

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

\*\*\*

Islamabad, the 23<sup>rd</sup> January, 2008.

**NOTIFICATION**  
**(SALES TAX)**

**S.R.O. 77(I)/2008.**— In exercise of the powers conferred by sub-section (6) and sub-section (7) of section 3 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 the Sales Tax Special Procedure (Withholding) Rules, 2007, namely:—

In the aforesaid Rules,—

(1) In rule 1, after sub-rule (2), the following Explanation shall be added, namely: —

“Explanation.— “withholding agent” includes the accounting office which is responsible for making payment against the purchases made by a government department.”;

(2). In rule 2, —

(a) in sub-rule (3), for the comma, occurring for the third time, the word “if” shall be substituted;

(b) for sub-rules (4), (5), (6) and (7), the following shall be substituted, namely:—

“(4) Where the purchases are made by a government department, the following procedure shall be observed, namely:—

(a) the Drawing and Disbursing Officer (DDO) preparing the bill for the accounting office shall indicate the amount of sales tax withheld as prescribed above. The accounting office shall adopt the procedure as indicated below:

(i) in case of purchases made by a department under the Federal Government, the office of the Accountant General of Pakistan Revenue shall account for the amount deducted at source during a month under the Head of Account "B02341-Sales Tax" and send an intimation to the Member (Sales Tax), Federal Board of Revenue, by the 15<sup>th</sup> of the following month;

(ii) in case of purchases by departments under provincial or district governments, the Accountant General of the province or the District Accounts Officer, as the case may be, shall credit the amount deducted at source during a month to the head of account "G12777-Sales Tax Deductions at Source under Sales Tax Special Procedure (Withholding) Rules, 2007". Cheque for the amount will be prepared by the Accountant General or the District Accounts Officer, as the case may be, in the name of Collector having jurisdiction by debit to the aforesaid head of account and sent to the Collector by the 15<sup>th</sup> of the following month; and

(iii) where the purchases are made by the departments falling in purview of Military Accountant General, the MAG shall account for the amount deducted at source during a month under the Head of

Account "B02341-Sales Tax" and send intimation to the Member (Sales Tax), Federal Board of Revenue, by the 15th of the following month. The amount so deducted at source shall be reported by MAG office to AGPR through civil exchange accounts; and

(b) the concerned Drawing and Disbursement Officer shall prepare the return in the form as in the Annexure to these rules for each month and forward the same to the Collector having jurisdiction by the 15<sup>th</sup> of the following month.

(5) In case of purchases, not covered by sub-rule (4) above, the sales tax deducted at source shall be deposited by the withholding agent in the designated branch of National Bank of Pakistan under Head of Account "B02341-Sales Tax" on sales tax return-cum-payment challan in the form set out at Annexure to these rules, by 15th of the month following the month during which payment has been made to the supplier. The return-cum-payment challan shall be prepared and deposited with the bank in triplicate and the bank shall send the original to the Collectorate of Sales Tax having jurisdiction, return the duplicate to the depositor and retain the triplicate for its own record:

Provided that a single return-cum-challan can be filed in respect of all purchases for which the payment has been made in a month.

(6) In case the withholding agent, is also registered under the Sales Tax Act, 1990, with respect to the taxable supplies provided or services rendered by him, he shall deposit the withheld amount of sales tax in the manner as provided under Chapter II of the Sales Tax Rules, 2006, along with other sales tax liability and

the Annexure to these rules shall also be filed electronically in the manner as specified under aforesaid Chapter:

Provided that in case the withholding agent is not registered for sales tax but holds a national tax number assigned under the Income Ordinance, 2001, he shall also file the return prescribed in these rules electronically and deposit the amount deducted at source in the manner as provided for persons filing returns electronically under rule 18 of the Sales Tax Rules, 2006:

Provided further that any other withholding agent may also opt to file the prescribed return electronically and deposit the deducted amount in the manner as provided in this sub-rule.

(7) The withholding agent shall furnish to the Collector of Sales Tax having jurisdiction all such information or data as may be requested by him for carrying out the purposes of these rules.

(8) A certificate showing deduction of sales tax shall be issued to the supplier by the withholding agent duly specifying the name and registration number of supplier, description of goods and the amount of sales tax deducted.” ;

(3). in rule 3, for the word “supplier”, occurring thrice, the words “registered supplier” shall be substituted; and

(4). for rule 5, the following shall be substituted, namely: –

**“5. Exclusions.–** The provisions of these rules shall not apply to the supplies of the following goods and services if made by a registered person, namely:–

- (i) Electrical energy;
- (ii) Natural gas;

- (iii) Petroleum products as supplied by petroleum production and exploration companies, oil refineries and oil marketing companies;
- (iv) mild steel products;
- (v) products made from sheets of iron or non-steel alloy, stainless steel or other alloy steel, such as pipes, almirahs, trunks etc.
- (vi) paper, in rolls or sheets;
- (vii) plastic products including pipes;
- (viii) vegetable ghee and cooking oil; and
- (ix) telecommunication services.”.

---

**[No. 3(10)ST-L&P/07]**

(Mehmood Alam)  
Additional Secretary