THE BALOCHISTAN SALES TAX ON SERVICES ACT, 2015

(Baln Act VI of 2015)

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[1]THE BALOCHISTAN SALES TAX ON SERVICES ACT, 2015

(Balochistan Act VI of 2015)

[*3rd July, 2015*]

An Act to provide for the levy of a tax on services provided, rendered, initiated, received, originated, executed or consumed in Balochistan.

[1] This Act was passed by the Balochistan Assembly on 25thJune, 2015; assented to by the Governor of Balochistan on 3rd July, 2015; and published in the Balochistan Gazette (Extraordinary) No. 112, dated 3rd July, 2015.

Preamble.

Where it is expedient to provide for the levy of a tax on services provided, rendered, initiated, originated, executed, received or consumed in Balochistan and to deal with ancillary matters;

It is hereby enacted as follows:—

CHAPTER – I
PRELIMINARY

Short Title, Extent and Commencement.

1. (1) This Act shall be called the Balochistan Sales Tax on Services Act 2015.

(2) It extends to the whole of Balochistan except its Tribal Areas.

(3) This Act shall come into force on and from 1st day of July, 2015.

(4) Notwithstanding sub-section (3), the Government may, by notification in the official Gazette, specify services or class or classes of services in respect of which tax shall be collected and paid with effect from the date subsequent to and different from the date of the commencement of this Act.

Definitions.

2. In this Act unless there is anything repugnant in the subject or context:

(1) "Act" means the Balochistan Sales Tax on Services Act, 2015.

(2) "Appellate Tribunal" means the Appellate Tribunal established under law and notified by the Government as the Appellate Tribunal for purposes of the Act;

(3) "Arrears", in relation to a person, shall mean, on any day, the tax due and payable by the person under the Act or the rules before that day but which has not yet been paid;

(4) "Assistant Commissioner" means a person appointed as an Assistant Commissioner of the Authority;

(5) "Associates" or associated persons" refer to:—

(a) 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 intentions of a third person but two persons shall not be associates solely by reason of the fact that one

person is an employee of the other or both 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;

(b) without prejudice to the generality of paragraph (a) and subject to paragraph (c), the following persons shall always be treated as associates:—

(i) An individual and a relative of that individual;

(ii) Members of an association of persons;

(iii) A member of an association of persons and the association, where members, either alone or together with an associate or associates under another application of this section controls fifty percent or more of the rights to income or capital of the association;

(iv) 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 section, controls either directly or through one or more interposed

persons:—

(a) fifty percent or more of the voting power in the company;

(b) fifty percent or more of the rights to dividends; *or*

(c) fifty percent or more of the rights to capital; *and*

(v) two companies, where a person, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons:—

a. fifty percent or more of the voting power in both companies;

b. fifty percent or more of the rights to dividends in both companies;

c. fifty percent or more of the rights to capital in both companies; *and*

d. two persons shall not be associates under Serial Number (i) or (ii) of clause (b) where the Commissioner 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:—

(i) An ancestor, a descendant of any of the grandparents, or an adopted child of the individual or of a spouse of the individual; *or*

(ii) A spouse of the individual or of any person specified at Serial Number (i);

(6) "Association of persons" includes a firm; any artificial or juridical person and body of persons formed under a foreign law, but does not include a company;

(7) "Authority" means Balochistan Revenue Authority established under the Balochistan Revenue Authority Act, 2015[1];

(8) "Banking company" means a banking company as defined in the Banking Companies Ordinance, 1962[2] (LVII of 1962) and includes anybody corporate, which transacts the business of banking in Balochistan;

(9) "Commissioner" means a person appointed as Commissioner of the Authority;

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[1] An Act passed by the Provincial Assembly of Balochistan on 25th June, 2015; assented to by the Governor of Balochistan on 3rd July, 2015; and published in the Balochistan Gazette (Extraordinary) No.135, dated 3rd July, 2015, which came into force on and from 1st day of July, 2015, S. 1(3).

[2] An Ordinance made by President of Pakistan; and published in the Gazette of Pakistan (Extraordinary) dated 7th June, 1962; saved and given permanent effect by Article 225 of the Constitution of the Islamic Republic of Pakistan, 1962.

(10) "Commissioner (Appeals)" means a person appointed as Commissioner (Appeals) of the Authority;

(11) "Common taxpayer identification number" means the registration number or any other number or identification code allocated to a registered person;

(12) "Company" means:—

(a) a company as defined in the Companies Ordinance, 1984[1] (XLVII of 1984);

(b) a body corporate formed by or under any law;

(c) a *modarba* and any other Islamic financial institution;

(d) a body incorporated outside Pakistan;

(e) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law; *or*

(f) a foreign association, whether incorporated or not, which the Authority has, by general or special order, declared to be a company for purposes of the Act;

(13) "Computerized system" means any comprehensive information technology system, including its development, up-gradation or updation, to be used by the Authority or any other office as may be notified by the Authority, for carrying out the purposes of the Act;

(14) "Default surcharge" means the default surcharge levied under the Act;

[1] An Ordinance made by the President of Pakistan and published in the Gazette of Pakistan (Extraordinary), Part I, dated 8th October, 1984; saved and protected under Article 270A of the Constitution of Islamic Republic of Pakistan, 1973; which repealed the earlier Act VII of 1913, S. 508, 7th Schedule.

(15) "Defaulter" means a person and, in the case of company or firm, every Director of the company or partner of the firm and includes guarantors or successors, who fail to pay the arrears of tax under the Act and the rules;

(16) "Deputy Commissioner" means a person appointed as a Deputy Commissioner of the Authority;

(17) "Document" includes any electronic data, computer programmes, computer tapes, computer disks, microfilms or any other medium or mode for the storage or conveyance of such data;

(18) "Due date" in relation to the furnishing of a return under Chapter VI means the 15th day of the month following the end of the tax period, or such other date as the Authority may, by notification in the official Gazette, specify;

(19) "Economic activity" shall have the meaning given to it in section 6;

(20) "E-intermediary" means a person appointed as e-intermediary under the Act;

(21) "Exempt service" means a service which is exempt from the tax under section 12;

(22) "FBR" means the Federal Board of Revenue established under the Federal Board of Revenue Act, 2007[1];

(23) "Financial year" means the period from 1st July of a year to 30th June of the following year;

(24) "Firm" means the relation between persons who have

[1] Came into force on 1st November, 2007 vide Federal Government Notification No. S.R.O. 1064(I)/2007, dated 1st November, 2007; published in the Gazette of Pakistan, Extraordinary, Part-II dated 1st November, 2007.

agreed to share the profits of a business carried on by all or any of them acting for all;

(25) "Goods" include every kind of movable property other than actionable claims, money, stocks, shares and securities but does not include a service defined under the Act;

(26) "Government" means Government of Balochistan;

(27) "Inter-bank rate" means the Karachi inter-bank offered rate prevalent on the first day of each quarter of a financial year;

(28) "Officer of the Authority" means any officer of the Authority;

(29) "Open market price" shall have the meaning as given to it in section 8;

(30) "Person" means:—

(a) an individual;

(b) a company;

(c) Federal Government;

(d) a Provincial Government;

(e) a local authority or local government; *or*

(f) a foreign government, a political subdivision of a foreign government, or public international organization;

Explanation.— The use of the word "he" in the Act shall be taken to refer to any or all mentioned from (a) to (f) as required in the context of the relevant provision;

(31) “Place of business” means that a person:—

(a) Owns, rents, shares or in any other manner occupies a space in Balochistan from where he carries on an economic activity whether wholly or partially; *or*

(b) Carries on an economic activity whether wholly or partially through any other person such as an agent, associate, franchise, branch, office, or otherwise in Balochistan but does not includes a liaison office;

(32) “Prescribed” means prescribed by the rules;

(33) “Registration number” means the number allocated to a registered person for purposes of the Act;

(34) “Registered person” means a person who is registered or is liable to be registered under the Act but the person liable to be registered and has not registered shall not be entitled to any benefit available to a registered person under any of the provisions of the Act or the rules;

(35) “Return” means any return required to be furnished under Chapter VI of the Act;

(36) “Resident” means:—

(a) An individual who, in a financial year, has:—

(i) a place of business, whole or part thereof, in Balochistan in any mode, style or manner; *or*

(ii) his permanent address, as listed in the individual’s national identity card, in Balochistan; *or*

(iii) a permanent representative to act on his behalf or to provide service on his behalf in Balochistan; *or*

(b) An association of persons or a company, which, in a financial year, has:—

(i) its registered office in Balochistan

(ii) its place of business, whole or part thereof, in Balochistan in any mode, style or manner; *or*

(iii) a permanent representative to act on its behalf or to provide service on its behalf in Balochistan; *or*

(iv) the control or management of the affairs of the association of persons is situated in Balochistan at any time during the financial year;

(37) "Rules" means the rules made under the Balochistan Revenue Authority Act[1];

(38) "Schedule" means a Schedule appended to the Balochistan Revenue Authority Act[1];

(39) "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 first Schedule;

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

[1] An Act passed by the Provincial Assembly of Balochistan on 25th June, 2015; assented to by the Governor of Balochistan on 3rd July, 2015; and published in the Balochistan Gazette (Extraordinary) No.135, dated 3rd July, 2015, which came into force on and from 1st day of July, 2015, S. 1(3).

(40) “Short-paid” means where a registered person pays an amount of tax less than the tax due owing to miscalculation or incorrect assessment of the tax amount due for a tax period;

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

(42) “Special Judge” means a Special Judge appointed under section 42;

(43) “Tax” means and includes:—

(a) The tax, additional tax, or default surcharge levied under the Act;

(b) A fine penalty or fee imposed or charged under the Act; *and*

(c) Any other sum payable or recoverable under the Act or rules;

(44) “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 the Act; *or*

(c) falsifying or causing falsification of tax invoices or other tax documents or records; *or*

(d) acting in contravention of the duties or obligations imposed under the Act or rules or instructions issued thereunder-with the intention of understating or suppressing the tax liability

or underpaying the tax liability;

(45) "tax period" means a period of one month or such other period as the Authority may, by notification in the official Gazette, specify;

(46) "Taxable service" shall have the meaning as given to it in section 3; *and*

(47) "Value of a taxable service" shall have the meaning as given to it in section 7.

Taxable Service.

3. (1) Subject to such exclusion as mentioned in Second Schedule, a taxable service is a service listed in Second Schedule, which is provided by a person from his office or place of business in Balochistan in the course of an economic activity, including the commencement or termination of the activity.

Explanation. This sub-section deals with services provided by a person regardless whether such services are provided to a resident person or a non-resident person.

(2) If a service listed in Second Schedule is provided to a resident person by a non-resident person in the course of an economic activity, including the commencement or termination of the activity, it shall be treated as a taxable service.

Explanation. This sub-section deals with services provided by a non-resident person to a resident person whether or not the end consumers, if any, of such services are identifiable for purposes of this Act or the rules.

(3) For purposes of sub-section (2), where a person has a registered office or plan of business in Balochistan and another outside Balochistan, the registered office or place of business in Balochistan and that outside Balochistan shall be treated as separate legal persons.

(4) The Authority may, with prior approval of the Government, by notification in the official Gazette, prescribe rules

for determining the conditions under which a particular service or class of service shall be considered to have been provided by a person from his registered office or place of business in Balochistan.

(5) For purposes of this Act and the rules, providing of service shall, where the context requires, include rendering, supply, initiation, origination, execution, reception, consumption or termination of service whether in whole or in part.

Application of Principles of Origin and Reverse Charge in Certain Situations.

4. (1) Where a person is providing taxable services in Province other than Balochistan but the recipient of such services is resident of Balochistan or is otherwise availing such services in Balochistan and has charged tax accordingly, the person providing such services shall pay the amount of tax so charged to the Government.

(2) Where the recipient of a taxable service is person registered under the Act, he shall deduct the whole amount of tax in respect of the service received and pay the same to the Government.

(3) Where a person is providing taxable services in more than one provinces or territory in Pakistan including Balochistan, such person shall be liable to pay tax to the Government to the extent the tax is charged from a person resident in Balochistan or from a person, who is otherwise availing such services in Balochistan,

(4) Where rendering of a taxable service originates from Balochistan but terminates outside Pakistan, such person shall be required to pay tax on such service to the Government.

(5) Where a taxable service originates from outside Pakistan but is received or terminates in Balochistan, the recipient of such service shall be liable to pay the tax to the Government.

(6) The persons who are required to pay the tax to the Government in terms of sub-sections (1), (2), (3), (4), and (5) shall be liable to registration for purposes of this Act and the rules.

(7) All questions or disputes relating to the application of the principle of origin given in this section shall be resolved in terms of the already recorded understanding between the Federal Government and the Provincial Governments on the implementation of reformed General Sales Tax provided that pendency of any such question or dispute shall not absolve the concerned person from his obligation to deposit the tax.

(8) The provisions of this section shall apply notwithstanding any other provision of this Act or the rules and the Government may specify special procedure to regulate the provisions of this section.

Amendment in Second Schedule.

5. (1) The Government may, by notification in the official Gazette, make an amendment in Second Schedule by modifying, adding or deleting any entry or entries with reference to the classification, if any, description of any service or class of service and the rate or rates of tax chargeable on any service or class of services not exceeding the minimum rate prescribed in Second Schedule.

(2) A notification issued under sub-section (1) shall be effective from such date as may be specified in the notification by such date shall not be prior to the date on which the notification is published in the official Gazette.

(3) The Government shall at the time of presenting the Annual Budget Statement for the next financial year, lay before the Provincial Assembly of Balochistan all the notifications relating to the amendments in the Second Schedule during the current financial year.

Economic Activity.

6. (1) An economic activity means any activity carried on whether continuously, regularly or otherwise by a person that involves or is intended to involve the provision of services to another person and includes:—

(a) an activity carried on in the form of a business,

including a profession, calling, trade or undertaking of any kind, whether or not the activity is undertaken for any consideration or profit;

(b) the supply of movable property by way of lease, license or such similar arrangement; *and*

(c) a one-time transaction or concern in the nature of a business or trade.

(2) Anything done or undertaken during the commencement or termination of an economic activity shall be construed as part of the economic activity.

(3) An economic activity does not include:—

(a) the activities of an employee providing services in that capacity to an employee; *or*

(b) a private recreational pursuit or hobby of an individual.

Value of a Taxable Service.

7. (1) The value of a taxable service is the consideration (by whatever name called such as charges or price) in money including all the Federal and the Provincial duties, taxes or charges, if any, which the person providing a service receives from the recipient of the service but does not include the amount of the tax.

(2) In case the consideration for a service is in kind or is partly in kind and partly in money, the value of the service shall mean the open market price of the service as determined under section 8 excluding the amount if the tax.

(3) In case the person who provides the service and the recipient of the service are lower associated persons and the service is supplied for no consideration or for a consideration which is lower than the price at which the person provides the service to other persons who are not associated persons, the value of the service shall mean the price at which the service is provided to such other

persons but does not include the tax.

(4) In case a person provides a service for no consideration or for a consideration, which is lower than the price at which such a service is provided by such person, the value of the service shall mean the open market price for such a service.

(5) In case of trade discounts, the value of the service shall mean the discounted price, excluding the amount of the tax, provided the invoice shows that the discounted price and the related tax and the discount allowed is in conformity with customary business practice.

(6) In case there is reason to believe that the value of a service has not been correctly declared in the invoice or for any special nature of transaction it is difficult to ascertain the value of a service, the value of the service shall be the open market price.

(7) Notwithstanding anything in sub-sections (1) to (6), where the Authority deems it necessary, it may, by notification in the official Gazette, fix the value of any service or class of or similar types of services but if the value at which the service is provided is higher than the value fixed by the Authority, the value of the service shall, unless otherwise directed by the Authority, be the value at which the service is provided.

Explanation. For the purpose of this section, the value of the utilities or facilities, if any, ancillary to providing of taxable services shall be included in the value of such services.

(8) The Authority may, by notification in the official Gazette issue valuation rule for any service or class of services for the purposes of assessment or determination and payment of tax under this Act and prescribe threshold, parameters, standards, methods, formula, criteria or bases for the determination of value of any taxable service or class of taxable services and the assessment of the tax on any service or class of services.

Open market price.

8. (1) The open market price of a service is:—

(a) the price, the service would fetch in an open market transaction freely entered into between persons who are not associated persons; *or*

(b) if it is not possible to determine an amount under paragraph (1), the price, a similar service would fetch in an open market transaction freely made between persons who are not associated persons, adjusted to take account of the differences between the similar service and actual service;

(c) determined on the basis of the market conditions prevailing at the time and place at which the service is provided.

(2) If the open market price of a service cannot be determined under sub-section (1), it may be determined by using any method or formula specified by the Authority for calculating an objective approximation of the price, the service would fetch in an open market transaction freely made between persons who are not associates.

Provision of Services Over a Period of Time.

9. (1) Where a service is provided over a period of time and payment for the same is made on a periodic basis, the service shall be treated as comprising two or more separate and distinct services each corresponding to the part of the service to which each separate part of the consideration relates.

ILLUSTRATIONS

(a) Where services are provided for a two years period and payment is made on a semi-annual basis, the provision of services for each six months period constitutes a separate service

(b) Where an insurance company provides as insurance policy over a five years period and receives a

premium on an annual basis, each premium relates to a separate service.

Note: The above illustrations are merely explanatory and shall not be construed as conclusive in any manner whatsoever.

(2) This section does not apply to services for which payment is made on installments basis.

CHAPTER – II
SCOPE OF TAX

Scope of Tax and Allied Matters.

10. (1) Subject to the provisions of this Act and the rules, there shall be charged, levied collected and paid the tax on the value of a taxable service at the rate or rates specified in the Second Schedule.

(2) The Government may, on the recommendation of the Authority and subject to such conditions and restrictions as the Government may impose, by notification in the official Gazette, declare that in respect of any taxable service provided by a registered person or a class of registered persons, the tax shall be charged, levied and collected at such higher, lower, fixed or specific rate or rates as may be specified in the said notification.

(3) Notwithstanding other provisions of this Act, the Authority may, with the prior approval of the Government and by notification in the official Gazette and subject to the conditions, restrictions, limitations or otherwise, fix the limit or threshold of annual turnover of any service or class of services provided by any person or class of persons below which such person or class of person shall be exempt from payment of tax under the Act.

(4) A person required to pay tax under this Act shall be entitled to deduct from the payable amount, the amount of tax already paid by him on the receipt of taxable services used exclusively in connection with taxable services provided by such person subject to the condition that he holds a true and valid tax invoice not older than six tax periods, showing the amount of tax

earlier charged and paid under the Act on the services so received but the Authority may, by notification in the official Gazette, disallow or restrict such deduction in case of any service or services as it may deem appropriate.

Person Liable to Pay Tax.

11. (1) Where a service is taxable by virtue of sub-section (1) of section 3, the liability to pay the tax shall be on the registered person providing the service.

(2) Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.

(3) The Authority may, by notification in the official Gazette, specify the service or Services in respect of which the liability to pay tax shall be on any person, other than the person providing the taxable service, or the person receiving the taxable service.

(4) Nothing contained in this section shall prevent the collection of tax from different person if that person is made separately or jointly or severally liable for the tax under section 19.

Exemptions.

12. (1) Notwithstanding the provisions of sections 3 and 10, the Authority may, with the approval of the Government and subject to such conditions, limitations or restrictions as it may impose, by notification in the official Gazette, exempt:—

(a) taxable service or services from the whole or any part of the tax;

(b) taxable service or services provided by a person or class of persons from the whole or any part of the tax;

(c) recipient or recipients of service or services, including international organizations and institutions, from the payment of the whole or any part of the tax; *and*

(d) a class of persons, any area or areas of Balochistan from the whole or any part of the tax.

(2) The exemption under sub-section (1) may be allowed from any previous date specified in the notification issued under sub-section (1).

Effect of Change in the Rate of Tax.

13. If there is a change in the rate of tax, the taxable service shall be charged to tax at such rate as is in force at the time the service is provided.

Special Procedure and Tax Withholding Provisions.

14. (1) Notwithstanding anything contained in this Act, the Authority may, by notification in the official Gazette, prescribe a special procedure for the payment of tax, registration, book keeping, invoicing or billing requirements, returns and other related matters in respect of any service or class of services, as may be specified.

(2) Notwithstanding other provisions of this Act, the Authority may require any person or class of person whether registered or not for the purpose of this Act to withhold full or part of the tax charged from such person or class of persons on the precision 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 it may, by notification in the official Gazette, specify.

Delegation of Power to Collect, Administer and Enforce Tax on Certain Services.

15. (1) The Government may, in accordance with article 147 of the Constitution of the Islamic Republic of Pakistan[1], authorize the Federal Board of Revenue or any other federal agency or person to administer, collect and enforce the levy of tax on such taxable services as it may notify and in such mode and manner and for such period as may be prescribed and subject to such limitations, restrictions and conditions as it may deem appropriate.

(2) The Government may, by notification in the official

[1] Constitution of the Islamic Republic of Pakistan (1973); enacted on 10th April, 1973 and authenticated by the Assembly on 12th April, 1973; published on the same day in the official Gazette of Pakistan; and came into force with effect from 14th August, 1973.

Gazette, authorize any provincial agency, department, organization or person to administer, collect and enforce the levy of tax on such taxable service as it may notify in such mode and manner and for such period as it may prescribe and subject to such restrictions and conditions as it may impose.

(3) At the end of the period prescribed under sub-section (1), the tax on taxable services notified under sub-section (1), the tax on taxable services notified under sub-section (1) shall be administered, collected and enforced by the Authority the same mode and manner as all other taxable services.

Adjustments.

16. (1) The Authority may, subject to such conditions and restrictions as it may specify, allow registered persons to claim adjustments or deductions, including refunds arising as a result thereof, in respect of the tax paid under any other law on any account in respect of any taxable service or goods or class of taxable services or goods provided by them.

(2) For purposes of sub section (1), the Authority may adopt the principles or concepts laid down in such other law in respect of adjustments, deductions or refunds including zero-rating principle.

(3) For the purpose of removal of any doubt it is clarified that no adjustment or deduction of any tax payable under any other law shall be claimed by any person except in the manner and to the extent specified in the notification issued under sub-section (1).

CHAPTER – III
PAYMENT AND COLLECTION OF TAX ON TAXABLE SERVICES

Collection of Excess Tax.

17. (1) Any person who has collected or collects the tax or charge, whether under misapprehension of any provision of this Act or otherwise, which was not payable as tax or charge or which was in excess of the tax or charge actually payable and the incidence of which had been passed on to the person to whom the service was provided, shall pay the amount of tax or charge so collected to the

Government.

(2) Any amount payable to the Government under sub-section (1) shall be deemed to be an arrear payable under the Act and shall be recovered accordingly.

(3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the person to whom the service is provided shall be on the person collecting the tax or charge.

Time, Manner and Mode of Payment.

18. (1) The tax in respect of a taxable service provided during a tax period shall be paid by a person at the time of filing the return in respect of that period under chapter VI.

(2) For purposes of sub-section (1), a taxable service shall be considered to have been provided in the tax period during which:—

(a) it was provided to the recipient;

(b) an invoice for the value of the taxable service was issued or was due to be issued or sent or due to be sent to the recipient; *or*

(c) consideration for the same was received; whichever is earlier.

(3) Notwithstanding anything contained in sub-section (1) the Authority may, by a notification in the official Gazette, direct that the tax in respect of any taxable service or such class of taxable services shall be charged, collected and paid in any other way, mode, manner or time as may be specified in the notification.

(4) The tax due on taxable service shall be paid by any of the following modes:—

(a) through deposit in a bank designated by the Authority; *or*

(b) through such other mode and manner as may be specified by the Authority.

Joint and Several Liability of Registered Persons Where Tax Unpaid.

19. (1) Where a registered person receiving a taxable service from another registered person is in the knowledge of or has reasonable grounds to suspect that some or all of the tax payable in respect of that taxable service provided would go unpaid as against the requirements of this Act, such person as well as the person providing the taxable service shall be jointly and severally liable for payment of such unpaid amount of the tax.

(2) The Authority may, by notification in the official Gazette, exempt any person, service or transaction or class of persons, services or transactions from the provision of sub-section (1).

Sales of Taxable Activity or Transfer of Ownership.

20. (1) Where the ownership of any business providing taxable services is sold, transferred or otherwise disposed of as an ongoing concern or activity, the fact of such sale, transfer or other disposition shall be intimated to the Commissioner within one month of the occurrence of such fact by the former owner.

(2) The tax chargeable on the taxable services provided in the business referred to in sub-section (1) shall be accounted for and paid by the person to whom sale or other disposition of such business is made or ownership thereof is transferred and every such person shall be liable to registration under this Act.

Estate of Deceased Person.

21. The tax liability of a deceased registered person under this Act shall be the first charge on his estate in the hands of his successors.

Estate in Bankruptcy.

22. (1) Where a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it continues to operate the business.

(2) Where the tax liability is incurred by an estate in bankruptcy, the tax shall be deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims of all other creditors are settled.

Liability for

23. Where any private company or business enterprise is wound

Payment of Tax in Case of Private Companies or Business Enterprises.

up and any tax chargeable on or payable by the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of the company or business enterprise during the relevant period shall, jointly and severally with such persons be liable for payment of such tax.

Assessment of Tax.

24. (1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the Authority is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of the tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with section 48 and 49.

(2) No order under sub-section (1) shall be made unless a notice to show cause is given to the person in default within five year from the conclusion of the tax period to which the assessment relates specifying the ground on which it is intended to proceed against him and the said officer shall take into consideration the representation made by such person and provide him with an opportunity of being heard if the person so desires.

(3) An order under sub-section (1) shall be made within one hundred and twenty days of issuance of the show cause notice or within such extended period as the officer may, for reasons to be recorded in writhing, fix provided that such extended period shall ordinarily not exceed sixty days.

(4) In computing the period specified in sub-section (3) any period during which the proceedings are adjourned on account of a stay order or proceedings under section 69 or the time taken through adjournments by the person shall be excluded.

(5) An order passed by an officer under sub-section (1) may be further amended as may be necessary when on the basis of any additional information acquired during an audit, inquiry, inspection or otherwise the officer is satisfied that:—

(a) any tax has been under-assessed or assessed at a low rate; *or*

(b) any taxable service provided by the person has escaped assessment.

(6) The provisions of sub-sections (2), (3) and (4) shall be applicable to an order passed under sub-section (5).

CHAPTER – IV
REGISTRATION

Registration.

25. (1) A person shall register under this Act, who:—

(a) provides any taxable service from his office or place of business in Balochistan; *or*

(b) is otherwise required to be registered under any of the provisions of the Act or the rules; *or*

(c) fulfills any other criteria or requirement which the Authority may prescribe under sub-section (2).

(2) The registration under this section will be regulated in such manner and subject to such conditions and restrictions as the Authority may, by notification in the official Gazette, prescribe.

(3) A person who receives a service, which is a taxable service by virtue of sub-section (2) of section 3, and is not a registered person shall be deemed to be a registered person for the purposes of the tax period in which:—

(a) such person receives the service;

(b) an invoice for the value of the service is issued or sent to or received by the person; *or*

(c) consideration for the service is paid by the person:—

whichever is earlier and all the provisions of this Act and the rules shall be applicable to such person for that particular tax period and

any matters relating to, arising out of, or concerning that tax period as if that person had provided the service.

(4) The Authority may publish on its website a list or persons registered under this Act.

(5) It shall be reasonable for a person to believe that another person is registered under this Act if that other person is on the list placed on the website of the Authority.

Voluntary Registration.

26. (1) A person who carries on an economic activity but is not required to be registered may apply for voluntary registration at any time.

(2) If a person who is not required to be registered applies for voluntary registration, the Authority may register the person if the Authority is satisfied that:—

(a) the person is providing, or shall provide a service that is taxable service if the person was registered;

(b) the person has a place of business at which he carries on an economic activity;

(c) there are reasonable grounds to believe that the person shall keep proper records and file regular returns as prescribed under this Act and the rules; *and*

(d) if the person has commenced carrying on an economic activity, the person has:—

i. kept proper records in relation to his economic activity; *and*

ii. complied with his obligations under other applicable taxation laws

Compulsory Registration.

27. (1) If the Authority is satisfied that a person who is required to be registered and has not applied for registration, the

Authority shall register the person and shall, not later than fifteen before the day on which the registration takes effect, notify the person of the registration, the day on which it takes effect, and the registration number issued to the person.

(2) No person shall be registered compulsorily without being given an advance notice and an opportunity of being heard in such manner as the Authority may specify.

(3) The Authority may, by notification in the official Gazette, authorize any officer to perform any of the functions under this section relating to compulsory registration of a person for any of the taxable services.

Suspension of Registration.

28. (1) Subject to sub-section (3), the Authority may temporarily inactivate the registration of a person if it is satisfied that the person:—

(a) is not entitled to be registered; *or*

(b) has failed to comply with obligations under this Act or the rules.

(2) The Authority shall give notice to a registered person stating the reasons for temporary inactivation of the person's registration and the remedial actions required to be taken by the person in such time as may be specified in the notice.

(3) In case the Authority is not satisfied with the response of the person or the remedial action taken by him or does not receive any response in the specified time, the Authority may suspend that person's registration.

(4) The suspension of registration shall be effected by removing the name of the person from the list of registered persons published on the Authority's website.

(5) At any time within a period of sixty days of suspension, the Authority may withdraw the suspension if it is satisfied with the remedial actions taken by the person.

(6) Where, after sixty days, the suspension has not been

withdrawn, the Authority may:

(a) institute proceedings against the person in respect of the alleged non-compliance under this Act;

(b) reinstate the person's registration; *or*

(c) if neither of the actions in clauses (a) and (b) is done, cancel the person's registration.

(7) No registration shall be cancelled unless the Authority either through enquiry, investigation or audit is satisfied that circumstances exist necessitating such cancellation and under no circumstances, the cancellation of registration shall absolve the person of his other obligations and liabilities under the Act or the rules.

De-registration.

29. (1) The Authority may de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Where any person registered under this Act believes that he does not satisfy the requirements for registration specified in section 25, he may make an application to the Authority to be de-registered.

(3) If upon receiving such an application, the Authority is satisfied that the person is not required to be registered under this Act and has fulfilled the obligations under the Act, it shall de-register such person.

(4) Where the Authority receives an application under sub-section (2), it shall dispose off the application within a period of three months from the date of the receipt of the application, or within such extended period, not exceeding sixty days, as the Authority may, for reasons to be recorded in writing, fix.

CHAPTER – V
BOOK KEEPING AND AUDIT PROCEEDINGS

Issuance of Tax

30. (1) A registered person providing a taxable service shall

Invoices.

issue a numbered and dated tax invoice containing the following particulars:—

(a) name, address and registration number of the service provider;

(b) name, address and registration number, if any, of the service recipient;

(c) description of service or services;

(d) amount of the tax; *and*

(e) value inclusive of the tax.

(2) The Authority may, by notification in the official Gazette, specify such modified invoices for different services or persons and prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.

(3) A registered person providing a taxable service may, subject to such condition and restrictions as the Authority may, by notification in the official Gazette, specify, issue invoices to another registered person or other recipient of taxable service electronically and transmit images or statements of such invoices to the Authority as well as to the Commissioner, as may be specified.

Records.

31. (1) A registered person providing taxable service shall maintain and keep at his business premises or registered office in English or Urdu the following records of taxable service (including exempt service) provided by him or by his agent acting on this behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period:-

(a) records of taxable service provided indicating:—

(i) the description and type of service;

(ii) the value of the service;

(iii) the particulars of the person to whom the service was provided; *and*

(iv) any other information as may be specified by the Authority;

(b) records of exempt service; *and*

(c) such other records as may be specified by the Authority.

(2) The Authority may, by notification in the official Gazette, require a registered person or class of registered persons to declare and use as many number of business bank accounts as may by specified by the Authority in such notification to make or receive payments on account of providing service for purpose of this Act and the rules and to make payment of due tax from such accounts.

(3) The Authority may, by notification in the official Gazette, specify that any person or class of person registered under this Act shall use such electronic fiscal cash registers in such manner as are approved by the Authority.

(4) The Authority may, by notification in the official Gazette, prescribe the procedure or software for electronic invoicing or billing, maintenance of records, filing of tax returns and for any other matter or approve any software for electronic invoicing or billing, maintenance of records and filing of returns by a registered person or class of such persons under this Act.

(5) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984[1] (XLVI of 1984), shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of the tax due and any deficiency in the tax paid by the registered person.

Retention and Production of Records and Document.

32. (1) A person, who is required to maintain any record or document under this act, shall retain the record and documents for a period of five years after the end of the tax period to which such record or documents relate or till the final decision in any proceedings including proceedings for assessment, appeal, revision, reference or petition, whichever is later.

(2) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by an officer not below the rank of the Assistant Commissioner, produce records or documents which are in his possession or control or in the possession or control of his agent, and where such records or documents have been stored as electronic data, he shall allow to such officer full and free access to, and use of, such data of any machine.

[1] An Ordinance made by the President of Pakistan and published in the Gazette of Pakistan (Extraordinary), Part I, dated 8th October, 1984; saved and protected under Article 270A of the Constitution of Islamic Republic of Pakistan, 1973; which repealed the earlier Act VII of 1913, S. 508, 7th Schedule.

Audit Proceedings.

33. (1) An officer authorized by the Authority or the Commissioner may, on the basis of the return or returns submitted by a registered person or the records maintained under this Act and the rules, conduct an audit of such person.

(2) In case the Authority or the Commissioner has any information showing that my registered person in involved in tax fraud or evasion of tax, it or as the case may be, he may authorize an officer not below the rank of Assistant Commissioner, to conduct an inquiry or investigation, which may or may not be in addition to any audit carried out for the same period.

(3) Where the officer is to conduct an audit under sub-section (1), he shall issue a notice of audit to the person informing him of the audit proceedings and direct him to produce any records or documents, which such officer may require for conducting the audit.

(4) The officer shall conduct audit and issue an audit observation or observations pointing out the contraventions of this Act or the rules and the amount of the tax evaded or short paid, and the registered person may, within a period of twenty one days of the receipt of the audit observation, submit his reply in writing.

(5) If no reply is received within the specified time or the reply furnished by the registered person is found unsatisfactory, the officer shall issue an audit report specifying the amount of the tax or charge that has not been levied or has been short levied or any other violation of any provision of the Act or the rules.

(6) After completion of the audit under this section or any other provision of this Act or the rules, an officer having pecuniary jurisdiction in terms of section 60 shall, if required, pass an order determining the correct amount of payable tax, charging default surcharge and imposing a penalty.

(7) Notwithstanding the penalties prescribed in section 48:—

(a) if a registered person wishes to deposit the amount of the tax short paid or evaded along with default surcharge voluntarily, whenever it comes to his notice, he may, before receipt of notice of audit, file a revised return and may deposit the amount of tax short paid or evaded along with default surcharge, in which case no penalty shall be recovered from him;

(b) if a registered person wishes to deposit the

amount of the tax short paid or evaded along with default surcharge during the audit, or at any time before issuance of show cause notice in lieu of the audit report, he may file a revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 49 and twenty percent of the penalty payable under section 48 in which case the show cause notice in lieu of the audit report shall not be issued in the matter;

(c) if a registered person wishes to deposit the amount of tax short paid or evaded along with default surcharge after issuance of show cause notice, he may file a revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 49, and fifty percent of the penalty payable under section 48 and, there after, the show cause notice shall abate.

Special Audit by Chartered Accountants or Cost Accountants.

34. (1) The Authority may, by notification in the official Gazette, appoint a Chartered Accountant as defined under Chartered Accountants Ordinance, 1961[1] (X of 1961) or a Firm of Chartered Accountants or a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966[2] (XIV of 1966) or a firm of Cost and Management Accountants, for conducting a special audit to the records of any registered person.

(2) Notwithstanding that the records of a registered person have been audited by an officer appointed under section 39, the Authority or a Commissioner may direct an auditor appointed under sub-section (1) to audit the records of any registered person for the same period.

(3) An auditor appointed under sub-section (1), shall have such powers of an officer as may be conferred by the Authority to such auditor under any of the provisions of this Act or the rules.

(4) For purposes of this section or section 33, the audit of records includes audit of the tax affairs of the registered person under this Act and the rules.

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1 An Ordinance made by President of Pakistan on 3rd March, 1961; and published in the Gazette of Pakistan (Extraordinary) dated 10th March, 1961; saved and given permanent effect by Article 225 of the Constitution of the Islamic Republic of Pakistan, 1962.

2 An Act passed by the National Assembly and assented to by the President of Pakistan on 14th July, 1966; and published in the Gazette of Pakistan (Extraordinary) dated 19th July, 1966.

CHAPTER – VI
RETURNS

Returns.

35. (1) Every registered person shall furnish, not later than the due date, a true, correct and properly filled-up return in the prescribed form to a designated bank or any other office specified by the Authority, indicating the tax due and paid during a tax period and such other information or particulars as may be prescribed by the Authority.

(2) Notwithstanding anything in sub-section (1), the Authority may, by notification in the official Gazette, require any registered person or class of registered persons to submit returns on a quarterly, six monthly or annual basis in lieu of monthly return.

(3) Notwithstanding anything in sub-section (1), the Authority may, by notification in the official Gazette, require any registered person to submit such returns, as may, be prescribed, on any period basis in addition to other returns required to be filed by such person.

(4) A return filed electronically on the website or any magnetic media or any other computer readable media as may be specified by the Authority shall be deemed to be a return for the purpose of sub-section (1), (2) or (3) and the Authority may, by notification in the official gazette, prescribe the criteria for eligibility of the data of such returns and e-intermediaries who shall digitize the data of such returns and transmit the same electronically under their digital signatures.

(5) If there is a change in the rate of the tax during a tax period, a separate return in respect of each portion of tax period showing the application of different rates of tax shall be furnished.

(6) A registered person, after prior permission from Commissioner, file a revised return within one hundred and twenty days of filing a return under sub-section (1), (2) or (3), to correct any omission or wrong declaration made therein and to deposit any amount of the tax not paid or short paid.

Special Returns.

36. In addition to the return or returns specified under section 35, the Commissioner may require any person, whether registered or not, to furnish a return (whether on his own behalf or as an agent or trustee) in prescribed from and such person shall furnish the return not later than the date specified in this regard.

Final Return.

37. If a person applies for de-registration in terms of section 29, he shall before such de-registration, furnish a final return to the

Authority or the Commissioner in the specified form in such manner and at such time as may be directed by directed by the Authority or the Commissioner.

Return Deemed to Have Been Made.

38. A return purporting to be made on behalf of a person by his duly appointed representative or agent shall, for all purposes of this Act or the rules, be deemed to have been made by such person or under his authority unless proved to the contrary.

CHAPTER – VII
APPOINTMENT OF AUTHORITIES AND THEIR POWERS

Appointment of Authorities.

39. (1) For the purposes of this Act and the rules, the Authority may, in the prescribed manner and by notification in official Gazette, appoint in relation to any area or cases specified in the notification, any person to be a:—

(a) Commissioner;

(b) Commissioner (Appeals);

(c) Additional Commissioner of the Authority;

(d) Deputy Commissioner;

(e) Assistant Commissioner;

(f) Audit Officer of the Authority;

(g) Inspector of the Authority *or*

(h) An officer of the Authority with any other designation.

(2) The Commissioner (Appeals) and the Commissioner shall be subordinate to the Authority.

(3) The Additional Commissioners, Deputy Commissioners and the Assistant Commissioners shall be subordinate to the Commissioner and unless otherwise directed by the Authority or the Commissioner, both the Deputy Commissioner and the Assistant Commissioner shall also be subordinate to the Additional Commissioner.

(4) The Audit Officers and Inspectors and the officers of other such equal or lower designations, if any, shall be subordinate to the Deputy Commissioner or to the Assistant Commissioner.

(5) The Authority may designate any Deputy Commissioner supervisory incharge of any Assistant Commissioner either by name or by designation in any of its subordinate offices or formations.

(6) The Authority may distribute the work and related functions amongst the above designations in a manner it deems appropriate and make changes in such work distribution as and when deemed proper.

(7) The Authority may, by notification in the official Gazette, prescribe uniform including shoulder strips and badges for different classes of the officers or officials of the Authority.

(8) All jurisdictional and competency issues arising under this Act or the rules shall be decided by the Authority in such manner as it thinks fit.

Powers.

40. (1) An officer appointed under section 39 shall exercise such powers and discharge such duties as are conferred on him under this Act and the rules and he shall also be empowered and competent to exercise all powers and discharge all duties or functions conferred upon any officer subordinate to him.

(2) The Authority may, by general or special order, impose such limitations, restrictions or conditions on the exercise of such powers and discharge of such duties or functions as it deems fit.

Distribution of Powers.

41. (1) The Authority may, by notification in the official Gazette, and subject to such limitations or conditions, empower by name or by designation:–

(a) An Additional Commissioner to exercise or perform any of the powers or functions of a Commissioner;

(b) A Deputy Commissioner to exercise or perform any of the powers or functions of an Additional Commissioner;

(c) An Assistant Commissioner to exercise or perform any of the powers or functions of a Deputy Commissioner; *and*

(d) Any other officer to exercise or perform any of the powers or functions of an Assistant Commissioner.

(2) The Authority may confer power and functions of any officer as additional duties to any officer of the same rank or a step senior or junior in rank.

(3) An officer to whom any powers or functions are conferred under this section shall not assign such powers or

functions to any other officer except with the prior permission of the Authority.

Special Judges.

42. (1) The Government may, by notification in the official Gazette, appoint any person who is serving or has served as District and Session Judge for a period of at least five years as Special Judge in consultation with the Chief Justice of Balochistan High Court and, where it appoints more than one Special Judge, it shall specify in the notification the headquarters of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act and the rules.

(2) If a Special Judge is, for any reasons, unable to perform his duties under this Act or the rules, District and Sessions Judge of the District shall perform the duties of the Special Judge for the District.

Cognizance of Offence.

43. (1) The Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable by him upon:—

(a) a report in writing made by an officer, not below the rank of Assistant Commissioner with the approval of the Commissioner or by an officer especially authorized in this behalf by the Authority;

(b) receiving a complaint or information of facts constituting such offence made or communicated by any person; *or*

(c) his knowledge acquired during any proceeding before him.

(2) If the Special Judge receives a report under clause (a) of sub-section (1), the Special Judge shall proceed with the trial of the accused.

(3) If the Special Judge receives a complaint or information under clause (b) of sub-section (1), on the basis of his own knowledge, the Special Judge shall, before issuing a summon or warrant for appearance of the person, hold a preliminary inquiry for purposes of ascertaining the truth or falsehood of the complaint, information or knowledge or direct any Magistrate or any officer to hold such inquiry and submit a report, and such Magistrate or officer, shall conduct such inquiry and make a report accordingly.

(4) If, after conducting such an inquiry or after

considering the report of such Magistrate or officer, the Special Judge may dismiss the complaint if there are no grounds to proceed further, or may decide to proceed against the person in accordance with Law.

(5) A Special Judge or a Magistrate or an officer holding an inquiry under sub-section (3) may hold such inquiry, as nearly as possible, in accordance with the provisions of section 202 of the Code of Criminal Procedure, 1898 (V of 1898).

Application of the Code of Criminal Procedure, 1898.

44. (1) The provisions of the Code of Criminal Procedure, 1898 (V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to all proceedings of the Court of a Special Judge and such court shall be deemed to be a Court of Session for the purposes of the said Code and the provisions of Chapter XXII-A of the Code, so far as applicable and with necessary modifications, shall apply to the trial of cases by the Special Judge under the Act.

(2) For purposes of sub-section (1), the Code of Criminal Procedure, 1898 (V of 1898) shall have effect as if an offence punishable under this Act was one of the offences referred to in sub-section (1) of section 337 of the Code.

Exclusive Jurisdiction of Special Judge.

45. No court other than the Special Judge having jurisdiction, shall try an offence punishable by the Special Judge under this Act.

Place of Sitting.

46. A Special Judge shall ordinarily hold sittings at his headquarters provided that keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.

Persons who may Conduct Prosecution.

47. (1) An officer not below the rank of an Assistant Commissioner shall be competent to conduct prosecution before a Special Judge for and on behalf of the Government.

(2) A prosecution conducted under this act before the Special Judge may only be withdrawn by the Authority on the direction or after concurrence of the Government.

CHAPTER – VIII
OFFENCES AND PENALITIES

Offences and Penalties.

48. (1) If a person commits any offence described in column 2 of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column 3.

(2) The sections referred to in column 4 of the said Table shall be deemed to be meant for illustrative purposes only and the corresponding offence described in column 2 may fall and be prosecuted under other sections of this Act as well.

Table

S. No.	Offences	Penalties	Section
1	Any person who is required to apply for registration under this Act fails to make an application for registration before providing any taxable services	Such person shall be liable to pay a penalty of ten thousand rupees or five percent of the amount of the tax he would have been liable to pay had he been registered, whichever is higher. In the case of non-compliance of compulsory registration, the minimum penalty shall be ten thousand rupees; If such person who is required to get himself registered under this Act, fails to get registered within ninety days of providing taxable services, he shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year or with fine which may extend to the amount of the tax he would have been liable to pay had he been registered, or with both.	25
2	Where any person fails to furnish a return within the due date	Such person shall be liable to pay a penalty of five thousand rupees provided if a return is not filed within fifteen days of the due date, a penalty of hundred rupees for each day of default shall be levied.	35
3	Where any person fails to deposit the amount of the tax due or any part thereof in the time or manner laid down under this Act or the rules.	(a) Such person shall be liable to pay a penalty of ten thousand rupees or five percent of the tax payable for that period, whichever is higher (b) If the amount of the tax due is not paid even after the expiry of a period of sixty days of issuance of the notice for such payment by an officer, not below the rank of Assistant Commissioner, the person shall be further liable, upon conviction by a Special judge, to imprisonment for a term which may extend to three years, or with fine which may extend to the amount of the unpaid tax, or with both. (c) No penalty shall be levied if any miscalculation is made for the first time during a year.	3, 4, 10 11, 17, 18 and 68
4	Any person who fails to maintain record required under the Act or the rules.	Such person shall pay a penalty of ten thousand rupees of five percent of the total tax payable for the tax period for which he has failed to maintain the required record, whichever is higher.	30, 31 and 32
5	Where a registered person who, without any reasonable cause, in non-	Where such person is a Company, it shall be liable to pay a penalty of ten thousand	30, 32, 53 and 57

		provisions of this Act fails to produce records on receipt of notice from the Authority or any officer of the Authority directing him to produce such records.	Where such person is not a Company, he shall be liable to pay a penalty of five thousand rupees. Where such person fails to produce the record within sixty days of receipt of the notice, he shall be liable to pay the penalty prescribed for the offence at serial No. 4 above.	
Default Surcharge.				
	6	Any person who knowingly or fraudulently: (a) submits a false or forged document to any officer of the Authority; or (b) destroys, alters, mutilates or falsifies the records; or (c) makes a false statement, false declaration, false representation, false personification, or gives any false information.	Such person shall be liable to pay a penalty of twenty thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.	General
	7	Where any person who denies or obstructs the access of an authorized officer to the business premises, registered office or to any other place where records are kept, or otherwise refuses access to accounts of records.	Such person shall be liable to pay a penalty of twenty five thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such persons shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with a fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.	31, 32 and 56
Exemption from Penalty and Default Surcharge. Compounding of Offences.	8	Where any person commits, cause to commit or attempts to commit tax fraud, or abets or connives in the commission of tax fraud equal to twenty five thousand rupees or more.	Such person shall be liable to pay a penalty of up to five hundred thousand rupees, but not less than twenty five thousand rupees, or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.	2 (43)
Recovery of the Tax not Levied or Short-levied.	9	Where any person violates any embargo placed on providing of service in connection with recovery of the tax	Such person shall be liable to pay a penalty of twenty five thousand rupees or ten percent of the amount of the tax sought to be recovered, whichever is higher. Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of the tax sought to be recovered, or with both.	70
	10	Where any person	Such person shall be liable to	General

	the Authority in the performance of his official duties under this Act or the rules	thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year or with fine not exceeding fifty thousand rupees or with both.	
11	Where any person who fails to fulfill any of the conditions, limitations or restrictions prescribed in a notification issued under any of the provisions of the Act or the rules.	Such person shall be liable to pay a penalty of five thousand rupees or three percent of the tax payable for the tax period to which the offence relates, whichever is higher.	General
12	Where any person who contravenes any provision of this Act or the rules for which no penalty has specifically been provided in this section.	Such person shall be liable to pay a penalty of ten thousand rupees of three percent of the tax payable for the tax period to which the offence relates, whichever is higher.	General
13	Where any person repeats an offence for which a penalty is provided under this Act.	Such person shall be liable to pay twice the amount of penalty provided under the Act for the said offence.	General
14	Where any person:– (a) knowingly and without lawful authority gains access to or attempts to gain access to the computerized system; *or* (b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; *or* (c) falsifies any record or information stored in the computerized system; *or* (d) knowingly or dishonestly damages or impairs the computerized system; *or* (e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; *or* (f) unauthorizedly uses unique user identifier of any other registered user to authenticate a transmission of information to the computerized system; *or*	Such person shall pay a penalty of twenty five thousand rupees or one hundred percent of the amount equal to the loss caused to the tax revenue. Such person shall further be liable, upon conviction by the Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to an amount equal to the loss caused to the tax revenue, or with both.	General

Power to Summon Persons to give Evidence and Produce Documents.

sections 132 and 133 of the Code of Civil Procedure 1908 (V of 1908), shall not be required to appear in person.

(4) Any proceedings under this Act or the rules before an officer shall be deemed to be judicial proceedings within the meanings of sections 193 and 288 of the Pakistan Penal Code 1860 (XLV of 1860).

Power to Arrest and Prosecute.

54. (1) An officer authorized by the Authority by notification in the official Gazette in this behalf, who on the basis of material evidence has reasonable cause to believe that any person has committed a tax fraud or any offence warranting prosecution under this Act, may cause arrest of such person.

(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).

(3) Where the person suspected of tax fraud or any offence warranting prosecution under this Act is a Company, every Director or officer of that Company whom the officer reasons to believe is personally responsible for actions of the Company contributing to the tax fraud or any offence warranting prosecution under this Act shall be liable to arrest provided that such arrest shall not absolve the Company from the liabilities of payment of the tax, default surcharge and any penalty imposed or due under this Act.

Procedure to be Followed on Arrest of a Person.

55. (1) When an officer arrests a person under section 54, he shall immediately intimate the fact of arrest of that person to the Special Judge who may direct such officer to produce that person at such time and place and on such date as the Special Judge considers expedient.

(2) Notwithstanding anything contained in sub-section (1), any person arrested under this Act shall be produced before the Special Judge or if there is no Special Judge within a reasonable distance to the nearest Magistrate within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or of the Magistrate.

(3) When any person is produced under sub-section (2) before the Special Judge, the Special Judge may, on the request of such person, after perusing the record, if any, and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bound, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit.

(4) Nothing contained herein shall preclude the Special

Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purpose of this Act.

(5) When such person is produced under sub-section (2) before a Magistrate, such Magistrate may, after authorizing his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before the Special Judge and he shall be so taken or produced.

(6) Nothing in sub-section (2), (3) and (4) shall preclude the Special Judge or the Magistrate from remanding any such person to the custody of the officer holding an inquiry or investigation against that person if such officer makes a request in writing to that effect, and the Special Judge or the Magistrate, after perusing the record, if any, and hearing such person is of the opinion that for the completion of inquiry or investigation it is necessary to make such order but the total period of such custody shall not exceed fourteen days.

(7) When any person is arrested under this Act, the arresting officer shall record the fact of arrest and other relevant particulars in the register specified in sub-section (11) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty-four hours of his arrest, and he may after producing such person before the Special Judge or the Magistrate, make a request for his further detention in his custody.

(8) While holding an inquiry under sub-section (7), the officer shall exercise the same powers as are conferred upon or exercisable by an officer in charge of a police station under the Code of Criminal Procedure 1898 (V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.

(9) If the officer, after holding an inquiry, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to

appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.

(10) The Special Judge to whom a report has been made under sub-section (8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person proceed with his trial and direct the prosecution to produce evidence.

(11) The officer holding an inquiry under this section shall maintain a register to be called register of arrests and detentions in the form prescribed by the Government in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day; and, such register or authenticated copies of its entries shall be produced before the Special Judge, whenever it is directed by the Special Judge.

(12) After completing the inquiry, the officer shall, as early as possible, submit to the Special Judge, a complaint in the same form and manner in which the officer in charge of a police station submits a report before a Court.

(13) Any Magistrate of the first class may record any statement or confession during inquiry or investigations under this Act in accordance with the provisions of section 164 of the Code of Criminal Procedure, 1898 (V of 1898).

Authorized Officers to have Access to Premises, Stocks, Accounts and Records.

56. (1) Any officer authorized in this behalf by the Authority by notification in the official Gazette, shall have free and full access to the business premises, registered office or any other place where any business records or documents required under this Act and the rules are kept or maintained by any registered person or a person liable for registration or whose business activities are covered under this Act and the rules or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the records, data, documents, correspondence, accounts statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or document, including those which are required under any other

law maintained in any form or mode and may take into his custody such records, statements, diskettes or documents, in original or copies, in such form as the officer may deem fit against a signed receipt.

(2) The registered person, his agent or any other person specified in sub-section (1), shall answer any question or furnish such information or explanation as may be asked by the authorized officer.

(3) All other Government departments, local bodies, autonomous bodies, corporations or other institutions shall supply requisite information and render necessary assistance to the authorized officer in the course if inquiry or investigation under this section.

Obligation to Produce Documents and Provide Information.

57. (1) Notwithstanding anything contained in this Act or any other law, any person required to maintain any record under this Act and rules, shall, on demand by an officer, not below the rank of an Assistant Commissioner, by notice in writing, as and when specified in the notice:—

(a) produce for examination, such documents or records which the officer considers necessary or relevant to the audit, inquiry or investigation under this Act;

(b) allow the officer to take extracts from or make copies of such documents or records; *and*

(c) appear before the officer and answer any question put to him concerning the documents and records relating to the audit, inquiry or investigation referred to in clause (a).

(2) An officer conducting an audit, inquiry or an investigation under the Act and the rules, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization, which, in the opinion of the officer, is relevant to such audit, inquiry or investigation.

(3) The Authority may require, in writing, any person, department, company or organization, to provide any information or data held by that person, department, company or organization, which in the opinion of the Authority, is required for purposes of formulation of policy or administering or implementing this Act and the rules.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Authority or the officer under sub-section (2) and (3), within the time specified in the notice issued by the Authority.

Searches under Warrants.

58. (1) Where any officer has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the Magistrate or from the Commissioner, enter that place and cause a search to be made at any time.

(2) All searches made under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).

Posting of an Officer to Business Premises.

59. (1) Subject to such conditions and restrictions as it deems fit to impose, the Authority may post an officer to the premises of a registered person to monitor the provision of services by such registered person.

(2) Notwithstanding anything contained in sub-section (1), if a Commissioner, on the basis of material evidence, has reasonable cause to believe that a registered person is involved in evasion of the tax or tax fraud, he may, by recording the grounds in writing, post an officer of the Authority to the premises of such registered person to monitor provision of services by such person.

(3) A person to whose premises, an officer of the Authority is posted under this section, shall provide on his own cost, all facilities required to meet the departmental requirements of such posting as determined by the Authority or the Commissioner.

Powers of Adjudication.

60. (1) In respect of cases involving determination of tax liability, assessment of the tax, charging of default surcharge, imposition of penalty and recovery of amount erroneously refunded or any other contravention or violation including tax fraud under this Act or the rules, the jurisdiction and powers of adjudication of the officers shall be as follows:—

(a) *Additional Commissioner*: Cases without any restriction as to the amount of the tax involved or amount erroneously refunded;

(b) *Deputy Commissioner*: Cases where the amount of the tax involved or the amount erroneously refunded exceeds one million rupees, but does not exceed two and a half

million rupee;

(c) *Assistant Commissioner*: Cases where the amount of the tax involved or the amount erroneously refunded dose not exceed one million rupees; *and*

(d) *Other officers of the Authority*: Such cases, other than those mentioned above, as may be prescribed.

(2) The Commissioner may adjudicate any case falling in the jurisdiction and powers of any officer subordinate to him and appeal against the order passed by the Commissioner in such cases shall lie to the Appellate Tribunal.

(3) The Authority may regulate the system of adjudication including transfer of cases and extension of time limit.

Explanation.— For purposes of this section, the tax means the principal amount of the tax other than default surcharge and in cases where only default surcharge is involved, the amount of default surcharge.

Revision by the Commissioner.

61. (1) The Commissioner may, of his own motion or on an application made in writing by a registered person for revision, call for and examine the record of any proceedings under this Act in which an order has been passed by an officer subordinate to him.

(2) If after examining the record under sub-section (1), the Commissioner is not satisfied with the legality or propriety of any order passed by an officer, the Commissioner may make such revision to the order as he may deem fit.

(3) No order imposing or enhancing any penalty or fine requiring payment of a greater amount of the tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(4) The Commissioner shall not revise any order under sub-section (2) if:—

(a) an appeal under section 63 is pending or the matter has been referred for resolution under section 71;

(b) where an appeal against the order lies under section 63, the time within which such appeal can be made has not expired or the person has

not waived in writing his right of appeal;

(c) in the case of an application made by a person, the application has not been made within ninety days of the date on which such order was served on the person, unless the Commissioner is satisfied that the person was prevented by sufficient cause from making the application within the time allowed; *and*

(d) in the case where the Commissioner has on his own motion called for and examined an order passed by a subordinate officer, more than five years have lapsed from the date of the original order.

(5) No application for revision of an assessment shall be made under sub-section (1) unless the amount of the tax due under the assessment, as is not in dispute, has been paid by the taxpayer.

Revision by the Authority.

62. (1) The Authority may, of its own motion, call for and examine the record of any departmental proceedings under this act or the rules for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an officer.

(2) If after examining the record under sub-section (1), the Authority is not satisfied with the legality or propriety of any decision or order passed by an officer, it may pass such order as it may deem fit.

(3) No order imposing or enhancing any penalty or fine requiring payment of a greater amount of the tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(4) No proceeding under this section shall be initiated in a case where an appeal under section 67 is pending or the matter has been referred for resolution under section 71.

(5) No order shall be made under this section after the expiry of five years from the date of the original decision or order of the subordinate officer referred to in sub-section (1).

CHAPTER – IX
APPEALS AND REFERENCES

Appeals.

63. (1) Any person, other than the Authority or any of its employees, aggrieved by any decision or order passed under section

60 by an officer of the Authority other than Commissioner may, within thirty days of the date of receipt of such decision or order, prefer an appeal to the Commissioner (Appeals).

(2) An appeal under sub section (1) shall:—

(a) be in the prescribed form;

(b) be verified in the prescribed manner;

(c) state precisely the grounds upon which the appeal is made;

(d) be accompanied by the fee specified in sub-section (3); *and*

(e) be lodged with the Commissioner (Appeals) within the time set out in sub-section (4).

(3) The prescribed fee shall be:—

(a) where the appellant is a company, one thousand rupees; *or*

(b) where the appellant is not a company, two hundred rupees.

(4) An appeal shall be preferred to the Commissioner (Appeals) within thirty days of the receipt of the decision or order passed under section 60.

(5) The Commissioner (Appeals) may, upon application in writing by the appellant, admit an appeal after the expiration of the period specified in sub-section (4) if the Commissioner (Appeals) is satisfied that the appellant was prevented by sufficient cause from lodging the appeal within that period.

Procedure in Appeal.

64. (1) The Commissioner (Appeals) shall give notice of the day fixed for the hearing of the appeal to the appellant and to the officer of the Authority against whose order the appeal has been made.

(2) The Commissioner (Appeals) may adjourn the hearing of the appeal from time to time.

(3) The Commissioner (Appeals) may, before the hearing of an appeal, allow the appellant to file any new ground of appeal not specified in the grounds of appeal already filed by the appellant where the Commissioner (Appeals) is satisfied that the omission from the appellant in the form of appeal was not willful or unreasonable.

(4) The Commissioner (Appeals) may stay the recovery of any tax due by virtue of the decision or order being appealed against and any such order made by the Commissioner (Appeals) shall remain operative for not more than fifteen days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Commissioner (Appeals) deems fit but stay order so confirmed, varied or vacated as the Commissioner (appeals) deems fit but the stay order so confirmed or varied shall remain operative for not more than sixty days, including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

(5) The Commissioner (Appeals) may, before disposing of an appeal, call for such particulars, documents, records or information as the Commissioner (Appeals) may require resecting the matters arising in the appeal or cause further inquiry to be made by the officer of the Authority.

Decision in Appeal.

65. (1) In disposing of an appeal lodged under section 63, the Commissioner (Appeals) may pass such order as he deems fit, confirming varying, altering, sting aside or annulling the decision or order appealed against.

(2) In deciding an appeal, the Commissioner (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for de novo consideration.

(3) The Commissioner (Appeals) shall not increase the amount of any tax payable by the appellant unless the appellant has been given an opportunity of showing cause against such increase.

(4) The Commissioner (Appeals shall communicate his order to the appellant and the Authority.

(5) An order passed by the Commissioner (Appeals) under sub-section (1) shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period, not exceeding sixty days, as the Commissioner (Appeals) may, for reasons to be recorded in writhing, fix.

(6) In computing the aforesaid time period, any period during which the proceedings are adjourned on account of a stay order or proceedings under section 71 or the time taken through adjournments by the appellant shall be excluded.

(7) Where the Commissioner (Appeals) has not made an order under sub-section (1) before the expiration of one hundred and

eighty days from the end of the month in which the appeal was lodged, the Commissioner (Appeals) shall transfer his appeal to the Appellate Tribunal and the Tribunal shall decide the appeal under this Act as if it has been filed against the order of the Commissioner (Appeals).

(8) While transferring the undecided appeal to the Appellate Tribunal, the Commissioner (Appeals) shall attach his comprehensive report explaining the circumstances and reasons due to which the appeal could not be decided within time.

(9) For purposes of sub-section (5), any period during which the hearing of an appeal is adjourned on the request of the appellant shall be excluded in the computation of the period mentioned in the sub-section.

Appellate Tribunal.

66. (1) The Appellate Tribunal shall consist of two judicial and one technical members as the Government may, from time to time, determine.

(2) The Government shall appoint the judicial members of the Appellate Tribunal from amongst the District and Session Judges in consultation with the Balochistan High Court.

(3) The Government shall appoint a person as Technical member of the Appellate Tribunal for a period of three years, who is or has been:

a. an officer in B-21 of the Federal Board of Revenue possessing local/domicile of Balochistan province;

b. an officer in B-21 in the Finance Department or Federal Finance Division;

c. Provided that the age at the time of appointment shall not be more than 62 years.

(4) The Technical member of the Appellate Tribunal shall be eligible for re-appointment for a similar term, provided that the age at the time of re-appointment for second term shall not exceed sixty five years.

Provided that there shall be no further re-appointment of such person on expiry of second term.

(5) The Government shall designate one of the judicial members of the Appellate Tribunal as its Chairperson.

(6) The Appellate Tribunal may exercise its powers and discharge its functions in the prescribed manner in such Benches as

the Chairperson may constitute from amongst the members of the Appellate Tribunal.

(7) Subject to the provisions of sub-section (6), the Appellate tribunal shall have the power to regulate its own procedure, and the procedure of the Benches of the Appellate Tribunal in all matters relating to the discharge of its functions including the places at which the Benches shall hold their sittings.

(8) The Government may from time to time increase or decrease the number of members of the Appellate Tribunal by way of notification.

Appeal to the Appellate Tribunal.

67. (1) Where the taxpayer or an officer not below the rank of Additional Commissioner objects to any order passed by the Commissioner (Appeals), including an order under sub section (4) of section 64, the taxpayer or the officer may appeal to the Appellate Tribunal against such order.

(2) An appeal under sub-section (1) shall be:—

(a) in the prescribed form;

(b) verified in the prescribed manner;

(c) accompanied, except in case of an appeal preferred by an officer by the fee specified in sub-section (3); *and*

(d) preferred to the Appellate Tribunal within sixty days of the date of receipt of the order of the Commissioner (Appeals) by the taxpayer or the officer.

(3) The fee for an appeal shall be two thousand rupees.

(4) The Appellate Tribunal may, upon application in writing, admit an appeal after the expiration of the period specified in clause (d) of sub-section (2) if it is satisfied that the person appealing was prevented by sufficient cause from filing the appeal within that period.

Disposal of Appeals by the Appellate Tribunal.

68. (1) The Appellate Tribunal may, before disposing if an appeal, call for such particulars, documents, records or information as it may require in respect of the matters arising from the appeal or cause further inquiry to be made by the officer of the Authority.

(2) The appellate Tribunal shall afford an opportunity of being heard to the parties to the appeal and, in case of default by any of the parties on the date of hearing, the Tribunal may, if it deems

fit, dismiss the appeal in default, or may proceed ex-parte to decide the appeal on the basis of the available record but the Appellate Tribunal shall decide the appeal within six months from the date of filing of the appeal.

(3) The Appellate Tribunal may stay the recovery of any tax due by virtue of the decision or order being appealed against and any such odder made by the Appellate Tribunal shall remain operative for not more than thirty days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Appellate Tribunal deems fit but the stay order so confirmed or varied shall remain operative for not more than ninety days including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

(4) In deciding the appeal, the Appellate Tribunal may, without prejudice to the powers specified in sub-section (2), make an order to:—

(a) affirm, modify or annul the order being appealed against; *or*

(b) remand the case to the officer or the Commissioner (Appeals) for making such inquiry or taking such action as the Tribunal may direct.

(5) The Appellate Tribunal shall not increase the amount of any tax payable, penalty or default surcharge unless the taxpayer has been given a reasonable opportunity of showing cause against such increase.

(6) The Appellate Tribunal shall communicate its order to the taxpayer and the Commissioner.

(7) Save as provided in any other law, the decision of the Appellate Tribunal on an appeal shall be final.

Reference to the High Court.

69. (1) A reference to the High Court shall lie only if a question of law is involved in a case.

(2) Any person or the Authority may, within sixty days from the date of communication of the final order of the Appellate Tribunal, prefer a reference in the prescribed form along with a statement of the facts of the case and question of law involved in the case.

(3) The High Court may dismiss a reference in limine if it is satisfied that the reference does not contain any question of law

for determination.

(4) The reference under this section shall be heard by a bench of at least two Judges of the High Court and provision of section 98 of the Code of Civil Procedure 1908 (V of 1908) shall, as far as possible, apply to such reference.

(5) The High Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.

(6) Notwithstanding that a reference has been preferred in the High Court, the tax shall be paid in accordance with the order of the Appellate Tribunal.

(7) If the tax liability is reduced by the High Court and the Authority decides to seek leave to appeal to the Supreme Court, the Authority may, within thirty days of the receipt of the judgment of the Court, apply to the High Court to postpone the refund until the decision by the Supreme Court.

(8) Section 5 of the Limitation Act 1908 (IX of 1908) shall apply to a reference under Sub-section (1).

(9) A court fee of rupees one thousand shall be affixed on a reference under this section except when it is filed by the Authority.

Deposit of the Tax Demand while Appeal is Pending.

70. Where in any appeal, the decision or order appealed against relates to any tax demanded under this Act, the person who has filed the appeal shall, pending the appeal, deposit the admitted amount of the tax based on the return filed under section 35 or as may be determined by the Commissioner (Appeals) or the Appellate Tribunal where such return has not been filed.

Alternate Dispute Resolution.

71. (1) Notwithstanding any other provisions of this Act or the rules, any registered person aggrieved in connection with any dispute pertaining to:—

(a) the liability of the tax against the registered person;

(b) the extent of waiver of default surcharge and penalty;

(c) relaxation of any procedural or technical irregularities and condition of any prescribed time limitation; *and*

(d) any other specific relief required to resolve the dispute, may apply to the Authority for the appointment of a committee for the resolution

of any dispute mentioned in detail in the application.

(2) Notwithstanding anything contained in sub-section (1), the Authority shall not accept an application under sub-section (1) where criminal proceedings have been initiated or where the Authority is of the opinion that the interpretation of a question of law having a larger impact on revenue or on a number of similar cases is involved.

(3) The Authority may, after examination of the application of a registered person, appoint a committee of not less than three persons within thirty days of receipt of such application, consisting of an officer of the Authority not below the rank of an Additional Commissioner and nominees from the notified panel consisting of Chartered or Cost Accountants, Advocates, representatives of trade bodies or associations, retired officers of the rank of not less than BS-20, retired Judges, or any other reputable taxpayers, for the resolution of the dispute.

(4) The committee constituted under sub section (3) shall examine the issue and may, if it deems fit, conduct an inquiry, seek expert opinions, direct any officer of the Authority or any other person to conduct an audit and shall make recommendations to the Authority within ninety days of its constitution in respect of the dispute.

(5) If the committee fails to make recommendations within the said period, the Authority may dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days and even if after expiry of that period the dispute is not resolved, the matter shall be taken up before the appropriate forum provided under this Act for decision.

(6) The Authority may, on the recommendation of the committee, pass such order, as it may deem appropriate within forty-five days of the receipt of the recommendations of the committee.

(7) The registered person may make payment of the tax as determined by the Authority in its order under sub section (6), and such order of the Authority shall be submitted before the forum, Appellate Tribunal or the Court where the matter is pending adjudication for consideration of orders as deemed appropriate.

CHAPTER – X
RECOVERY OF ARREARS

Recovery of Arrears of Tax.

72. (1) Subject to sub-section (2), where any amount of the tax is due from any person, the officer of the Authority may:—

(a) deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of the Authority;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax is recoverable to pay to such officer the amount specified in the notice;

(c) require by a notice in writing any bank to attach that person's bank accounts;

(d) seal the person's business premises till such time as the amount of the tax is paid or recovered in full;

(e) attach and sell any movable or immovable property of the person from whom the tax is due; *and*

(f) recover such amount by attachment and sale of any movable or immovable property of the guarantor, person, company, bank or financial institution where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument.

(2) If any arrears of tax, default surcharge, penalty or any other amount which is payable by any person cannot be recovered in any manner whatsoever, the Authority or the Commissioner if so authorized by the Authority, may for reasons to be recorded in writing write off the arrears or amount in the manner in the prescribed manner.

CHAPTER – XI
AGENTS, REPRESENTATIVES AND E-INTERMEDIARIES

Agent.

73. (1) For purposes of this Act and subject to sub-section (2) and (3), the expression ‘agent’ in respect of a registered person, means:—

(a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income, financial gains or benefits, funds, money or property on behalf, or for the benefit of, the individual;

(b) where the person is a Company (other than a Trust, a Provincial Government, or local authority in Pakistan), a Director or a Manager or Secretary or Accountant or any similar officer of the company;

(c) where the person is a Trust declared by a duly executed instrument in writing, whether testamentary or otherwise, any trustee of the trust;

(d) where the person is a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government or the local authority;

(e) where the person is an Association of persons, a Director or a Manager or Secretary or Accountant or any similar officer of the Association or, in the case of a firm, any partner in the firm;

(f) where the person is the Federal Government, any individual responsible for accounting for the receipt and payment of moneys or funds on behalf of the Federal Government; *or*

(g) where the person is a public international organization, or a foreign government or Political sub-division of a foreign government, any individual responsible for accounting for he receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political subdivision of the government; or

(h) when any person is expressly or impliedly authorized by a registered person to be his agent for all or any of the purposes of this Act.

(2) Where Court of Wards, Administrator General, Official Trustee, or any receiver or manager appointed by, or under any order of a Court receives or is entitled to receive income on behalf, or for the benefit of any person, such Court of Wards, Administrator General, Official Trustee, receiver or manager shall be the agent of the person for purposes of this Act.

(3) Notwithstanding anything in this section, any registered person may expressly or impliedly authorize another person to be his agent for all or any of the purposes this Act.

Liability and Obligations of Agents.

74. (1) Every agent of a person shall be responsible for performing any duties or obligations imposed by or under this Act and the rules on the person, including the payment of the tax.

(2) Subject to sub-section (5) of this section, the tax that by virtue of sub-section (1), is payable by an agent of a registered person shall be recoverable from the agent only to the extent of any assets of the registered person that are in the possession or under the control of the agent.

(3) Every agent of a registered person who pays any tax owing to the registered person shall be entitled to recover the amount so paid from the registered person or to retain the amount so paid out of any moneys of the registered person that are in the agent's possession or under the agent's control.

(4) Any agent, or any person who apprehends that he may assessed as an agent, may retain out of any money payable by him to the person on whose behalf he is liable to pay the tax (hereinafter in this section referred to as the 'principal'), a sum equal to his estimated liability under this act, and in the event of disagreement between the principal and such an agent or a person as to the amount to be so retained, such agent or person may obtain from the Commissioner a certificate stating the amount to be so retained pending final determination of the tax liability and the certificate so obtained shall be his conclusive authority for retaining that amount.

(5) Every agent shall be personally liable for the payment of any tax due by the agent if, while the amount remains unpaid, the agent:—

(a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable; *or*

(b) disposes of or parts with any moneys or funds belonging to the registered person that if such tax could legally have been paid from or out of such moneys or funds.

(6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person, which the agent of the person has failed to perform.

Liability of the Registered Person for the Acts of his Agent.

75. A registered person shall be responsible for any and all acts done by his agent.

Appearance by Theorized Representative.

76. A registered person required to appear before the Appellate Tribunal or an officer in connection with any proceedings under this Act may, in writing authorize any person having such qualification as may be prescribed by the Authority, to represent him or appear on his behalf.

E-intermediaries to be Appointed.

77. (1) Subject to such conditions, limitations and restrictions as the authority may impose, the Authority may, by a notification in the official Gazette, appoint a person as e-intermediary to electronically file returns and other electronic document under this Act and the rules on behalf of a registered person.

(2) A registered person may authorize an e-intermediary to electronically file returns or any other documents on his behalf as specified in sub-section (1).

(3) The return or such other documents filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by that registered person.

(4) Where this Act requires anything to be done by a registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, such thing shall be deemed to have been done with the knowledge and consent of the registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.

(5) Where an e-intermediary, authorized by a registered person under sub-section (2) to act on his behalf, knowingly or willfully submits false or incorrect information or document or declaration with an intent to avoid payment of the tax due or any part thereof, such e- intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid as a result of such incorrect or false information or document or declaration, without prejudice to any other action that may be taken against him or the registered person under the relevant provisions of the law.

(6) The Authority may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e-intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions and restrictions as specified in such rules.

CHAPTER – XII
GENERAL ADMINISTRATION

Power to Make Rules.

78. (1) The authority may, with the approval of the government and by notification in the official Gazette, make the rules for carrying out the purposes of any of the provisions of this Act.

(2) All rules made under sub-section (1) during a financial year shall be laid before the Provincial Assembly of Balochistan at the time of presentation of the Annual Budget for the next financial year.

(3) The rules made under this Act shall be collected, arranged and published along with general orders and departmental instructions, directions, notifications and rulings, if any, at appropriate intervals and sold to the public at a reasonable price.

Computerized System.

79. (1) The Authority may prescribe the use of a computerized system for carrying out the purposes of this Act and the rules including the receipt of applications for registration, returns and such other declarations or information required to be provided under this Act and the rules from such date and for such registered persons or class of persons as the Authority may, by notification in the official Gazette, specify.

(2) The Authority may regulate the conduct and transaction of business in relation to the submission of returns or other information to the Authority by the persons required to transmit or receive any information through the computerized system, including matters such as the grant of authorization,

suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.

(3) The information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.

(4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim or be provided any access to such information.

Service of Orders and Decisions.

80. (1) Subject to this Act, any notice, order or requisition required to be served on an individual for the purposes of this Act shall be treated as properly served on the individual if:—

(a) personally served on the individual or, in the case of an individual under a legal disability the agent of the individual;

(b) send by registered post or courier service to the individual's usual or last known address in Pakistan; *or*

(c) served on the individual in the manner prescribed for service of a summon under the Code of Civil Procedure, 1908 (V of 1908).

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than an individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on the person if:—

(a) personally served on the agent of the person;

(b) sent by registered post or courier service to the person's registered office address for service of notices under this Act in Pakistan or where the person does not have such office or address, the notice is sent by registered post to any office or place of business of the person in Pakistan; *or*

(c) served in the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (V of 1908).

(3) Where an association of persons is dissolved, any

notice, order or requisition required to be served under this Act, on the association or a member of the association may be served on any person who was the principal officer or a member of the association immediately before such dissolution.

(4) Where a business stands discontinued, any notice order or requisition required to be served under this Act, on the person discontinuing the business may be served on the person personally or on any individual who was the person's agent at the time discontinuance.

(5) The validity of any notice issued under this Act or the validity of any service of a notice shall not be called into question after notice has been complied with in any manner.

(6) Any registered person may indicate, in the manner prescribed by the Authority, that he whishes to electronically receive all or specific communications, including notifications, orders, assessments and requisitions from the Authority, the Appellate Tribunal or any officer of the Authority.

(7) The Authority may, by notification in the official Gazette, direct that all or specific communications, including notification order assessments and requisitions from the authority, the Appellate Tribunal or any officer to a specific registered person or class of registered persons shall be made electronically.

(8) For purposes of sub-section (6) and (7), a registered person shall be considered to have received the electronic communication within seventy two hours of the sending of the electronic communication by the Authority, Appellate Tribunal or the officer of the Authority.

(9) For purposes of sub-section (6), (7) and (8), an electronic communication includes a communication sent by email.

Correction of Clerical Errors.

81. (1) Any clerical or arithmetical error in any assessment, adjudication order or decision may, at any time be corrected by the officer of the Authority who made the assessment or adjudication or passed such order or decision or by his successor in office, through an order made under this section.

(2) Before any correction is made under sub-section (1), notice shall be given to the registered person likely to be affected by such correction.

Issuance of Duplicate of the Tax Documents.

82. An officer of the Authority not below the rank of the Assistant Commissioner may, on payment of one hundred rupees, issue an attested copy of any document filed by a registered person

with the Authority.

Power to Issue Orders, Instructions and Directions.

83. The Authority may issue such orders, instructions and directions, not inconsistent with this Act and the rules, to all officers of the authority, as it may deem necessary to implement, administer or enforce the provisions of this Act and the rules.

Officers of the Authority to Follow Orders.

84. (1) All officers of the Authority and other persons employed in the administration of this Act and the rules shall observe and follow the orders, instructions and directions of the Authority.

(2) No such orders, instructions or directions shall be given so as to interfere with the powers or discretion of officers of the Authority in the exercise of their judicial or quasi-judicial functions.

CHAPTER – XIII
MISCELLANEOUS

Computation of Limitation Period.

85. In computing the period of limitation prescribed for any appeal or application under this Act, the day on which the order complained against was served and, if the concerned person was not furnished with a copy of the order, the time requisite for obtaining a copy of such order shall be excluded.

Condonation of Time-limit.

86. (1) Where any time or period has been specified under any of the provisions of the Act or the rules within which any act or thing, including submission of an application, filing of a return or payment of tax, is to be done, the Authority may permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate.

(2) The Authority may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any Commissioner or the officer of the Authority to exercise the power under this section in any case or class of cases.

Bar of Suits, Prosecution and other Legal Proceedings.

87. (1) No suit shall be brought in any Civil Court to set aside or modify any order passed, any assessment made, any tax levied, any penalty or default surcharge imposed or any tax made under this Act.

(2) No suit, prosecution or other legal proceedings shall lie against the Government or against any public servant in respect of any order passed in good faith under this Act.

(3) Notwithstanding anything in any other law, no investigation or inquiry shall be undertaken or initiated by any government agency against any officer or official for anything done in his official capacity under this Act, except with the permission of the Authority.

Removal of Difficulties.

88. (1) The Government may pass such order, for removing any difficulty or for bringing the provisions of this Act into effective operation direct that provisions of this Act shall, during such period as may be specified in the order, have effect subject to such adaptations whether by way of modification or addition or omission as it may deem to be necessary or expedient.

(2) The power under this section shall not be exercised after the expiry of two years from the commencement of this Act.

Repeal and Saving.

89. (1) The Balochistan Sales Tax Ordinance, 2000[1] (I of 2000) is hereby repealed.

(2) Any proceeding under the repealed ordinance pending on the date notified under sub-section (3) of section 1 before any authority, forum any court by way of adjudication, assessment, appeal, reference, revision or prosecution shall be continued and disposed off as if this Act has not come into force.

(3) Where the Government or the Authority takes any action, makes any decision or orders, issues any instructions, directions, clarifications or notifications in pursuance of or in exercising of powers conferred under any provision of any law in respect of any matter relating to the tax and allied issues covered under this Act or the rules, such actions, decisions, orders, instructions, directions, clarifications and notification shall be deemed to have been validly issued to serve the purposes of this Act and the rules.

(5) Where so directed by the Government, any tax payable but not paid under the Balochistan Sales Tax Ordinance, 2000[2] (II of 2000) may be recovered under this Act, but without prejudice to any action already taken for the recovery of the amount under the said Ordinance.

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[1] Balochistan Ordinance I of 2000, made by Governor of Balochistan on 20th June, 2000 and published in Balochistan Gazette (Extraordinary) No. 19, dated 29th June, 2000; declared continue in force by Article 270AA of the Constitution of Pakistan 1973; now repealed by this Act.

[2] For Balochistan Ordinance I of 2000, *See* the Balochistan Gazette (Extraordinary) No. 19, dated 29th June, 2000.

(*See **Schedule** on next page*)

FIRST SCHEDULE

(Classification of Services)

(*see sub-section (38) of section 2*)

Classification	Description
(1)	(2)
98.01	**Services provided by hotels, motels, guest houses, restaurants, marriage halls, lawns, clubs and caterers.**
9801.1000	Services provided by hotels, motels and guesthouses.
9801.2000	Services provided by restaurants.
9801.3000	Services provided by marriage halls and lawns.
9801.4000	Services provided by clubs
9801.5000	Services provided by caterers, suppliers of food and drinks
9801.6000	Ancillary services provided by hotels, motels, guesthouses, restaurants, marriage halls, lawns, and caterers.
9801.7000	Services provided by messes and hotels.
9801.9000	Others.
98.02	**Advertisements**
9802.1000	Advertisements on T.V.
9802.2000	Advertisements on Radio.
9802.3000	Advertisements on Closed Circuit T.V.
9802.4000	Advertisements in Newspapers and Periodicals
9802.5000	Advertisements on Cable T.V. Network.
	Advertisements on Poles.
	Advertisements on Billboards.
9802.9000	Others.
98.03	**Facilities for travel.**
9803.1000	Travel by air of passengers within the territorial jurisdiction of Pakistan.
9803.1100	Travel by air of passengers embarking on international journey from Pakistan.
9803.2000	Domestic travel by train.
9803.2100	Others.
98.04	**Services provided for inland carriage of goods.**
9804.1000	Carriage of goods by air.
9804.2000	Carriage of goods by train.
9804.9000	Others
98.50	**Services provided by persons authorized to transact business on behalf of others.**
9805.1000	Shipping agents
9805.2000	Stevedores.
9805.2100	Ship management service.
9805.3000	Freight forwarding agents
9805.4000	Customs agents.
9805.5000	Travel agents.
Classification	**Description**
(1)	**(2)**
9805.5100	Tour operators.
9805.6000	Recruiting agents.
9805.7000	Advertising agents.
9805.8000	Ship chandlers.

9805.9000	Share transfer agent.
9805.9100	Sponsorship services.
9805.9200	Business support services.
9805.9090	Others
98.06	**Services provided in matters of hire.**
9806.1000	Purchase or sale of moveable or immovable goods or property.
9806.2000	Property dealers.
9806.3000	Car/automobiles dealers.
9806.9000	Dealers of second hand good other than automobiles.
9807.0000	**Services provided by property developers and promoters.**
9808.0000	**Courier Services.**
9809.0000	**Services provided by persons engaged in contractual execution of work or furnishing supplies.**
9810.0000	**Services provided for personal care by beauty parlors/clinics, slimming clinics and others.**
9811.0000	**Services provided by laundries and dry cleansers.**
98.12	**Telecommunication Services.**
9812.10000	**Telephone Services.**
9812.1100	Fixed line voice telephone service.
9812.1200	Wireless telephone.
9812.1210	Cellular telephone.
9812.1220	Wireless Local Loop telephone.
9812.1300	Video telephone.
9812.1400	Payphone cards.
9812.1500	Prepaid calling cards.
9812.1600	Voice mail service.
9812.1700	Messaging service.
9812.1710	Short message service (SMS).
9812.1720	Multimedia message service (MMS).
9812.1910	Shifting of telephone connection.
9812.1920	Installation of telephone connection.
9812.1930	Provision of telephone extension.
9812.1940	Changing of telephone connection.
9812.1950	Conversion of NWD connection to non-NWD or vice versa.
9812.1960	Cost of telephone set.
9812.1970	Restoration of telephone connection.
9812.1990	Others.
9812.2000	Bandwidth Services.
9812.2100	Copper line based.

Classification	**Description**
(1)	**(2)**
9812.2200	Fiber-optic based
9812.2300	Co-axial cable based.
9812.2400	Microwave based
9812.2500	Satellite based
9812.2900	Others.
9812.3000	Telegraph.
9812.4000	Telex.

9812.5000	Telefax.
9812.5010	Store and forward fax services.
9812.5090	Others.
9812.6000	Internet services
9812.6100	Internet services including services.
9812.6110	Dial-up Internet services.
9812.6120	Broadband servers for DSL connection.
9812.6121	Copper line based
9812.6122	Fiber-optic based.
9812.6123	Co-axial cable based.
9812.6124	Wireless based.
9812.6125	Satellite based.
9812.6129	Others.
9812.6130	Internet/email/data/SMS/MMS services on WLL networks.
9812.6140	Internet/email/data/SMS/MMS services on cellular mobile networks.
9812.6190	Others.
9812.6200	Data Communication network services (DCNS).
9812.6210	Copper line based.
9812.6220	Co-axial cable based.
9812.6230	Fiber-optic based.
9812.6240	Wireless/radio based.
9812.6250	Satellite based
9812.6290	Others
9812.6300	Value added data services.
9812.6310	Virtual Private Network Services (VPN)
9812.6320	Digital Signature Services
9812.6390	Others
9812.9000	Audio text services
9812.9100	Tele-text services
9812.9200	Trunk radio services
9812.9300	Paging services.
9812.9400	Voice paging services.
9812.9410	Radio paging services.
9812.9490	Vehicle tracking services.
9812.9500	Burglar alarm services.
9812.9090	Others.

Classification	**Description**
(1)	**(2)**
98.13	**Services provided by banking companies, insurance companies, cooperative financing societies modarbas, musharikas, leasing companies, foreign exchange dealers, non-banking financial intuitions and other persons dealing in any such services.**
9813.1000	Services provided in respect of insurance to policyholder by an insurer, including a reinsure.
9813.1100	Goods insurance.
9813.1200	Fire insurance.
9813.1300	Theft insurance.
9813.1400	Marine insurance.
9813.1500	Life insurance.

9813.1600	Other insurance.
9813.2000	Services provided in respect of advances and loans.
9813.3000	Services provided in respect of leasing.
9813.3010	Financial leasing.
9813.3020	Commodity or equipment leasing.
9813.3030	Hire-purchase leasing.
9813.3090	Others.
9813.3900	Services provided in respect of musharika financing.
9813.4000	Services provided by banking companies in relation to;
9813.4100	Guarantee.
9813.4200	Brokerage.
9813.4300	Letter of credit.
9813.4400	Issuance of pay order and demand draft.
9813.4500	Bill of exchange.
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer.
9813.4700	Bank guarantee.
9813.4800	Bill discounting commission.
9813.4900	Safe deposit lockers.
9813.4910	Safe vaults.
9813.5000	Issuance, processing and operation of credit and debit cards.
9813.6000	Commission and brokerage of foreign exchange dealings.
9813.7000	Automated Teller Machine operations, maintenance and management.
9813.8000	Service provided as banker to an issue.
9813.8100	Others.
9813.9000	Service provided by a foreign exchange dealer or exchange company or money changer.
98.14	**Services provided by architects, town planners, contractors, property developers or promoters, interior decorators.**
9814.1000	Architects or town planners.
9814.2000	Contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works.
9814.3000	Property developers or promoters.
9814.4000	Landscape designers.
Classification	**Description**
(1)	**(2)**
9814.9000	Others.
98.15	**Services provided by professionals and consultants etc.**
9814.1000	Medical practitioners and consultants.
9814.2000	Legal practitioners and consultants.
9814.3000	Accountants and auditors.
9814.4000	Management consultants.
9814.5000	Technical, scientific and engineering consultants.
9814.6000	Software or IT based system development consultants.
9814.9000	Other consultants.
9816.0000	Services provided by pathological laboratories.
98.17	**Services provided by medical diagnostic laboratories including X-resect scan, M.R. Imaging etc.**
9817.1000	Scientific laboratories.
9817.2000	Mechanical laboratories

9817.3000	Chemical laboratories
9817.4000	Electrical or electronic laboratories.
9817.9000	Other Such laboratories
98.18	**Services provided by specialized agencies.**
9818.1000	Security agencies.
9818.2000	Credit rating agencies.
9818.3000	Market research agencies.
9818.9000	Other such agencies.
98.19	**Services provided by specified persons or businesses.**
9819.1000	Stockbrokers.
9818.1100	Under writers.
9818.1200	Indenters.
9818.1300	Commission agents.
9818.1400	Packers.
9818.2000	Money exchangers.
9818.3000	Rent a Car.
9818.4000	Prize bond dealers.
9818.5000	Surveyors.
9818.6000	Designers.
9818.7000	Outdoor photographers.
9818.8000	Art painters.
9818.9000	Cable TV Operators.
9818.9100	Auctioneers.
9818.9200	Public relations services.
9818.9300	Management consultants.
9818.9400	Technical testing and analysis service.
9818.9500	Service provided by a registrar to an issue.
9818.9090	Others.

Classification	**Description**
(1)	**(2)**
98.20	**Services provided by specialized workshops or undertakings.**
9820.1000	Auto-workshops.
9820.2000	Workshops for industrial machinery construction and earth-moving machinery or other special purpose machinery etc.
9820.3000	Workshops for electric or electronic equipment’s or appliances etc. including computer hardware.
9820.4000	Car washing or similar service stations.
9820.9000	Other workshops.
98.21	**Services provided for specified purposes.**
9821.1000	Healthcare center, gyms or physical fitness center etc.
9820.2000	Indoor sports and games center.
9820.3000	Baby care center.
9820.4000	Baby massage center.
9820.5000	Pedicure center.
98.22	**Services provided for specified purposes.**

9822.1000	Fumigation services
9822.2000	Maintenance or cleaning services.
9822.3000	Janitorial services.
9822.4000	Dredging or de-silting services.
9822.9000	Other similar services
9823.0000	**Franchise services.**
9824.0000	**Construction services.**
9825.0000	**Consultancy services.**
9826.0000	**Management services including fund and asset management services.**
9827.0000	**Market research agencies.**
9828.0000	**Program producers.**
9829.0000	**Brokerage (other than stock) and indenting services.**
9830.0000	**Race Clubs.**
9831.0000	**General insurance agents.**
9832.0000	**Exhibition or convention services.**
9833.0000	**Data Processing and provision of information, services of engineers, handling and storage of goods.**
9834.0000	**Fashion designers.**

Classification	**Description**
(1)	**(2)**
9835.0000	**Cable operators.**
9836.0000	**Internet cafe.**
9837.0000	**Pandal and shamiana services**
9838.0000	**Airport services.**
9839.0000	**Intellectual property services.**
9840.0000	**Forward contract services.**
9841.0000	**Packaging services.**
9842.0000	**Services provided in matters of hire.**
9843.0000	**Purchase or sale of moveable or immovable goods or property.**
9844.0000	**Property dealers and realtors.**
9845.0000	**Automobile dealers.**
9846.0000	**Dealers of second hand goods other than automobiles.**
9847.0000	**Cosmetic and plastic surgery.**

9848.0000	**Beauty parlor and beauty clinics.**
9849.0000	**HR consultants.**
9850.0000	**Corporate law consultants.**
9851.0000	**Tax consultants.**
9852.0000	**Human resources & personnel development services.**
9853.0000	**Coaching centers.**
9854.0000	**Vocational centers.**
9855.0000	**Actuarial services.**
9856.0000	**Training services.**
9857.0000	**Tracking services.**
9858.0000	**Security alarm services.**
9859.0000	**Human resource development.**
9860.0000	**Building maintenance and service provider.**
9861.0000	**Quality control services (ISO certification authority).**
9862.0000	**Services provided by motels, guest houses and farm houses.**
9863.0000	**Debt collection agencies.**
9864.0000	**Amusement parks.**
9865.0000	**Call centers.**
9866.0000	**Film and drama studios including mobile stage shows or cinemas.**
9867.0000	**Entertainment services.**
9868.0000	**Services provided in respect of manufacturing or processing on toll basis.**

SECOND SCHEDULE

(Taxable Services)
[*See section 3*]

PART A

Tariff Classification	Description	Rate of tax
(1)	**(2)**	**(3)**
98.12	**Telecommunication services**	**19.5%**
9812.1000	Telephone services	19.5%
9812.1100	Fixed line voice telephone service	19.5%
9812.1200	Wireless telephone	19.5%
9812.1210	Cellular telephone	19.5%
9812.1220	Wireless Local Loop telephone	19.5%
9812.1300	Video telephone	19.5%
9812.1400	Payphone cards	19.5%
9812.1500	Prepaid calling cards	19.5%
9812.1600	Voice mail service	19.5%
9812.1700	Messaging service	19.5%
9812.1710	Short Message service (SMS)	19.5%
9812.1720	Multimedia message serve (MMS)	19.5%
9812.1910	Shifting of telephone connection	19.5%
9812.1920	Installation of telephone extension	19.5%
9812.1930	Provision of telephone extension	19.5%
9812.1940	Changing of telephone connection	19.5%
9812.1950	Conversion of NWD connection to no NWD or vice versa	19.5%
9812.1960	Cost of telephone set	19.5%
9812.1970	Restoration of telephone set	19.5%
9812.1990	Others	19.5%
9812.2000	Bandwidth services	19.5%
9812.2100	Copper line based	19.5%
9812.2200	Fiber-optic based	19.5%
9812.2300	Co-axial cable based	19.5%
9812.2400	Microwave based	19.5%
9812.2500	Satellite based	19.5%
9812.2900	Others	19.5%
9812.3000	Telegraph	19.5%
9812.4000	Telex	19.5%
9812-5000	Telefax	19.5%
9812.5010	Store and forward fax services	19.5%
9812.5090	Others	19.5%
9812.6000	Internet services	19.5%
9812.6100	Internet services including email services	19.5%

9812.6110	Dial-up internet services	19.5%
9812.6120	Broadband services for DSL connection	19.5%
9812.6121	Copper line based	19.5%
9812.6122	Fiber-optic based	19.5%
9812.6123	Co-axial cable based	19.5%
9812.6124	Wireless based	19.5%
9812.6125	Satellite based	19.5%
9812.6129	Others	19.5%
9812.6130	Internet/email/Data/SMS/MMS services on WLL networks	19.5%
9812.6140	Internet/email/Data/SMS/MMS services on cellular mobile networks	19.5%
9812.6190	Others	19.5%
9812.6200	Data Communication Network Services (DCNS)	19.5%
9812.6210	Copper Line based	19.5%
9812.6220	Co-axial cable based	19.5%
9812.6230	Fiber-optic based	19.5%
9812.6240	Wireless/Radio based	19.5%
9812.6250	Satellite based	19.5%
9812.6290	Others	19.5%
9812.6300	Value added data services	19.5%
9812.6310	Virtual private Network services (VPN)	19.5%
9812.6320	Digital Signature service	19.5%
9812.6390	Others	19.5%
9812.9000	Audiotext services	19.5%
9812.9100	Teletext services	19.5%
9812.9200	Trunk radio services	19.5%
9812.9300	Paging services	19.5%
9812.9400	Voice paging services	19.5%
9812.9410	Radio paging services	19.5%
9812.9490	Vehicle tracking services	19.5%
9812.9500	Burglar alarm services	19.5%
9812.9090	Others	19.5%

PART B

Tariff Heading	Description	Rate of tax
(1)	**(2)**	**(3)**
98.01	**Services provided or rendered by hotels, motels, guest houses, restaurants, marriage halls, lawns, clubs and caterers.**	
9801.1000	Services provided or rendered by hotels	15%
9801.2000	Services provided or rendered by restaurants	15%

9801.3000	Services provided or rendered by marriage halls, lawns, pandal and shamiana	15%
9801.4000	Services provided or rendered by clubs	15%
9801.5000	Services provided or rendered by caterers, suppliers of food and drinks	15%
9801.6000	Ancillary services provided or rendered by hotels, restaurants, marriage halls and lawns, clubs and caterers	15%
98.02	**Advertisement**	
9802.1000	Advertisement on T.V.	15%
9802.2000	Advertisement on radio	15%
9802.3000	Advertisement on closed circuit T.V.	15%
9802.4000	Advertisement in newspaper and periodicals	15%
9802.5000	Advertisement on cable T.V. network	15%
9802.6000	Advertisement on poles	15%
9802.7000	Advertisement on billboards	15%
9802.9000	Others Advertisement including those on web or internet	15%
9805.1000	Shipping agents	15%
9805.2000	Stevedores	15%
9805.2100	Ship management services	15%
9805.3000	Freight forwarding agents	15%
9805.4000	Customs agents	15%
9805.5100	Tour operators	15%
9805.6000	Recruiting agents	15%
9805.7000	Advertising agents	15%
9805.8000	Ship chandlers	15%
9805.9000	Share transfer agents	15%
9805.9100	Sponsorship services	15%
9805.9200	Business Support Services	15%
	Services provided or rendered in the matter of sale purchase or hire	
9806.1000	Purchase or sale or hire of immovable property	15%
9806.2000	Property dealers	15%
9806.3000	Cars or automobile dealers	15%
9807.0000	**Services provided or rendered by property developers or promoters for** **(a) Development of purchased or leased land for conversion into residential or commercial plots.** **(b) Construction of residential or commercial units.**	15%
9808.0000	**Courier services**	15%
9809.0000	**Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies**	15%

9810.0000	**Services provided or rendered for personal care by beauty parlors, beauty clinics, slimming clinics or centres and others**	15%
9811.0000	**Services provided or rendered by laundries and dry cleaners**	15%
9813	**Services provided or rendered by Banking companies, Insurance companies, Cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non banking financial institutions and other persons dealing in any such services**	15%
9813.1000	Services provided or rendered in respect of insurance to a policy holder by an insurer, including a reinsurer	15%
9813.1100	Goods insurance	15%
9813.1200	Fire insurance	15%
9813.1300	Theft insurance	15%
9813.1400	Marine insurance	15%
9813.1500	Life insurance	15%
9813.1600	Other insurance including reinsurance	15%
9813.3000	Services provided or rendered in respect of leasing	15%
9813.3010	Financial leasing	15%
9813.3020	Commodity or equipment leasing	15%
9813.3030	Hire purchase leasing	15%
9813.3900	Services provided or rendered in respect of modaraba and musharika financing	15%
9813.4000	Services provided or rendered by banking companies in relation to:	15%
9813.4100	Guarantee	15%
9813.4200	Brokerage	15%
9813.4300	Letter of credit	15%
9813.4400	Insurance of pay order and demand draft	15%
9813.4500	Bill of exchange	15%
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer	15%
9813.4700	Bank guarantee	15%
9813.4800	Bill discounting commission	15%
9813.4900	Safe deposit lockers	15%
9813.4910	Safe vaults	15%
9813.4990	Other services not specified elsewhere	15%
9813.5000	Issuance, processing and operation of credit and debit cards	15%
9813.6000	Commission and brokerage of foreign exchange dealings	15%
9813.7000	Automated Teller Machine operations, maintenance and management	15%

9813.8000	Service provided as banker to an issue	15%
9813.8100	Others, including the services provided or rendered by non-banking, finance companies, modaraba and musharika companies and other financial institutions	15%
9813.9000	Service provided or rendered by a foreign exchange dealer or exchange company or money changer	15%
9814.1000	Architects or town planners	15%
9814.2000	Contractor of building (including water supply, gas supply and sanitary works), electrical and mechanical works (including air conditioning), multi-disciplinary works (including turn-key projects) and similar other works	15%
9814.3000	Property developers or promoters	15%
9814.9000	Interior decorators	15%
98.15	**Services provided or rendered by professionals and consultants, etc.**	
9815.2000	Legal practitioners and consultants	15%
9815.3000	Accountants and auditors	15%
9815.4000	Management consultants	15%
9815.5000	Technical, scientific and engineering consultants	15%
9815.6000	Software or IT based system development consultants	15%
9815.9000	Tax consultants	15%
98.18	**Services provided or rendered by specialized agencies**	
9818.1000	Security agency	15%
9818.3000	Market research agency	15%
98.19	**Services provided or rendered by specified persons of businesses**	
9819.1000	Stockbrokers and commodity brokers	15%
9819.2000	Money exchanger	15%
9819.3000	Rent a car and automobile rental service	15%
9819.5000	Surveyors	15%
9819.7000	Outdoor photographers and videographers	15%
9819.9000	Cable TV operators	15%
9819.9300	Management consultants	15%
9819.9400	Technical testing and analysis service	15%
9819.9500	Services provided or rendered by a registrar to an issue	15%
9819.9090	Services provided or rendered by port operators, airport operators, airport ground service providers and terminal operators	15%
98.20	**Service provided or rendered by specialized Workshops or undertakings.**	
9820.1000	Auto workshops, including authorized service stations	15%
9820.2000	Workshops for industrial machinery, constructions and earth-moving machinery or other special purpose	15%

	machinery, etc.	
9820.3000	Workshop for electric or electronic equipment or appliances, etc, including computer hardware	15%
9820.4000	Car or automobile washing or similar service station	15%
98.21	**Services provided or rendered in specified fields**	
9821.1000	Health care centre, gyms or physical fitness centre, etc	15%
9821.4000	Body massage centre	15%
9821.5000	Pedicure centre	15%
98.22	**Services provided or rendered for specified purposes**	
9822.1000	Fumigation services	15%
9822.2000	Maintenance or cleaning services	15%
9822.3000	Janitorial services	15%
9823.0000	**Franchise services**	**15%**
9824.0000	**Construction services**	**15%**
	Management services including fund and assets management services	15%
	Airport services	15%
	Tracking services	15%
	Security alarm services	15%
	Services provided by motels and guest houses	15%
	Event management services including the services by event photographers, event videographer and persons related to such event management	15%
	Exhibition services	15%
9828.0000	Public bonded warehouses	15%
9829.0000	Labour and manpower supply services	15%
9830.0000	Services provided in the matter of manufacturing or processing for other on toll basis	15%
9831.0000	Race Clubs: (a) Service of entry/admission (b) Other services	(a) Rs.200 per entry ticket or entry pass of the person visiting the race event. (b) 15%
9832.0000	Services provided or rendered by program producers and production houses	15%
9833.0000	Services provided or rendered by corporate law consultants	15%
9834.0000	Services provided or rendered by fashion designers	15%
9835.0000	Services provided or rendered by call centres	15%
9836.0000	Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road	15%

or through pipeline or conduit

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