

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE**

Islamabad, the 19th July, 2008

**NOTIFICATION
(SALES TAX)**

S.R.O. 761(I)/2008.— In exercise of the powers conferred by sub-section (1) of section 4 and section 40 of the Federal Excise Act, 2005, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8, clause (ii) of sub-section (2) of section 8B, sections 9, 10, 14, 21 and 28, clause (c) of sub-section (1) of section 22, section 26, sub-section (6) of section 47A, sections 48, 50A, 52, 52A and 66 thereof, the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Sales Tax Rules, 2006, namely:-

In the aforesaid Rules,—

- (1) in rule 28, in the third proviso, for the word “sixty”, the words “one hundred and twenty” shall be substituted;
- (2) in form STR-1, in the “Filling Instructions for STR-1”, in the entry against serial No. 11, for the words, letters and figures “u/s 172 of Income Tax Ordinance 2001”, the words and figure “in section 58A of the Act” shall be substituted;
- (3) in form STR-5, after the entry “**Sales Tax Reg. No. 12-34-5678-980-12**”, the following new entry shall be inserted, namely:—

“**Date of Registration** dd/mm/yyyy”; and
- (4) for form STR-7, the following shall be substituted, namely:-



REGISTRY	NTN <input style="width:100px;" type="text"/>		CNIC (in case of Individual) <input style="width:150px;" type="text"/>		STRN (Sales Tax Registration No.) <input style="width:150px;" type="text"/>			
	Name <input style="width:150px;" type="text"/>		Normal <input style="width:30px;" type="text"/>	Revised <input style="width:30px;" type="text"/>	Monthly <input style="width:30px;" type="text"/>	Quarterly <input style="width:30px;" type="text"/>	Tax Period (MMYY) <input style="width:30px;" type="text"/>	
SALES TAX CREDITS	Description		Gross Value		Taxable Value		Sales Tax	
	1	Domestic Purchases (excluding fixed assets) Annex-A	-		-		-	
	2	Imports excluding fixed assets (includes 2% on commercial imports) Annex-B	-		-		-	
	3	Capital/ fixed assets to be credited at 1/12 th of accumulated amount					-	
	4	(-) Inadmissible input tax relating to exempt supplies/ non-taxed services etc.					-	
	5	Input Tax for the month (1 + 2 + 3 - 4)					-	
	6	(+) Previous month credit brought forward					-	
SALES TAX DEBITS	7	Accumulated Credit (5 + 6)					-	
	8	Supplies Made & Services Rendered Annex-C	-		-		-	
	9	Exports Annex-D	-		-		-	
	10	Extra Tax charged under Chapter XIII of ST Sp. Procedure Rules '07 Annex-C					-	
	11	Output Tax (8 + 10)					-	
	12	Retail Turnover - for the Quarter	Turnover		-		-	
	13	Electricity supplied to steel sector KWH	-	x Rs.	6.00			
	14	Re-rollable scrap sold by ship breakers M Tons	-	x Rs.	4,848			
	15	Re-meltable scrap sold by ship breakers M Tons	-					
	16	Less: Sales Tax deducted by withholding agent @ 1/5th of tax invoiced					-	
	17	Debit for the month (11 + 12 + 13 + 14 - 16)					-	
PAYABLE/ REFUND	18	Sales Tax withheld by the return filer as withholding agent (STWH)					-	
	19	Sales Tax Arrears including Principal, Def Surch. & penalty					-	
	20	Whether excluded from Section 8B(1), under SRO 647(I)/2007			(Yes / No)			
	21	Admissible Credit - if 20 = Yes then 7; if 20 = No, then least of 7 or "90% of 11" or 17					-	
	22	Payable ST - if 17 > 21 then (17 - 21 + 18 + 19); otherwise 18 + 19					-	
	23	Excess Unadjusted Credit - if 20 = Yes and if 21 > 17 then (21 - 17); otherwise zero; if 20 = No then (7 - 21)					-	
	24	Refund claim i.e. input consumed in zero-rated or excess of input tax as per rules					-	
	25	Balance Credit to be carried forward - if 24 < 23, then (23 - 24); otherwiszero zero					-	
	PAYMENTS	26	Federal Excise Duty (FED) Payable / (FED Drawback) Annex-E					-
		27	Goods chargeable to Special Excise Duty (SED) Annex-C					-
28		(-) SED on inputs used in manufacturing of Goods supplied for domestic consumption					-	
29		(-) SED paid on goods used in manufacturing of Goods exported (drawback)					-	
30		Net SED Payable (27 - 28 - 29)					-	
31		SED Arrears					-	
32		Net FED Payable If 26 + 30 > 0 then (26 + 30 + 31), else 31					-	
33		FED/ SED Drawback if 26 + 30 < 0 then -(26 + 30), else zero					-	
34		PDL - Petroleum Development Levy					-	
35		Total Taxes Payable (22 + 32+ 34)					-	
36		Tax paid on normal/ original return (applicable in case of revised return)					-	
37		Balance Tax Payable/ (Refundable) (35 - 36)					-	
38		Bank Account for payment of refund A/C <input style="width:100px;" type="text"/>	Bank <input style="width:100px;" type="text"/>	Branch <input style="width:100px;" type="text"/>				
DECLARATION	I, _____, holder of CNIC No. _____							
	In my capacity as self/member or partner of association of persons/principal/ officer / trustee/ representative of named above, do solemnly declare that to the best of my knowledge and belief the information given in this return is correct and complete in							
		Date	Stamp	Signature				
HEAD OF ACCOUNTS	Head of Account	Amount	For Bank Use	CPR No.		Amount		
	B02341 - Sales Tax	-				-		
	B02366 - Sales Tax on services	-				-		
	B02367 - FED in VAT mode	-				-		
	B02485 - Federal Excise Duty	-				-		
	B03041 - PDL	-				-		
TOTAL AMOUNT PAYABLE		-		Total Amount in Figures		-		
				Amount Received in words: _____				
				Bank Officer's Signatures, Date & Stamp				

SUMMARY OF DOMESTIC PURCHASES

NTN STRN Tax Period
 Name of Registered Person

S. Nr.	Particulars of Suppliers				No. of Invoices/ Debit/ Credit Notes	Value of Purchases Excluding S/Tax	Sales Tax	1% SED	Extra tax (paid under Chapter XIII of ST Sp. Procedures Rules, 2007)
	Name	NTN	STRN	CNIC					
Total (Net after incorporating the Debit/ Credit Notes, if any)						-	-	-	-

CATEGORY WISE SUMMARY:

	Value	Sales Tax
Taxable Goods		
@ 16% (excluding fixed assets)		-
@ 18.5% (excluding fixed assets)		-
@ 21% (excluding fixed assets)		-
Fixed Assets		
Third Schedule Goods		-
Taxable Services purchased (including provincial tax and FED in Sales Tax mode)		
@ 16%		-
@ 21%		-
Others (Pl. specify)		
Zero-rated		
DTRE		
Other local zero-rated		
Exempt domestic purchases/services		
Steel Sector: Tax paid at Rs. 6/KWH on electricity bill	KWH	
CNG Dealers: Natural gas purchased	Tax paid at 25%	

- Notes:**
- 1) Supplier-wise summary should be provided for all taxable (excluding zero-rated) purchases made from registered persons.
 - 2) Supplier-wise summary is not required to be submitted by retailers and CNG dealers and in respect of those purchases on which registered persons operating under special procedures are not entitled to claim input tax credit.
 - 3) 'Others' category also covers purchases made from unregistered persons and should also include purchases for which no separate column is provided.

SUMMARY OF IMPORTS

NTN STRN Tax Period

Name of Registered Person

S. Nr.	Particulars of GD Imports (Machine No.)				Sales Tax Rate	Import Type	Value for Sales Tax	Sales Tax paid at import stage	2% Sales Tax on commercial imports	1% SED
	Collectorate	GD Type	GD No.	GD Date						
Total							-	-	-	-

<u>GD Types</u>	<u>Collectorates</u>	<u>Import Types</u>	<u>Rate/ Type-wise summary</u>	<u>Value</u>	<u>Sales Tax</u>
EB	KAPR		Imports @ 16% (excl. fixed assets)		-
HC	KOIL	General	Imports @ 18.5% (excl. fixed assets)		-
<u>ST Rates</u>	KAFU	Commercial	Imports @ 21% (excl. fixed assets)		-
0%	LDRY	Fixed Assets	Zero Rated		
16%	PDRY	Edible Oil	Imports at other rates		-
18.5%	MDRY	Ship for	Fixed Assets		-
21%	QDRY	breaking	Exempt Imports		
Exempt	(Also see instructions)		Ship for breaking LDT		

Note: If there are if items of different rates and types are imported on a single GD, separate line for each type/ rate may be entered in GD-wise summary

SUMMARY OF DOMESTIC SALES				Annex-C
NTN	<input type="text" value="99999999-9"/>	STRN	<input type="text" value="xx-xx-xxxx-xxx-xx"/>	Tax Period <input type="text" value="MM-YY"/>
Name of Registered Person <input style="width: 100%;" type="text"/>				

S. Nr.	Particulars of buyers				No. of Invoices/ Debit/ Credit Notes	Value of Supplies Excluding S/Tax	Sales Tax	1% SED	Extra tax (charged under Chapter XIII of ST Sp. Procedures Rules, 2007)
	Name	NTN	STRN	CNIC					
	All supplies to unregistered persons								
Total (Net after incorporating the Debit/ Credit Notes, if any)						-	-	-	-

CATEGORY WISE SUMMARY:

	Value	Sales Tax
Taxable Goods & services		
@ 16%		-
@ 18.5%		-
@ 21%		-
@ 25% (Natural Gas supplied to CNG dealers)		-
Third Schedule Goods		-
Taxable Services rendered (including provincial tax and FED in Sales Tax mode)		
@ 16%		-
@ 21%		-
Others (Pl. specify)		-
Zero-rated		
DTRE		
Other local zero-rated		
Exempt supplies/services		
Invoices issued under special procedures	Tax invoiced	

- Notes:**
- 1) The buyer-wise summary should be provided for all taxable sales (excluding zero-rated) to registered persons.
 - 2) The buyer-wise summary is not required to be submitted by retailers and CNG dealers.
 - 3) 'Others' category covers supplies for which no separate column is provided.
 - 4) 'Invoices issued under special procedures' reflect sales tax for which sales tax liability is discharged under special procedures and tax on invoice does not form part of output tax.

STR-7
(Cond:)

Annex-D

SUMMARY OF EXPORTS

NTN STRN Tax Period
 Name of Registered Person

S. Nr.	Particulars of GD Exports (Machine No.)				Value of Exports in Pak Rupees
	Collectorate	GD Type	GD No.	GD Date	
Total					-

Annex-E

FEDERAL EXCISES

NTN STRN xxxxxxxx Name of Taxpayer xxxxxxxxxx Tax Period

		Value/ Quantity	Rate	FED
1	Excisable goods supplied/ services provided (a)			
2	(b)			
3	(c)			
4	(d)			
5	(e)			
6	(f)			
7	Excisable goods exported			
8	Zero-rated supplies			
9	Exempt supplies			
10	(-) FED paid on goods used in manufacturing of Goods supplied for domestic consumption			
11	Payable FED - Add 1 to 9 minus 10 (ignore negative value)			-
12	(-) FED paid on goods used in manufacturing of Goods exported (drawback)			
13	Total FED (11 - 12)			
FED Arrears		FED liability due to late filing		
14	Principal amount		18	Default surcharge
15	Default surcharge		19	Penalty
16	Penalty		20	Surcharges
17	FED (ARR) (Add 14 to 16)	-	21	FED (SUR + PEN) (Add 18 to 21)
22	Net FED Payable / (Net FED Drawback) (13+ 17 + 21)			

INSTRUCTIONS

HOW TO FILL UP THE RETURN

1. These instructions are illustrative only and have no effect upon the provisions of the Sales Tax Act, 1990 or the Federal Excise Act, 2005.
2. This return is required to be filled by all persons registered under the Sales Tax Act, 1990 and the Federal Excise Act, 2005.
3. Instructions relating to different parts of the return are given below, namely:-

Registry

CNIC.

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

Normal/ Revised.

Normal return means the first return filed for any specific tax period. A revised return can be filed under sub-sections (3) and (4) of section 26 of the Sales Tax Act, 1990. While filing the revised return, the taxpayer shall check the relevant box and fill in all the relevant data for the month including the columns which were correctly filled in the normal return.

Monthly/ Quarterly.

All registered persons are required to file return on monthly basis, except retailers, CNG dealers and dealers of specified electric goods operating under special procedures.

Tax Period.

The tax period has to be mentioned in the format "mm yy". For example, July 2008 is to be mentioned as "07|08". The persons filing the quarterly return shall mention the last month of the quarter. For example, in case of quarter July to September 2008, the month of September 2007 should be mentioned as "09|08".

Sales Tax Credits

Col 1. Domestic Purchases (excluding fixed assets).

All purchases should be mentioned here. Gross Value means total value of all purchases including taxable and otherwise. Value of taxable purchases would come under 'Taxable Value'. In case of electronic filing, these fields would be automatically filled based on summary of purchases in Annex A of the return.

Col 2: Imports (excluding fixed assets).

This column would also be filled on the basis of details of imports as provided in Annex B.

Col 3. Capital/ fixed assets to be credited at 1/12th of accumulated amount.

The 'accumulated amount' is the admissible input tax paid on fixed assets during the relevant tax period and previous eleven tax periods. This amount should be divided by 12 to obtain the input tax deductible during the relevant tax period.

Col 4. Inadmissible input tax relating to exempt supplies/ non-taxed services etc.

The input tax which is attributed to exempt supplies or to non-taxable services is to be mentioned here. Any other input tax which is not admissible as credit is also to be included. If any part of input tax relates to both taxable and exempt supplies or services, inadmissible input tax is to be calculated in accordance with Chapter IV of these rules.

Col 6. Previous month credit brought forward.

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

Col 7. Accumulated Credit.

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

Sales Tax Debits

Col 8. Supplies Made & Services Rendered.

Value of sales and services shall be based on entries made in Annex C. It may be noted that the services chargeable to sales tax under provincial ordinances and the services subject to FED in VAT mode are to be included in the said Annex. For example courier services and domestic air travel services etc.

Col 10. Extra Tax.

The manufacturers and importers charging extra tax under Chapter XIII of the Sales Tax Special Procedures Rules, 2007, or otherwise, shall mention the same in Annex C and the total figure shall appear against this column.

Col 12. Retail Turnover - for the Quarter.

The registered persons operating retail outlets are required to pay sales tax on total turnover of such retail outlets. The retailers shall discharge their liability through quarterly return as per formula given in Chapter II of the Sales Tax Special Procedures Rules, 2007. However, for the purpose of exemption the turnover of last twelve months as specified in Sixth Schedule to the Act shall be relevant.

Col 13. Electricity supplied to steel sector.

The electricity distribution companies shall mention the units supplied to steel sector as covered under the Sales Tax Special Procedures Rules, 2007, on which sales tax is payable at the rate of Rs. 6.00 per unit.

Col 16. Less: Sales Tax deducted by withholding agent @ 1/5th of tax invoiced.

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

Col 18. Sales Tax withheld by the return filer (STWH).

If a registered person is also withholding sales tax under the Sales Tax Special Procedure (Withholding) Rules, 2007, he shall mention the tax deducted during the tax period from the amounts payable to suppliers.

Col 19. Sales Tax Arrears.

Outstanding sales tax arrears can be deposited against this column.

Col 20. Whether excluded from Section 8B(1), under SRO 647(I)/2007.

The registered person should say yes, if they fall in any of the categories specified in above said notification. The formula given in next column shall determine admissible credit based on the reply in this column.

Col 23. Excess Unadjusted Credit.

This is the excess of input tax which is available either for carry forward or for claiming refund under rules. This is worked out with the help of formulae provided.

Col 24. Refund claim.

The persons making zero-rating supplies can claim refund of excess input tax relating to inputs actually consumed in zero-rated supplies. The balance excess can be carried forward. Persons making supplies other than zero-rated can claim refund of excess input tax in the manner as provided in Chapter V of these rules.

Col 27. Goods chargeable to Special Excise Duty.

Information in respect of SED under S.R.O. 655(I)/2007 is to be provided in Annex C and the same shall also appear in this column.

Col 28. SED on inputs used in manufacturing of Goods supplied for domestic consumption.

SED on inputs used in goods supplied during the tax period is to be given here. It is to be noted that SED paid on inputs which are still in inventory, as raw materials or as finished goods, cannot be adjusted here. Such SED amounts can be carried forward in the accounts of the registered person and adjusted when relevant goods are supplied.

Col 36. Tax paid on normal/ original return.

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

Col 37. Balance Tax Payable / Refundable.

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

Declaration.

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

Head of Accounts.

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

Annex-A and Annex C:-

Purchase and Sale Summaries.

The supplier/ buyer wise summaries are required in respect of all taxable items other than zero-rated, in relation to transactions with registered persons. In case of sales, sales to unregistered persons, the totals may be mentioned in the last row. Previous exceptions provided under S.R.O. 559(I)/2006 or any other circular or letter are not valid for these summaries.

Annex-B and Annex D:-

Import and Export Summaries.

The Collectorate codes for various customs stations are given below:

Sr. No.	Customs Station	Import Code	Export Code
1	Appraisement Collectorate, Karachi	KAPR	—
2	Lahore Dry Port	LDRY	LEXP
3	Lahore Air Freight Unit	LAFU	LAFE
4	Karachi Air Freight Unit	KAFU	KAFE
5	Karachi Oil Section	KOIL	—
6	Sialkot Dryport	SDRY	SEXP
7	Faisalabad Dry Port	FDRY	FEXP
8	Rawalpindi Dry Port	RDRY	—
9	Hyderabad Dry Port	HDRY	HEXP

10	Peshawar Dry Port	PDRY	PEXP
11	Multan Collectorate/ Dry Port	MDRY	MEXP
12	Gujranwala Dry Port	GDRY	—
13	Port Qasim Karachi	KPQI	KPQE
14	Quetta Dry Port	QDRY	QEXP
15	Karachi Export Processing Zone	KEPZ	—
16	Railways (Karachi)	KRLY	—
17	Lahore Thoker Niaz Baig	LTNB	LTEX
18	Islamabad Airport Freight Unit	IAFU	—
19	Peshawar Airport	PAFU	PAFE
20	Peshawar Torkham	PTOR	PTRE
21	Rawalpindin Air Freight Unit	RAFU	RAFE
22	Sust Dry Port	SUST	SUSE
23	Chaman Dry Port	QCHM	QCHE
24	Karachi Air Frieght Unit (ICG)	KAFI	—
25	Export Processing Zone Karachi	KEPI	—
26	Islamabad Dry Port Import	IDRY	IDRE
27	Faisalabad Air Freight Unit	FAFU	FAFE
28	Lahore Air Freight Sialkot	LAFS	—
29	Sialkot EPZ Imports	SIPZ	SEPZ
30	Multan Air Freight Unit	MAFU	MAFE
31	Quetta Railway Station	QRLY	QRLE
32	Quetta Air Port Unit	QAFU	QAFE
33	Model Custom Collectorate Karachi	KMCC	—
34	Sialkot Air Freight Unit	SAFU	—
35	Karachi Export Collectorate	—	KEXP

Annex E Federal Excise Duty.

Col 1 to 6. Excisable goods supplied/ services provided.

Space has been provided for six excisable goods/ services to cater to situations where a person is supplying or providing more than one good or service. Following nomenclature should be adhered to while specifying the goods, namely:-

- 1 Concentrates for aerated beverages
- 2 Aerated waters
- 3 Aerated waters with sweetener etc.
- 4 Aerated waters made from pulp/juice etc.
- 5 Unmanufactured tobacco.
- 6 Cigars, cheroots, cigarillos and cigarettes
- 7 Cement
- 8 Clinker
- 9 Solvent oil (non-composite)
- 10 Other petroleum oils
- 11 Other fuel oils
- 12 Lubricating oils
- 13 Lubricating oil in bulk

14	Lubricating oil if manufactured from reclaimed oils
15	Mineral greases
16	Base lube oil
17	Transformer oil
18	Other mineral oils
19	Waste oil
20	Petroleum gases in liquefied state
21	Natural gas in gaseous state and other petroleum gases
22	Carbon black oil etc
23	Methyl tertiary butyl ether (MBTE)
24	Flavours and concentrates
25	Perfumes and toilet waters:
26	Beauty or make-up preparations etc.
27	Preparations for hair
28	Pre-shave, shaving or after-shave preparations etc.
29	Greases
30	Organic composite solvents and thinners
31	Other solvents excluding thinners
32	Motor cars and other motor vehicles
33	Facilities for International air travel
34	Insurance Services
35	Non-fund banking services
36	Franchise services
37	Services of development of land into plots
38	Services of construction of residential or commercial units

Col 9. Exempt supplies.

All supplies of exempt excisable goods as in the Third Schedule to the Federal Excise Act, 2005, or under any notification issued thereunder should be mentioned here.

Col 10. FED paid on goods used in manufacturing of Goods supplied for domestic consumption.

FED on inputs used in goods supplied during the tax period is to be given here. It is to be noted that FED paid on inputs which are still in inventory, as raw materials or as finished goods, cannot be adjusted here. Such FED amounts can be carried forward in the accounts of the registered person and adjusted when relevant goods are supplied. The FED amount mentioned in this column has to be less than excise duty payable on finished goods supplied. It would be greater only in case where the rate of excise duty on inputs is higher. In such cases no refund of higher duty on inputs is admissible.”.

[C. No. 3(7)ST-L&P/08]

Abdul Hameed Memon
Secretary (ST-L&P)