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

Islamabad, the 1ˢᵗ August, 2011.

NOTIFICATION
(SALES TAX)

S.R.O. 727 (I)/2011.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt sales tax on the import of plant and machinery not manufactured locally and having no compatible local substitutes subject to the following conditions, namely:-

(i)   the registered manufacturers or industrial importers shall submit to the customs authorities post-dated cheques equal to the amount of sales tax payable at import stage which shall be returned back on the filing of first sales tax return after import of the machinery;

(ii)   the commercial importers shall submit to the customs authorities good-for-payment cheque or bank guarantee or pay order or pay in cash equal to the amount of sales tax payable at import stage, which shall be returned back, or as the case may be, refunded after providing evidence of next supply to the registered manufacturer or industrial users;

(iii)   local supply of plant and machinery by commercial importers to unregistered industrial regimes or commercial regimes shall be liable to tax and evidence to that effect shall be produced to the customs authorities for release of the said instrument or refund of the amount paid at import stage;

(iv)   subsequent supply of plant and machinery imported or acquired and used by registered manufacturers or registered industrial users to unregistered industrial regimes or commercial regimes whether registered or not, shall be liable to tax; and

(v)   the validity period of instruments furnished under this notification on shall not be less than one hundred and twenty days.

Explanation.- For the purpose of this notification, plant and machinery means such plant and machinery as is used in the manufacture or production of goods.

[C.No.1(140)C(RGST)/Textile/2011]

(Khawar Khurshid Butt)
Additional Secretary