

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

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Islamabad, the 24<sup>th</sup> March, 2008

**NOTIFICATION  
(SALES TAX)**

**S.R.O. 307(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 the preamble, —

- (a) after the figure “8”, the comma, words, brackets, figures and letters “, clause (ii) of sub-section (2) of section 8B” shall be inserted; and
- (c) for the word “Central”, the word “Federal” shall be substituted;

(2) in rule 14, for sub-rule (3), the following shall be substituted, namely:—

“(3) Where a registered person operates in different sectors for which different dates of filing of return have been prescribed in any rules made under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, such person shall file a single return for all such sectors by the due date applicable to his major activity in terms of sales tax or federal excise duty payable.”;

(3) in rule 26,—

(a) for clause (c), the following shall be substituted, namely:—

“(c) registered persons claiming refund of the excess amount of input tax as referred to in sub-section (2) of section 8B and first proviso to section 10 of the Act.”;

(b) in clause (d), the word “and”, at the end, shall be omitted; and

(c) in clause (e), for the full stop, at the end, a semicolon and word “; and” shall be substituted and thereafter the following new clause shall be added, namely:—

“(f) diplomats, diplomatic missions and privileged persons and organizations who purchase goods or services on payment of tax and are otherwise entitled to receive zero-rated supply as provided under Chapter X of these rules.”;

(4) in rule 28, in sub-rule (1), in the second proviso, for the full stop, at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:—

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

(5) in rule 29, in sub-rule (4), for the letters “RRAS”, the letters “CREST” shall be substituted;

(6) for rule 34, the following shall be substituted, namely:—

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

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

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

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

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

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

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

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

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

(i) name and registration number of the claimant;

(ii) period of claim;

(iii) amount of claim; and

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

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

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

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

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

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

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

(7) in rule 38, after sub-rule (4), the following new sub-rule shall be added, namely:—

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

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[C. No. 2(1)/ST-L&P/2000(Pt-III)]

Abdul Hameed Memon  
Secretary (ST&FE-L&P)