
226	2678	M/S Usman Goraya Yarn Industry	2400342758314	24131145404851R	RTO Recommendation

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C.No.4(13)ST-L&P/2011-134385 Islamabad, the 1st October, 2013

SALES TAX GENERAL ORDER NO. 43/2013

Subject: **Amendment in STGO 38/2010 dated 01-10-2010 – allowing facility of zero-rating.**

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. 38 of 2010 dated 01.10.2010, namely:–

In the aforesaid General Order, in the Table, after serial number 5 in column (1) and the tnries relating thereto in columns (2), (3), (4), (5) and (6), the following new serial numbers and the entries relating thereto shall be **added,** namely:–

S. No.	Electricity purchased from DISCO/IPP	Name of registered person	Sales Tax Registration Number	Name of Industrial Estate	Electricity bill/ Reference No. or Consumer No. or Account No. or Meter No.
(1)	(2)	(3)	(4)	(5)	(6)
6	LESCO	Integrated Engineering Services (PVT) Limited	0392999977819	Sundar Industrial Estate	11632382

S.R.O. 895(I)/2013, Islamabad, the 4th October, 2013.– In exercise of the powers conferred by the proviso to clause (a) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following amendments shall be made in the Third Schedule to the said Act, namely:–

In the aforesaid Schedule, serial numbers 23, 24, 25, 26, 27, 28, 29, 30, 31, 34 and 35 in column (1) and the entries relating thereto in columns (2) and (3) shall be omitted.

S.R.O. 896(I)/2013, Islamabad, the 4th October, 2013.– In exercise of the powers conferred by section 71 of the Sales Tax Act, 1990, read with clauses (9) and (46) of section 2, sections 3 and 4, sub-section (2) of section 6, section 7A, clause (b) of sub-section (1) of section 8, clause (a) of sub-section (2) of section 13, sub-sections (2A) and (3) of section 22, sections 23 and 60 thereof, the Federal Government is pleased to make the following further amendments in the Sales Tax Special Procedure Rules, 2007, namely:–

(1) In the aforesaid Rules,–

(a) in Chapter XIII, in the heading, for the words "ELECTRIC HOME APPLIANCES" the word "GOODS" shall be substituted;

(b) for rule 58S, the following shall be substituted, namely:–

"58S. Application.– The provisions of this Chapter shall apply to supplies of the goods specified in the following Table, hereinafter referred to in this Chapter as "the specified goods", namely:–

TABLE

S.No.	Specified Goods
1	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, fans electric irons, washing machines and telephone sets.
2	Household gas appliances including cooking range, ovens, geysers and gas heaters.
3	Foam or spring mattresses and other foam products for household use.
4	Auto-parts and accessories.
5	Lubricating oils, brake fluids, transmission fluid and other vehicular fluids and maintenance products.
6	Tyres and tubes.
7	Storage batteries.
8	Arms and Ammunitions.
9	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishers sold in retail packing.

10	Tiles.
11	Biscuits, confectionary, chocolates, toffees and candies."; and

(c) in rule 58T,

(i) In sub-rule (1), for the figure "0.75", the figure "2" shall be substituted; and

(ii) the word "electric", wherever occurring in sub-rules (1), (3), (5), (7) or (8) shall be omitted.

S.R.O. 897(I)/2013, Islamabad, the 4th October, 2013.– In exercise of the powers conferred by sub-section (6) and sub-section (7) of section 3 and sub-section (4) of section 7 of the Sales Tax Act, 1990 read with section 71 thereof, the Federal Government is pleased to direct that the following further amendments shall be made in Sales Tax Special Procedure (Withholding) Rules, 2007, namely:–

In the aforesaid Rules,–

(a) in the preamble, for the words, figures and brackets "and sub-section (4) of section 7", the words, figures, letter and brackets ", sub-section (4) of section 7 and clause (b) of sub-section (1) of section 8" shall be substituted;

(b) in rule2,–

(i) after sub-rule (2), the following new sub-rule shall be inserted, namely:–

"(2A) A withholding agent shall deduct an amount equal to one-tenth of the total sales tax shown on the sales tax invoice issued by persons registered as a wholesaler, dealer (including petroleum dealers) or distributor, and make the payment of the balance amount to him."; and

(ii) for sub-rule (3), the following shall be substituted, namely:-

"(3) (i) A withholding agent having Free Tax Number (FRN) and falling under clauses (a), (b) or (c) of sub-rule (2) of rule 1 shall, on purchase of taxable goods from person liable to be registered but not actually registered under Chapter I of the Sales Tax Rules, 2006, deduct sales tax at the applicable rate of the value of taxable supplies made to him from the payment due to the supplier and, unless otherwise specified in the contract between the buyer and the supplier, the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply.

(ii) A withholding agent, other than specified in clause (i), shall on purchase of taxable goods form persons liable to be registered but not actually registered under Chapter I of the Sales Tax Rules, 2006, deduct sales tax at the rate of one per cent of the value of taxable supplies made to him from the payment due to the supplier and the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply:

Provided that the withholding agent shall not be entitled to reclaim or deduct the amount of tax withheld from such persons as input tax."; and

(c) in rule 5,

(i) in clause (viii), the word "and" at the end shall be omitted;

(ii) in clause (ix), for the full stop, at the end a semicolon shall be substituted; and

(iii) after clause (ix), the following shall be added, namely:-

"(x) Goods specified in the Third Schedule to the Sales Tax Act, 1990; and

(xi) Supplies made by commercial importers who paid value addition tax on such goods at the time of import as prescribed under Chapter X of the Sales Tax Special Procedure Rules, 2007.".

S.R.O. 898(I)/2013, Islamabad, the 4th October, 2013.– In exercise of the powers conferred by clause (c) of section 4 read with clause (b) of sub-section (2) and sub-section (6) of section, clause (b) of sub-section (1) of section 8 and section 71 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1125 (I)/2011 dated the 31st December, 2011, namely:–

In the aforesaid Notification,–

(i) after condition (vii), the following new condition shall be inserted, namely:-

"(viia) notwithstanding anything contained in any others condition of this Notification, import and supplies of fabric shall be charge to sales tax at the rate of three per cent and value addition tax at the rate of two per cent shall be chargeable on commercial imports of fabrics,"; and

(ii) in condition (x), for the proviso, the following shall be substituted, namely:-

"Provided that refund against local supplies, if any, shall be admissible only subject to pre-refund audit and in case of value addition of less that ten percent subject to the condition that the registered persons furnishers a revolving bank guarantee valid for at least ninety days issued by a scheduled bank to the satisfaction of the Commissioner, Inland Revenue having jurisdiction, of an amount not less than the average monthly refund claim during last twelve months:

Provided further that the post-refund audit shall be conducted and finalized within a period of ninety days and certificate to the genuineness of the refund claim shall be issued for each and every claim by the Commissioner, Inland Revenue having jurisdiction,".

S.R.O. (I)/2013, Islamabad, the October, 2013.– In exercise of the powers conferred by sub-section (2) of section 53 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to direct that the following further amendments shall be made in the Second Schedule to the said Ordinance, namely:–

In the aforesaid Schedule,–

(i) in Part-II, after clause (14), the following new clause shall be inserted, namely:–

"(14A) the rate of tax as specified in clause (i) of Division III of Part IV of the First Schedule shall be reduced to three rupees per kilogram of the laden weight, in the case of goods transport vehicles, other than oil tankers, as mentioned in clause (14) of this Part."; and

(ii) in Part-IV, after clause (80), the following new clause shall be added, namely:–

"(81) The provisions of clause (a) of section 165, shall not apply in case of manufacturer, distributor, dealer and wholesaler required to collect advance tax under sub section (1) of section 236H.".
