

GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,
STATISTICS AND REVENUE
(REVENUE DIVISION)

Islamabad, the 6th February, 2008

NOTIFICATION
(SALES TAX)

S.R.O. 115(I)/2008.— In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 read with sub-section (1) of section 71 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt, for a period of forty years, the whole of sales tax chargeable on the imports and supply of materials and equipments for construction and operation of Gawadar Port and development of Free Zone for Gawadar Port and Ship Bunker Oils bought and sold to the ships calling on/visiting Gawadar Port by the operating companies having concession agreement with the Gawadar Port Authority subject to the following conditions and procedure, namely,—

A. **Conditions and procedure for imports.**— (i) This exemption shall be admissible only to these companies which hold the Concession Agreement;

(ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are bonafide requirement for construction and operation of Gawadar Port and development of Free Zone for Gawadar Port. The authorized officer of that Ministry shall furnish all relevant information online to Pakistan Customs Computerized System (PACCS) against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In already computerized Collectorate or Customs station, where the PACCS is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Customs Computerized System on daily basis,

- whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis, provided that this condition shall not apply to ship bunker oils; and
- (iii) The goods so imported shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the time of import, provided that this condition shall not apply to ship bunker oils.

B. Conditions and procedure for local supply.— (i) This exemption shall be admissible only to these companies which hold Concession Agreement;

- (ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the materials and equipments for the construction of Gawadar Port and development of Free Zone for Gawadar Port from the sales tax registered persons only;
- (iii) invoice of the exempt supply, containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the registered person to the operating company mentioning thereon that the said invoice is being issued under this notification;
- (iv) a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the registered persons making the exempt supplies and shall be signed by the authorized person of the registered person. All three copies of the said signed monthly statement shall be got verified by the registered person from the person authorized to receive the supplies in the office of operating company, confirming that supplies mentioned in the monthly statement have been duly received;
- (v) after verification from the operating company, original copy of the monthly statement will be retained by the registered person, duplicate by the operating company and the triplicate provided by the registered person to the Collector of Sales Tax having jurisdiction, by twentieth day of the month following the month in which exempt supplies to the operating companies were made; and
- (vi) the registered person making the exempt supplies shall keep the aforesaid record for presentation to the sales tax department as and when required to do so.

Annex-I

Header Information											
NTN/FTN of Importer (1)							Approval No. (2)				
Details of materials and equipments (to be filled in by the authorized officer of the Ministry of Ports and Shipping)							Goods imported (Collectorate of import)				
HS code	Description	Specs	Customs duty rate (applicable)	Rate of sales tax	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN/Mach No.	Date of CRN/Mach No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

NOTE¹:- Before certifying, the authorized officer of the Ministry of Ports and Shipping shall ensure that the goods are genuine, *bona fide* requirement for construction and operation of Gawadar Port and development of Free Zone for Gawadar Port and that the same are not manufactured locally.

Signature _____

Designation _____

NOTE²:- In case of clearance through Pakistan Customs Computerized System (PACCS), the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969 (IV of 1969)

[C. No. 3/46-STB/99]

(Mehmood Alam)
Additional Secretary