

**PROVINCIAL ASSEMBLY OF SINDH  
NOTIFICATION  
KARACHI, THE 16<sup>TH</sup> JULY, 2013.**

**NO.PAS/Legis-B-02/2013-** The Sindh Finance Bill, 2013 having been passed by the Provincial Assembly of Sindh on 29<sup>th</sup> June, 2013 and assented to by the Governor of Sindh on 11<sup>th</sup> July, 2013 is hereby published as an Act of the Legislature of Sindh.

**THE SINDH FINANCE ACT, 2013.**

**SINDH ACT NO. XLI OF 2013.**

**AN  
ACT**

to rationalize, levy and enhance certain taxes, duties and cess and amend certain laws in the Province of Sindh.

**WHEREAS** it is expedient to rationalize, levy and enhance certain taxes, duties and cess and amend certain laws in the Province of Sindh, in the manner hereinafter appearing;

It is hereby enacted as follows :-

1. (1) This Act may be called the Sindh Finance Act, 2013. **Short title and commencement.**  
(2) It shall come into force on and from 1<sup>st</sup> day of July, 2013.
2. In the Sindh Urban Immovable Property Tax Act, 1958, in section 3, in sub-section (2), for the words "twenty percent", the words "twenty five percent" shall be substituted. **Amendment in Sindh Urban Immovable Property Tax Act 1958.**
3. In the Sindh Finance Act, 1977, section 8 shall be omitted. **Amendment of Sindh Act No. VII of 1977.**
4. In the Sindh Finance Act, 1994, for the existing Schedule, the following shall be substituted:- **Amendment in the Sindh Finance Act 1994.**

**SCHEDULE  
(See section 9)**

<b>Net weight of goods</b>	<b>Rate of cess along with distance</b>
Upto 1250 kilograms	0.90% of total value of goods as assessed by the Custom Authorities plus one paisa per kilometer.
Exceeding 1250 kilograms but not exceeding 2030 kilograms.	0.91% of total value of goods as assessed by the Customs Authorities plus one paisa per kilometer.
Exceeding 2030 kilograms but	0.92% of total value of goods as assessed by

not exceeding 4060 kilograms.	the Customs Authorities plus one paisa per kilometer.
Exceeding 4060 kilograms but not exceeding 8120 kilograms.	0.93% of total value of goods as assessed by the Customs Authorities plus one paisa per kilometer.
Exceeding 8120 kilograms but not exceeding 16000 kilograms	0.94% of total value of goods as assessed by the Customs Authorities plus one paisa per kilometer.
Exceeding 16000 kilograms.	0.95% of total value of goods as assessed by the Customs Authorities plus one paisa per kilometer.

**Explanation:** For the purpose of the Schedule, the “value” means the total value of goods as assessed by the Customs Authorities upon entering in and using the infrastructure of the Province and the “distance” means the distance covered within the Province.

5. In the Sindh Sales Tax on Services Act, 2011 -

**Amendment of Sindh Act No. XII of 2011.**

(i) in the Preamble, after the word “received”, the commas and words “, originated, executed” shall be inserted;

(ii) for section 2, the following shall be substituted, namely:-

**“2. Definitions.** In this Act, unless there is anything repugnant in the subject or context -

**(1) “accountant”** means -

- (i) a chartered accountant as defined in the Chartered Accountants Ordinance, 1961 (Ordinance No. X of 1961), and includes the Associate and Fellow members thereof;
- (ii) a cost and management accountant as defined in the Cost and Management Accountants Act, 1966 (Act No. XIV of 1966), and includes the Associate and Fellow members thereof;
- (iii) a firm or an association of chartered accountants or cost and management accounts; and
- (iv) other accountants or association of accountants notified in this behalf by the Board;

**(2) “advertisement”** includes a notice, circular, label, wrapper, document, banner, hoarding, billboard, or any other audio or visual representation made or displayed by any means including print media, electronic media, telecommunication media, light, paint, colouration, sound, smoke or gas, or otherwise;

**(3) “advertising agent”** means a person engaged in providing any

service connected with the making, preparation, display, demonstration or exhibition of advertisement in any manner and includes an advertising agency or media agent or advertising or media consultant, by whatever name called;

(4) **“agent”**, means a person who is authorized to act on behalf of another person (called ‘the principal’) to create a legal relationship with a third party, and includes a person specified as an agent under section 67;

(5) **“airport ground service provider”** and **“airport service provider”** mean and include any service provider, operator and airline providing or rendering ground or ramp services, including passenger and cargo handling services, to other airlines or to aircraft operators of scheduled or non-scheduled flights, and also include the handling agents authorized by the Civil Aviation Authority or other airport operators;

(6) **“aircraft operator”** means and includes any person who provides the services of transportation or carriage of passengers, goods, cargo, baggage or mail by aircraft;

(7) **“airport operator”** means and includes the Civil Aviation Authority and any other authority or organization or office managing or operating a customs airport, as notified under section 9 of the Customs Act, 1969 (Act No. IV of 1969);

(8) **“Appellate Tribunal”** means the Appellate Tribunal of the Sindh Revenue Board established under section 60;

(9) **“architect”** means and includes an architect or a town planner as defined in section 2 of the Pakistan Council of Architects and Town Planners Ordinance, 1983 (Ordinance IX of 1983), and also includes an association of persons or a commercial concern engaged in any manner, whether directly or indirectly, in the field of architecture or town planning;

(10) **“arrears”**, in relation to a person, means the tax due and payable by the person on a day under this Act, which has not been paid by that day in the prescribed manner;

(11) **“Assistant Commissioner”** means a person appointed as an Assistant Commissioner of the Sindh Revenue Board under section 34;

(12) **“associates”** or **“associated persons”** refers to –

- (i) two persons, where the relationship between them is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;

Provided that two persons shall not be associates solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;

- (ii) without prejudice to the generality of paragraph (i) and subject to paragraph (iii) of this clause, the following persons shall always be treated as associates, namely: –
- (a) an individual and a relative of that individual;
  - (b) members of an association of persons;
  - (c) a member of an association of persons and the association, where the member, either alone or together with an associate or associates under another application of this clause, controls fifty per cent or more of the rights to income or capital of the association;
  - (d) a shareholder in a company and the company, where the shareholder, either alone or together with an associate or associates under another application of this clause, controls either directly or through one or more interposed persons–
    - (i) fifty per cent or more of the voting power in the company;
    - (ii) fifty per cent or more of the rights to dividends; or
    - (iii) fifty per cent or more of the rights to capital; and
  - (e) two companies, where a person, either alone or together with an associate or associates under another application of this clause, controls either directly or through one or more interposed persons –
    - (i) fifty per cent or more of the voting power in both companies;
    - (ii) fifty per cent or more of the rights to dividends in both companies; or
    - (iii) fifty per cent or more of the rights to capital in both companies; and
- (iii) two persons shall not be associates under sub-paragraphs (a) or (b) of paragraph (ii) of this clause where the Commissioner SRB is satisfied that neither person may reasonably be expected to act in accordance with the intentions of the other;

**Explanation:** The expression “relative” in relation to an individual, means –

- (a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the individual, or of a spouse of the individual; or
- (b) a spouse of the individual or of any person specified at

(a) this explanation.

**(13) “association of persons”** includes a firm, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company;

**(14) “authorized service station”** means a service station or service center, authorized by a motor vehicle manufacturer, whether local or foreign, to carry out any service or repair or reconditioning or restoration or decoration of motor vehicles, classified under Chapter 87 of the Customs Act, 1969 (Act No. IV of 1969), manufactured by such manufacturer;

**Explanation:** The services by authorized service stations include -

- (1) the services provided during the warranty period as well as after the expiry of the warranty period;
- (2) the services provided even for the vehicles and machinery not manufactured by the manufacturer appointing or authorizing such service station; and
- (3) the services provided against charges billed by way of reimbursement, whether from the manufacturer or insurance companies or leasing companies or other such persons;

**(15)“automated teller machine”** means an interactive automatic machine, whether owned or outsourced by banks and other financial institutions, designed to dispense cash, accept deposit of cash, transfer money between bank accounts and facilitate other financial transactions including payments of bills;

**(16)“automated teller machine operations, maintenance, and management”** means a service provided in relation to automated teller machines and includes site selection, contracting of location, acquisition, financing, installation, certification, connection, maintenance, transaction processing, cash forecasting, replenishment, reconciliation and value added services;

**(17) “beauty parlour” or “beauty clinic”** means a person or an establishment providing beauty treatment services including hair cutting, hair dyeing, hair dressing, face care, face treatment, cosmetic treatment, manicure, pedicure, make-up including bridal make-up, and counseling services on beauty care, face care or make-up or other such identical or similar services;

**(18) “Board”** means the Sindh Revenue Board established under section 3 of the Sindh Revenue Board Act, 2010 (Sindh Act No. XI of 2010);

**(19) “business support service”** means services provided in relation to business or commerce and includes evaluation of prospective buyers, telemarketing, call centre facilities, accounting and processing of transactions, processing of purchase orders and fulfillment services, information and tracking of delivery schedules, managing distribution and logistics, customer relationship management services, operational assistance for marketing, formulation of customer service and pricing

policies, infrastructural support services and other transaction processing.

**Explanation.**– For the purposes of this clause, the expression “infrastructural support services” includes providing office alongwith utilities, lounge, reception with personnel to handle messages, secretarial services, telecommunication facilities, pantry and security;

**(20) “cable TV operator”** includes local loop holder and means a person who owns, controls, manages or runs any cable television system and is engaged in reception of broadcast pre-recorded or live signals from different channels for distribution to subscribers through a set of closed transmission path or wireless, and is liable to license as a cable TV operator under the Pakistan Electronic Media Regulatory Authority Ordinance, 2002 (Ordinance No. XIII of 2002);

**(21) “caterer”**, by whatever name called, means a person who in ordinary course of business and in relation to events, functions, ceremonies, parties, get-together, occasions, etc., provides or supplies, either directly or indirectly, various services including food, edible preparations, beverages, entertainment, furniture or fixture, crockery or cutlery, pandal or shamiana, ornamental or decorative accessories or lighting for illumination;

**(22) “club”** includes a membership club and a proprietary club and means a person, a body of persons, an establishment, an organization or a place, the membership of which is restricted to a particular class of people or which is run on the basis of mutuality or otherwise and provides various services, facilities, utilities or advantages for an amount of fee, consideration, subscription or charges, including those for initial membership, whether or not it provides food or drinks or has any arrangement for boarding or lodging or games;

**(23) “Commissioner”** means a person appointed as a Commissioner of the Sindh Revenue Board under section 34;

**(24) “Commissioner (Appeals)”** means a person appointed as a Commissioner (Appeals) of the Sindh Revenue Board under section 34;

**(25) “Commissionarte”** means the office of the Commissioner or the Commissioner (Appeals) having jurisdiction specified under this Act and the rules made thereunder;

**(26) “common taxpayer identification number”** means the registration number or any other number or identification number allocated to a person for the purposes of this Act;

**(27) “commodity broker”** means a broker as defined in clause (b) of sub-rule (1) of rule 2 of the Commodity Exchange and Future Contracts Rules, 2005, made under section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969);

**(28) “company”** means -

- (a) a company as defined in the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984);

- (b) a banking company and foreign banking company as defined in the Banking Companies Ordinance, 1962 (Ordinance No. LVII of 1962), and includes any body corporate which transacts the business of banking in Pakistan;
- (c) a non-banking finance company (NBFC) and the notified entities as specified in section 282A of the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984), read with the Non-Banking Finance Company (Establishment and Regulation) Rules, 2003;
- (d) a body corporate formed by or under any law in force in Pakistan;
- (e) a modaraba company as defined in the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (Ordinance No. XXXI of 1980);
- (f) a financial institution as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (Ordinance No. XLVI OF 2001), including a microfinance institution licensed under the Microfinance Institutions Ordinance, 2001 (Ordinance No. LV of 2001) and a Islamic financial institution;
- (g) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;
- (h) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law for the time being in force; or
- (i) a foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of this Act.

**(29) “computerized system”** means any comprehensive information technology system used by the Board or any other office as may be notified by the Board, for carrying out the purposes of this Act;

**(30) “courier services”** includes the services provided or rendered by any person engaged in the transportation, carriage or delivery of time-sensitive documents, goods or articles, whether or not utilizing the services of a person, directly or indirectly, to collect, carry or deliver such documents, goods or articles;

**(31) “customs agent”** means a person licensed under section 207 of the Customs Act, 1969, and the rules made thereunder;

**(32) “default surcharge”** means the default surcharge levied under section 44;

**(33) “defaulter”** means a person or an association of persons and includes every member of such association, every director of such company and every partner of such firm and further includes guarantors

or successors thereof, who fail to pay the arrears;

(34) **“Deputy Commissioner”** means a person appointed as a Deputy Commissioner of the Sindh Revenue Board under section 34;

(35) **“document”** includes, but is not limited to, any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium or mode for the storage of such data;

(36) **“due date”**, in relation to the furnishing of a return or a statement or for payment of tax under the Act, means the 15th day of the month following the end of the tax period to which it relates, or such other date as the Board may, by notification in the official Gazette, specify;

(37) **“economic activity”** shall have the meaning given in section 4;

(38) **“e-intermediary”** means a person appointed as electronic-intermediary under section 71;

(39) **“event management services”** means a service provided in relation to planning, promotion, organizing or presentation of any arts, business, sports, marital functions, social functions or any other function or event, and includes any consultation or any ancillary service such as catering, decoration, photography, videography, sound recording, lighting & illumination, DJ, valet parking, etc., provided in this regard;

(40) **“exempt service”** means a service which is exempt from tax under section 10;

(41) **“exhibition service”** means the service provided or rendered in relation to an exhibition held -

- (a) to market; or
- (b) to promote; or
- (c) to advertise; or
- (d) to showcase,

any product, goods or services intended for the growth in the business of the manufacturer, producer, importer, supplier, distributor or provider of such product, goods or services;

(42) **“FBR”** means the Federal Board of Revenue established under the Federal Board of Revenue Act, 2007 (Act No. IV 2007);

(43) **“financial year”** means a year commencing on the first day of July and ending on the thirtieth day of June in the following year;

(44) **“firm”** means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;

(45) **“foreign exchange dealer”** includes an exchange company or a foreign exchange company or a money changer authorized or licensed by

the State Bank of Pakistan;

**(46) “franchise”** means an authority given by a franchiser, including an associate of the franchiser, under which the franchisee is contractually or otherwise granted any right to produce, manufacture, distribute sell or trade or otherwise deal in or do any other business activity in respect of goods or to provide services or to undertake any process identified with the franchiser against a consideration or fee, including technical fee, management fee, or royalty or such other fee or charges, irrespective of the fact whether or not a trademark, service mark, trade name, logo, brand name or any such representation or symbol, as the case may be, is involved:

**(47) “freight forwarding agent”** means a person who provides or renders or makes arrangement for his principals or client, the services, for fee or charges or commission or remuneration, for some or all of the services being provided by the shipping agents, clearing agents, stevedores, ship chandlers, port operators, terminal operators, surveyors, persons providing ship management services, warehousing services or container provision services or cover or guarantee in respect of imports or exports of goods, independently or in partnership or in arrangement with any such service provider or renderer;

**(48) “goods”** includes every kind of movable property other than actionable claims, money, stocks, shares and securities and does not include a service or services described under this Act;

**(49) “Government”** means the Government of Sindh;

**(50) “healthcare center, gyms or physical fitness center, etc.”** includes a health club, gymnasium, reducing or slimming salon or clinic, or an establishment providing the facilities, utilities or advantages of sauna or steam bath, Turkish bath, solarium, spas, yoga, meditation, massage (excluding therapeutic massage under medical prescription or advice) or such other services;

**(51) “hotel”** includes motels and guesthouses and means a person, establishment, organization or place, by whatever name called, where rooms or suites are let out on rent, whether or not it has any arrangement for catering or function halls as a part of the hotel or provides any other services, facilities or utilities, but does not include a home or hostel which is exclusively used for the aged or invalid persons or students and is run by or under the control of such a charitable or educational institution as are exempt from the application of the Income Tax Ordinance, 2001 (Ordinance No. XLIX of 2001);

**(52) “input tax”**, in relation to a registered person, means, -

- (a) tax levied under this Act on the services received by the person;
- (b) tax levied under the Sales Tax Act, 1990, on the goods imported by the person;
- (c) tax levied under the Sales Tax Act, 1990, on the goods or

services received by the person; and

- (d) Provincial sales tax or Islamabad Capital Territory sales tax levied on the services received by the person:

Provided that the Board may, by notification in the official Gazette, specify that any or all of the aforesaid tax shall not be treated as input tax for the purposes of this Act subject to such conditions and limitations as the Board may specify in the notification;

**(53) “insurance”** has the same meaning as defined in clause (xxvii) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

**(54) “insurer”** means a person as defined in clause (xxxi) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

**(55) “inter-bank rate”** means the Karachi Inter-Bank Offered Rate (KIBOR) prevalent on the first day of each quarter of the financial year;

**(56) “legal practitioners and consultants”**, by whatever name called, means a legal practitioner as defined in section 2 of the Legal Practitioners and Bar Councils Act, 1973 (Act No. XXXV of 1973), and includes a person engaged in providing of services in relation to advice, consultancy or assistance in any branch of law or providing representational services before any court, tribunal or other such judicial or quasi-judicial authority;

**(57) “management consultant”** means a person engaged, either directly or indirectly, in providing of services in connection with the management of any business, organization or institution in any manner and includes a person who renders advice, consultancy or technical assistance relating to conceptualizing, devising, development, modification, rectification, or upgradation of any working system of such business, organization or institution;

**(58) “market research agency”** means a person engaged, directly or indirectly, in providing of services relating to the study or survey, or both, of any situation in the market for any purpose other than personal, academic or educational requirements;

**(59) “marriage hall and lawn”**, by whatever name called, includes a hall or lawn or a banquet hall or a function hall or an exhibition hall or lawn, or any building, place, premises or marquee where parties, receptions, events or functions, more particularly relating to matrimonial ceremonies, are held, whether or not it has its own arrangement of event management or provision of food, beverages, crockeries, cutleries, furniture, fixtures, etc.;

**(60) “officer of the SRB”** means an officer of the Sindh Revenue Board appointed under section 34;

**(61) “open market price”** shall have the meaning given in section 6;

**(62) “output tax”**, in relation to a registered person, means the tax levied under this Act on the services provided or rendered by the person;

**(63) “person”** means –

- (a) an individual;
- (b) a company, an agency or an association of persons incorporated, formed, organized or established in Pakistan or elsewhere;
- (c) the Federal Government;
- (d) a Provincial Government;
- (e) a Local Authority or Local Government in Pakistan; or
- (f) a foreign Government, a political sub-division of a foreign Government, or a public international organization;

**Explanation:** The use of the word “he” in this Act shall be taken to refer to any or all of the persons mentioned in sub-clauses (a) to (f) above.

**(64) “place of business in Sindh”** means that a person -

- (a) owns, rents, shares or in any other manner occupies a space in Sindh from where it carries on an economic activity whether wholly or partially; or
- (b) carries on an economic activity through any other person such as an agent, associate, franchisee, branch, office, or otherwise in Sindh but not including a liaison office.

**(65) “port operator”** includes Karachi Port Trust, Port Qasim Authority or any other person or organization managing the operations of any customs port as declared under section 9 of the Customs Act, 1969 (Act No. IV of 1969);

**(66) “prescribed”** means prescribed by rules made under this Act;

**(67) “PRAL”** means the Pakistan Revenue Automation (Private) Limited;

**(68) “provision of service”** or **“providing of service”** includes the rendering, supply, initiation, origination, reception, consumption, termination or execution of service, whether in whole or part, including e-services where the context so requires;

**(69) “public bonded warehouse”** means a warehouse licensed under section 12 of the Customs Act, 1969;

**(70) “registration number”** means the number allocated to a registered person for the purpose of this Act;

**(71) “registered person”** means a person who is registered or is liable to be registered under this Act or any other person or class of persons notified by the Board in the official Gazette:

Provided that a person liable to be registered but not registered under this Act shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;

**(72) “reinsurance”**, includes retrocession, and has the same meaning as defined in clauses (lii) and (lv) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

**(73) “resident”** means –

- (a) an individual who, in a financial year, has –
  - (i) a place of business, whether whole or part thereof, in Sindh in any mode, style or manner; or
  - (ii) his permanent address, as listed in the individual’s national identity card, in Sindh; or
  - (iii) a permanent representative to act on his behalf or to provide service on his behalf in Sindh;
- (b) an association of persons or a company which, in a financial year, has --
  - (i) its registered office is in Sindh; or
  - (ii) its place of business, whether whole or part thereof, in Sindh in any mode, style or manner; or
  - (iii) a permanent representative to act on its behalf or to provide service on its behalf in Sindh; or
  - (iv) the control or management of the association of persons or the company, whether whole or part thereof, situated in Sindh at any time during the financial year;

**(74) “restaurant”**, by whatever name called, includes a person, establishment, organization, place, cafe, coffee houses or ice cream parlors where food, beverages or other edible preparations are sold or served to the customers, including the customers availing of the take-away service or delivery service or room service or catering service, whether or not the restaurant provides any other services, facilities, utilities or advantages;

**(75) “return”** means a return required to be furnished under Chapter-VI of this Act;

**(76) “rules”** means the rules made under this Act;

**(77) “Schedule”** means a Schedule appended to this Act;

**(78) “security agency”** means a person engaged in the business of

providing of services relating to security of any person or property, whether moveable or immovable, including the services of provision of security personnel, guard or vehicle;

**(79) “service” or “services”** means anything which is not goods or providing of which is not a supply of goods and shall include but not limited to the services listed in the First Schedule of this Act.

**Explanation:** A service shall remain and continue to be treated as service regardless whether or not the providing thereof involves any use, supply or consumption of any goods either as an essential or as an incidental aspect of such providing of service;

**(80) “shipping agent”** means a person licensed as a shipping agent under the Customs Act, 1969 (Act No. IV of 1969), or the rules made thereunder, who provides or renders any service in relation to entrance or clearance of a conveyance at a customs port and a customs station, as defined in clauses (j) and (k) of section 2 of the Customs Act, 1969, and files import or export manifest and issues line or carrier bill of lading, for or on behalf of an airline or shipping line or any other conveyance, and includes non-vessel operating common carriers, slot carriers, charterers, international freight forwarders and consolidators, rendering services in relation to import and export of cargo, independently or as subsidiary of an airline, shipping line, slot carrier, charterer, and non-vessel operating common carrier;

**(81) “ship chandler”** means a person licensed as a ship chandler under the Customs Act, 1969 (Act No. IV of 1969) or the rules made thereunder;

**(82) “ship management services”** includes --

- (a) supervision or negotiation for the maintenance, survey and repair of ship;
- (b) engagement or providing of crew;
- (c) receiving the hire and freight charges on behalf of the owner;
- (d) negotiating contracts for bunker fuel and lubricating oils;
- (e) arranging or negotiating arrangements for loading and unloading;
- (f) payment, on behalf of the owners, of the expenses incurred in providing services or in relation to the management of the ship;
- (g) entry of the ship on protection or indemnity association;
- (h) providing or negotiating for victualing or storing of ship;
- (i) dealing with insurance, salvage or other claims in relation to ship;

(j) arranging of insurance in relation to ship; and

(k) any other ship management service;

**(83) “short-paid”** means, where a registered person pays an amount of tax less than the tax due as indicated in the person’s return filed under section 30, the amount so involved and also includes the amount of tax due but not paid owing to miscalculation or incorrect or inadmissible input tax credit or adjustment or incorrect assessment of the tax due for a tax period;

**(84) “similar service”** means any other service which is the same as, or closely resembles, the other service in character, quality, quantity, functionality, materials, or reputation;

**(85) “special audit”** means an audit conducted under section 29;

**(86) “Special Judge”** means a Special Judge appointed under section 37;

**(87) “sponsorship”** includes naming an event after the sponsor, displaying the sponsor’s logo, trade name, brand name or product name, giving the sponsor exclusive or priority booking rights, sponsoring prizes or trophies for competition or game or sports; but does not include financial or other support in the form of donations and gifts, given by a donor, subject to the condition that the service provider is under no obligation to provide anything in return to such donor;

**(88) “statement”** means a statement prescribed under the rules or notifications made under this Act;

**(89) “stevedore”** includes a person engaged in handling and loading or unloading of cargo including containers, pallets and bulk cargo, from ships, vessels, steamers and country crafts in any manner and also includes a person who hires long shore, dock or harbor workers to load or unload ships, vessels, steamers and country crafts. A person providing or rendering any services related to or ancillary to the handling of or otherwise dealing with such or other cargo at a port or in any area or terminal at the port in any manner or style shall be included in the terminology “stevedores”;

**(90) “stockbroker”** means a broker as defined in clause (c) of sub-section (1) of section 2 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) providing services in relation to a Stock Exchange as defined in clause (xxiv) of sub-section (1) of section 2 of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 (Act No. XV of 2012) ;

**(91) “surveyor”** means a person engaged in the services of insurance survey, market survey, statistical survey, opinion poll survey and survey relating to risk assessment, loss or damage assessment or claim settlement but does not include the services conducted by the Federal or Provincial or Local Governments for its own purposes and by the recognized educational institutions for the purposes of education and academic research in such institutions;

(92) **“tax”** means -

- (a) the tax, additional tax, or default surcharge levied under this Act;
- (b) a fine, penalty or fee imposed or charged under this Act; and
- (c) any other sum payable or recoverable under the provisions of this Act or the rules made thereunder;

(93) **“tax consultant”**, by whatever name called, includes a person engaged in providing of services of advice, consultancy or assistance in the matters of any federal, provincial or local government laws in relation to any tax, rate, cess or providing representational services before any court, tribunal or other such judicial or quasi judicial authority or the authority administering such tax laws.

(94) **“tax fraud”** means knowingly, dishonestly or fraudulently and without any lawful excuse –

- (a) doing of any act or causing to do any act; or
- (b) omitting to take any action or causing the omission of any action, including providing of taxable services without being registered under this Act; or
- (c) falsifying or causing falsification of tax invoices; or
- (d) issuance of invoice or bill of taxable services without the provision of that taxable service; or
- (e) failure to pay an amount of tax collected under section 16, and failure to pay the amount of tax withheld under the provisions of the rules made under this Act, in contravention of the duties or obligations imposed under this Act or rules or instructions issued thereunder with the intention of understating the tax liability or underpaying the tax liability for two consecutive periods or more or overstating the entitlement of tax credit or tax refund to cause loss of tax revenue;

(95) **“tax period”** means a period of one month or such other period as the Board may, by notification in the official Gazette, specify;

(96) **“taxable service”** shall have the meaning given under section 3;

(97) **“telecommunication service”** shall have the meaning given in clause (v) of section 2 of the Pakistan Telecommunication (Re-organization) Act, 1996 (Act No. XVII of 1996), and includes the telecommunication system as defined in clause (u) thereof and further includes the wireless communication as defined in clause (1) of section 2 of the Wireless Telegraphy Act, 1933 (Act No. XVII of 1933) and also includes transfer, assignment or sharing of the right to use capacity for transmission, emission or reception of signals and provision of access to global or local information network;

**(98) “terminal operator”** includes Karachi International Container Terminal, Pakistan International Container Terminal and Qasim International Container Terminal or any on-dock or off-dock terminal or any other person doing similar activities and also includes the cargo or baggage shed operators licensed or appointed by the customs authorities at any customs port or customs airport or customs station;

**(99) “value of a taxable service”** shall have the meaning given under section 5;

(iii) in section 3, in sub-section (2), in the Explanation, after the words “resident persons”, the comma and words “whether or not the said resident person is an end consumer of such services” shall be added;

(iv) in section 7, for sub-section (2), the following shall be substituted:-

“(2) This section shall not apply to the services for which payment is made on installment basis except where otherwise prescribed.”;

(v) in section 8, in sub-section (2), for the word “Government”, the words and commas “Board, with the approval of Government,” shall be substituted;

(vi) in section 9, in sub-section (3), for the word “Government”, the word “Board, with the approval of Government” shall be substituted;

(vii) for section 13, the following shall be substituted:-

**“13. Special procedures and tax withholding provisions.-** (1) Notwithstanding anything contained in this Act, the Board may, by notification in the official Gazette, prescribe special procedure for the payment of tax, valuation of taxable services, registration, record keeping, invoicing or billing requirements, returns and other related matters in respect of any service or class of services and subject to such limitations and conditions as may be specified in the notification.

(2) Notwithstanding anything contained in this Act, the Board may, by notification in the official Gazette, require any person or class of persons, whether registered or not, to withhold full or part of the tax charged from or invoiced to such person or class of persons on the provision of any taxable service or class of taxable services and to deposit the tax, so withheld, with the Government, within such time and in such manner as may be specified in the notification.”.

(viii) in section 17, in sub-section (1), for the word and number “Chapter-IV”, the word and number “Chapter-VI” shall be substituted;

(ix) in section 24B, for sub-section (1), the following shall be substituted:-

“(1) If an officer of the SRB is satisfied that a person is required to be registered under this Act and that the person has not applied for registration, the officer of the SRB shall, after such inquiry as he may deemed fit, register the person through an order to be issued in writing and such person shall be deemed to have registered from the date he became liable to registration.”;

(x) in section 25A –

- (a) in sub-section (2), after the word “Board”, occurring twice, the words and commas “or any officer of the SRB, authorized by the Board in this behalf,” shall be inserted and for the words “any obligations”, the words “the obligations for de-registration” shall be substituted;
- (b) in sub-section (3), for the word “must”, the word “shall”, and for the word “Board”, occurring twice, the words “Board or any officer of the SRB” shall be substituted;

(xi) in section 26, in sub-section (3), for the word “should”, the word “shall”, shall be substituted;

(xii) in section 29, in sub-section (3), for the figures and word “19, 39 and 42”, the figures and word “27, 48, 51 and 52”, shall be substituted;

(xiii) in section 32, for the figure “25”, the figure “25A” shall be substituted;

(xiv) in section 42, in sub-section (1), for the words “Deputy Commissioner”, the words “Assistant Commissioner” shall be substituted;

(xv) in section 43, in the Table –

- (a) in serial number 6, in column (3), for the figures and brackets “2(41)”, the figures and brackets “2(94)” shall be substituted;
- (b) in serial number 8, in column (3), for the figures and brackets “2(41)”, the figures and brackets “2(94)” shall be substituted;
- (c) after serial number 14, the following new serial number 15 and entries there against shall be added:-

“15. Where any person fails to provide the document or record or information or data or refuses to allow the officer of the SRB to take extracts from or make copies of the document or record or information or data or fails to appear before an officer of SRB or fails to answer any question put to him.	Such person shall be liable to pay penalty of 100,000 rupees.  Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year or fine which may extend to 100,000 rupees or with both.
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(xvi) in section 47, in sub-section (1), the words “on the part of an officer of the SRB” shall be deleted;

(xvii) in section 52, in sub-section (1), for the words “Deputy Commissioner”, the words “Assistant Commissioner” shall be substituted;

(xviii) in section 60, after sub-section (6), the following shall be inserted:-

“(6A) Notwithstanding anything contained in this section or in sections 61 and 62 and till such time that an Appellate Tribunal is established under this Act, the appeals under section 61 shall be heard and decided and the functions of the Appellate Tribunal shall be exercised by a bench comprising of at least two Members, as defined in clause (h) of section 2 of the Sindh Revenue Board Act, 2010 (Sindh Act No. XI of 2010). In case of difference of opinion between the two Members deciding the appeal, the case shall be decided by the Chairman of the Board, acting as the referee Member of the bench.”;

(xix) in the First Schedule –

(a) in column (1), against the tariff heading “9801.6000” in column (2), after the word and comma “lawns”, the words “clubs and” shall be inserted;

(b) in column (1), after tariff heading 9802.5000 and entries there-against in column (2), for the descriptions “Advertisement on poles” and “Advertisement on billboards” in column (2), the following shall be substituted:-

“9802.6000	Advertisement on poles
9802.7000	Advertisement on billboards”;

(c) in column (1) against tariff heading “9819.1000”, in column (2), for the description “stockbrokers”, the description “stockbrokers and commodity brokers” shall be substituted;

(d) in column (1), against tariff heading “9819.7000” in column (2), for the description “Outdoor photographer”, the description “Outdoor photographers and videographers” shall be substituted;

(e) in column (1), against tariff heading “9820.1000”, in column (2), for the description “Auto-workshops”, the description “Auto-workshops including authorized service stations” shall be substituted;

(f) in column (2) after the description “Services provided in the matter of manufacturing or processing for other toll basis”, the following shall be added:-

“Event management services including the services by event photographers, event videographers and the persons related to such event management

Exhibition services

Public bonded warehouses

Labour and manpower supply services.”.

(xx) in the said Act, in the Second Schedule, in Part B -

- (a) after the tariff heading “9801.2000” in column (1) and the entries relating thereto in columns (2) and (3), the following shall be added:-

“9801.3000 Services provided or rendered by 16%”;  
marriage halls and lawns

- (b) in column (1), against the tariff heading “9801.6000” in column (2), for the word “caterers”, the words and commas “marriage halls and lawns, clubs and caterers” shall be substituted;

- (c) in column (1), after tariff heading 9802.5000 and entries there-against in columns (2) and (3), for the descriptions “Advertisement on poles”, “Advertisement on billboards” and “Other advertisements like on web / internet etc.” in column (2) and the rate of tax thereon in column (3), the following shall be substituted:-

“9802.6000	Advertisement on poles	16%
9802.7000	Advertisement on billboards	16%
9802.9000	Other advertisement including those on web or internet	16%”;

- (d) in column (1), for the tariff heading “9805.8000” and the entries there against in columns (2) and (3), the following shall be substituted:-

“9805.7000	Advertising agents	16%
9805.8000	Ship chandlers	16%
9805.9100	Sponsorship services	16%
9805.9200	Business support services	16%;

- (e) in column (1), after the tariff heading “9809.0000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“9810.0000 Services provided or rendered for 16%”;  
personal care by beauty parlours,  
beauty clinics, slimming clinics or  
centres and others

- (f) in column (1), after the tariff heading “9813.9000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“9814.1000	Architects or town planners	16%
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- (g) in column (1), after the tariff heading “9814.3000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

**“98.15 Services provided or rendered by professionals and consultants, etc.,**

9815.2000	Legal practitioners and consultants	16%
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9815.3000	Accountants and auditors	16%
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9815.4000	Management consultants	16%
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9815.6000	Software or IT based system development consultants	16%
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9815.9000	Tax consultants	16%
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**98.18 Service provided or rendered by specialized agencies.**

9818.1000	Security agency	16%
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9818.3000	Market research agency	16%
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- (h) in column (1), against tariff heading “9819.1000”, in column (2), for the description “Stockbrokers”, the description “Stockbrokers and commodity brokers” shall be substituted;

- (i) in column (1), after tariff heading “9819.2000” and entries there-against in column (2) and (3), the following shall be inserted:-

“9819.5000	Surveyors	16%
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9819.7000	Outdoor photographers and videographers	16%
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9819.9300	Management consultants	16%
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- (j) in column (1), after the tariff heading “9819.9090” and entries there-against in columns (2) and (3), the following shall be inserted:-

**“98.20 Services provided or rendered by specialized workshops or undertakings**

9820.1000	Auto-workshops, including authorized service stations	16%
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9820.2000	Workshops for industrial machinery,	16%
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construction and earth-moving machinery or other special purpose machinery, etc.

**98.21 Services provided or rendered in specified fields**

9821.1000	Healthcare centre, gyms or physical fitness center, etc	16%
9821.4000	Body massage center	16%
9821.5000	Pedicure center	16%

(k) in column (1), after tariff heading “9824.0000” and entries there-against in columns (2) and (3), after the description “Services provided by motels and guesthouses” in column (2) and the rate of tax in column (3), the following shall be added:-

	Event management services including the services by event photographers, event videographer and the persons related to such event management	16%
	Exhibition services	16%
9828.0000	Public bonded warehouses	16%
9829.0000	Labour and manpower supply services	16%
9830.0000	Service provided in the matter of manufacturing or processing for others on toll basis	16%
9831.0000	Race clubs: (a) services of entry/ admission	(a) Rs. 200 per entry ticket or entry pass of the person visiting the race event.
	(b) other services	(b) 16%

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**BY ORDER OF THE SPEAKER  
PROVINCIAL ASSEMBLY OF SINDH**

**G.M.UMAR FAROOQ  
ACTING SECRETARY  
PROVINCIAL ASSEMBLY OF SINDH**