

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

Islamabad, the 11th June, 2008

NOTIFICATION
(SALES TAX)

S.R.O. 542(I)/2008.— In exercise of the powers conferred by sub-section (6) of section 3, clause (b) of sub-section (1) of section 8, clause (a) of sub-section (2) of section 13 and section 71 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt sales tax on the import or, as the case may be, on the supply of cellular telephone sets (hand-held sets) to the extent that the effect of sales tax shall be five hundred rupees per such set, hereinafter called the said amount, subject to the following conditions, namely:—

- (i) no sales tax shall be collected on such cellular telephone sets at the time of import or, as the case may be, at the time of supply, but the said amount will be charged, collected and paid by the cellular company operator at the time the sets are presented to the cellular company operator for activation or energization;
- (ii) the cellular company operator shall, if not already registered, obtain registration under the Sales Tax Act, 1990;
- (iii) no cellular telephone set shall be activated or energized by the cellular company operator without charging and collecting the said amount;
- (iv) the said amount shall also be charged, collected and paid on every new activation or energization done by the cellular company operator;
- (v) the liability to charge, collect and pay the said amount shall be on the cellular company operator who shall deposit same through a monthly tax

return in terms of section 26 of the Sales Tax Act, 1990, and rules made thereunder;

- (vi) the cellular company operator shall maintain proper records, whether in electronic form or otherwise, of all the sets energized or activated after payment of the aforesaid amount for a period of three years, and such records shall be produced for inspection, audit or verification as and when required by an officer authorized by the Collector of Sales Tax; and
- (vii) no adjustment of input tax shall be admissible to the cellular company operator or the buyer against the amount chargeable and payable under this notification.

Explanation 1.– For the purposes of this notification, a cellular telephone set (hand set) includes one battery and a battery charger identifiable for use in connection with such mobile telephone set; provided that the amount payable under this notification shall not be effected on the ground that such battery or battery charger has not been presented or is not accompanied with such telephone set at the time of activation or energization.

Explanation 2.– For the purpose of condition (v), the expression “new activation or energization” means a new connection or number given by the cellular company operator but does not include a change in number given to a customer due to change in package or his location in Pakistan.

[C. No. 5/1-STB/2008]

(Abdul Wadood Khan)
Additional Secretary