

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

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Islamabad, the 31<sup>st</sup> December, 2011

S.R.O.1125(I)/2011. In exercise of the powers conferred by clause (c) of section 4 read with clause (b) of sub-section (2) and sub-section (6) of section 3, clause (b) of sub-section (1) of section 8 and section 71 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 1058(I)/2011, dated the 23<sup>rd</sup> November, 2011, the Federal Government is pleased to <sup>10</sup>[direct that sales tax shall be charged, levied and paid at the rate of two per cent of the value of the goods mentioned in column (2) of Table-I below, at the rate of five per cent of the value of the goods mentioned in column (2) of Table-II below, falling under PCT heading numbers specified in column (3) of the said respective tables, and at the rates of two, five or seventeen per cent, as the case may be, on the goods or class of goods mentioned in the conditions stated in this notification], to the extent and in the manner as specified in the aforesaid conditions, namely:-

<sup>11</sup>[ **TABLE-I** ]

S.No.	Description of goods	PCT heading No.
(1)	(2)	(3)
<sup>7</sup> [01.	Leathers and articles thereof, excluding finished articles of leather and artificial leather	Chapter 41 and heading 64.06
02.	Textile and articles thereof, excluding (a) finished articles of textiles and textile made-ups; (b) mono-filament of more than 67 decitex; (c) sun shading; (d) fishing net of nylon or other material; (e) rope of polyethylene or nylon; and (f) tyre cord fabric	Chapters 50, 51, 52, 53, 54 (excluding 5407.2000), 55, 56 (excluding 56.08 and 56.09), 57(excluding made ups), 58, 59 (excluding 59.05, 59.10) and 60
03.	Carpets, excluding those in finished condition	Chapter 57 (excluding made ups)]
04.	Maize (corn) starch	1108.1200
05.	Mucilages and thickness, whether or not modified, derived from locust beans locust bean seeds or guar seeds	1302.3210, 1302.3290,
<sup>7</sup> [06.	Sports goods, excluding those in finished condition	respective headings excluding finished goods

07.	Surgical goods, excluding those in finished condition	respective headings excluding finished goods]
08.	Emery powder/grains	2513.2010
09.	Magnesium oxide	2519.9010
10.	Coning oil	2710.1991
11.	Spin finish Oil	2710.1998
12.	Antimony oxide	2825.8000
13.	Sodium bromated	2829.9000
14.	Sodium sulphide and sodium hydrogen sulphide	2830.1010, 2830.1090
15.	Sodium dithionite	2831.1010
16.	Sodium sulphite and sodium hydrosulphide	2832.1010, 2832.1090
17.	Phosphinates (hypophosphites) and phosphonates (phosphates)	2835.1000
18.	Sodium dichromate	2841.3000
19.	Hydrogen per oxide	2847.0000
20.	p-Xylene	2902.4300
21.	Trichloroethylene	2903.2200
22.	Ethylene Glycol (MEG)	2905.3100
23.	Di-ethylene glycol	2909.4100
24.	Ethyl glycol	2909.4490
25.	Tri-ethylene Glycol	2909.4990
26.	Glutar aldehyde	2912.1900
27.	Formic acid	2915.1100
28.	Sodium formate	2915.1210
29.	Acetic acid	2915.2100
30.	Sodium acetate	2915.2930
31.	Acrylic acid and its salts	2916.1100
32.	Esters of Methacrylic acid	2916.1400
33.	Oxalic acid	2917.1110
34.	Pure terephthalic acid (PTA)	2917.3610
35.	Glycolic acid and their esters	2918.1800
36.	Other phosphoric esters and their salts	2919.9090
37.	Dyes intermediates	2921.0000 2922.0000 2923.0000 2924.0000 2927.0000 2933.0000 2934.0000

38.	DMF (Dimethyl Formamide)	2924.1990
39.	Acrylonitrile	2926.1000
40.	Other organic derivatives of hydrazine or of hydroxylamine	2928.0090
41.	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives	3201.1000 3201.2000 3201.9020 3201.9090
42.	Synthetic organic tanning substances, inorganic tanning substances, tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre- tanning	3202.1000 3202.9010 3202.9090
43.	Disperse dyes and preparations based thereon.	3204.1100
44.	Acid dyes and preparations based thereon	3204.1200
45.	Basic dyes and preparations based thereon	3204.1300
46.	Direct dyes and preparations based thereon	3204.1400
47.	Indigo Blue	3204.1510
48.	Vat dyes and preparations based thereon	3204.1590
49.	Reactive dyes and preparations based thereon	3204.1600
50.	Pigments and preparations based thereon	3204.1700
51.	Dyes, sulphur	3204.1910
52.	Dyes, synthetic	3204.1990
53.	Synthetic organic products of a kind used as fluorescent brightening agents.	3204.2000
54.	Other synthetic organic colouring matter	3204.9000
55.	Pigments and preparations based on titanium dioxide.	3206.1900
56.	Other colouring matter and other preparations <sup>8</sup> [excluding master batches]	3206.4900
57.	Granules, flakes, powder of glass (others)	3207.4090
58.	Prepared water pigments of a kind used for finishing Leather	3210.0020
59.	Cationic surface active agents	3402.1210 3402.1220 3402.1290
60.	Non-ionic surface active agents	3402.1300
61.	Surface active preparations and cleaning preparations excluding detergents	3402.9000
62.	Preparations for the treatment of textile material, leather, fur skins or other material	3403.1110 3403.1120 3403.1990 3403.9110 3403.9190

63.	Spin finish oil	3403.9131
64.	Artificial waxes and prepared waxes	3404.9010
65.	Other artificial waxes	3404.9090
66.	Electro polishing chemicals	3824.9060
67.	Other glues (printing gum)	3505.2090
68.	<sup>9</sup> [*****]	<sup>9</sup> [*****]
69.	Hot melt adhesive	3506.9110 3506.9190
70.	Enzymes	3507.9000
71.	Photographic film, with silver halide emulsion (for textile use)	3702.4300 3702.4400
72.	Sensitizing emulsions (for textile use)	3707.1000
73.	Fungicides for leather industry	3808.9220
74.	Preparation of a kind used in textile or like industry	3809.9110 3809.9190
75.	Preparation of a kind used in leather or like industries	3809.9300
76.	Compound plasticizers for rubber or plastics	3812.2000
77.	Antimony triacetate	3815.1910
78.	Palladium catalyst	3815.9000
79.	Electrolyte salt	3824.9060
80.	Polymers of vinyl acetate (in aqueous dispersion)	3905.1200
81.	Vinyl acetate copolymers: in aqueous dispersion	3905.2100
82.	Polymers of vinyl alcohol	3905.3000
83.	Other vinyl polymers	3905.9990
84.	Other acrylic polymers	3906.9030
85.	Acrylic polymers in primary forms	3906.9090
86.	Polyethylene terephthalate-Yarn grade, and its waste	3907.6010
87.	Nylon Chips (PA6)	3908.1000
88.	Polyurethanes	3909.5000
89.	Silicones in primary form	3910.0000
90.	Cellulose nitrates nonplasticised	3912.2010
91.	Other cellulose nitrates	3912.2090
92.	Carboxymethyl cellulose and its salts	3912.3100
93.	Alginic acids, its salts and esters	3913.1000
94.	Nylon tubes	3917.3910
95.	Artificial leather	3921.1300
96.	Synthetic leather grip	3926.9099
97.	Natural rubber latex	4001.1000

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98.	Technical specialized natural rubber	4001.2200
99.	Rubber latex	4002.1100
100.	Synthetic rubber SBR 1502 latex	4002.1900
101.	Butadiene rubber	4002.2000
102.	Thermo-plastic rubber (T.P.R.)	4002.9900
103.	Vulcanized rubber thread and cord	4007.0010 4007.0090
104.	Leather shearing-finish leather with wool	4302.1910
105.	Articles of apparel and clothing accessories of fur skin	4303.9000
106.	Artificial fur and articles thereof	4304.0000
107.	English willow cleft (wood)	4404.1000
108.	Cork Granules	4501.9000
109.	Cork sheet	4504.1010
110.	Satin Finishing Wheels	6804.2100
111.	Carbon Fiber	6815.1000
112.	Glass fiber sleeves	7019.9010
113.	Forging of surgical and dental instruments	7326.1920
114.	Nickel rotary printing screens	7508.9010
115.	Hooks for footwear	8308.1010
116.	Eyes and eyelets for footwear	8308.1020
117.	Tubular or bifurcated rivets	8308.2000
118.	Strings	8308.9090
119.	Bladders and covers of inflatable balls	9506.9919
120.	Press-fasteners, snap fasteners and press studs	9606.1000
121.	Buttons of plastics not covered with textile material	9606.2100
122.	Buttons of base metal not covered with textile materials	9606.2200
123.	Studs	9606.2910
124.	Buttons	9606.2920
125.	Slide fasteners	9607.1100 9607.1900
126.	Wood-pulp (dissolving grade)	4702.0000 if imported by manufacturers of viscose staple fibre for use in the manufacturing of viscose staple fibre.
127.	Cotton linter	1404.2000
128.	Sequins	3926.9099

<sup>12</sup>[TABLE-II

S.No.	Description of goods	PCT heading No.
(1)	(2)	(3)
01.	Finished articles of leather and artificial leather	Respective headings
02.	Finished articles of textiles and textile made-ups excluding used and worn clothing;	Respective headings

## <sup>2</sup>[Conditions

- (i) The benefit of this notification shall be available only to persons doing business in textile (including jute), carpets, leather, sports and surgical goods sectors, who are registered as manufacturer, importer, exporter or wholesaler under the Sales Tax Act, 1990, and appear on the Active Taxpayer List (ATL) on the website of Federal Board of Revenue;
- (ii) this notification shall apply from—
- (a) spinning stage onwards, in case of textile sector;
  - (b) production of PTA or MEG, in case of synthetic sector;
  - (c) regular manufacturing, in case of carpets and jute products;
  - (d) tannery onwards, in case of leather sector; and
  - (e) organized manufacturing, in case of surgical and sports goods;
- (iii) on import by registered manufacturers of five sectors mentioned in condition (i), sales tax shall be charged at the rate of two per cent on goods useable as industrial inputs,;
- (iv) on import by commercial importers of goods useable as industrial inputs, sales tax shall be charged at the rate of two per cent along with two per cent value addition tax at the import stage, which shall be accountable against their subsequent liabilities arising against supply of these goods to persons in the five sectors mentioned in condition (i) at the rate of two per cent, and to persons outside the said five sectors at the rate of <sup>13</sup>[seventeen per cent]. The balance amount shall be paid with the monthly sales tax return, or in case of

excess payment shall be carried forward to the next tax period;

- (v) import of finished goods ready for use by the general public, shall be charged to tax at the rate of <sup>14</sup>[five per cent] and value addition tax at the rate of two per cent;
- (vi) supplies of goods, usable as industrial inputs, to registered <sup>3</sup>[or unregistered] persons of the five sectors mentioned in condition (i), shall be charged to tax at the rate of two cent, whereas supplies to persons not belonging to the said five sectors shall be charged to tax at the rate of <sup>15</sup>[seventeen per cent];
- (vii) supplies of finished products of the sectors specified in conditions (i) to <sup>4</sup>[\* \* \*] retailers shall be charged to sales tax at the rate of <sup>16</sup>[five] per cent;
- <sup>20</sup>(viiia) notwithstanding anything contained in any other condition of this Notification, import and supplies of fabric shall be charged to sales tax at the rate three per cent and value addition tax at the rate of two per cent shall be chargeable on commercial imports of fabrics.]
- (viii) registered persons engaged in the retail sale of these goods shall pay sales tax at the rate of <sup>17</sup>[five] per cent on their retail sales and shall be entitled to input tax adjustment. Such goods supplied at the rate of <sup>18</sup>[five] per cent shall not constitute part of turnover for the purpose of turnover tax payable as prescribed under Chapter III of the Sales Tax Special Procedure Rules, 2007;
- (ix) <sup>5</sup>[registered manufacturers who process goods, including fabrics, owned by other persons shall charge sales tax at the rate of two per cent of the processing charges received by them;]
- <sup>19</sup>[(ix a) goods specified in Table-I, imported or supplied to registered manufacturers, whether or not of the five sectors, for manufacture of goods specified in Table-I or Table-II, shall be charged sales tax at the rate of two per cent on their import or supply;]
- (x) <sup>6</sup>[a registered person who has consumed inputs acquired on payment of sales tax, shall be entitled to input tax adjustment, subject to the relevant provisions of the Sales Tax Act, 1990 and Rules made thereunder.

<sup>21</sup>{Provided that refund against local supplies, if any, shall be admissible only subject to pre-refund audit in case of value addition of less than ten percent subject to the condition that the registered persons furnishes

a revolving bank guarantee valid for at least ninety days issued by a scheduled bank to the satisfaction of the Commissioner, Inland Revenue having jurisdiction, of an amount not less than the average monthly refund claim during last twelve months:

Provided further that the post-refund audit shall be conducted and finalized within a period of ninety days and certificate to the genuineness of the refund claim shall be issued for each and every claim by the Commissioner, Inland Revenue having jurisdiction,}]

- (xi) registered manufacturers shall be entitled to adjustment of input tax paid on machinery, parts, spares and lubricants acquired by them for their own use, subject to the relevant provisions of the Sales Tax Act, 1990 and Rules made thereunder; and
- (xii) supply of electricity and gas to the registered manufacturers or exporters of five sectors mentioned in condition (i), shall be charged sales tax at the rate of zero per cent in the manner specified by the Board;

2. This notification shall take effect on and from the 1<sup>st</sup> day of March, 2013.]

**[C.NO.1(140)C(RGST)/2011 (Pt-VI)]**

**(Shahid Hussain Asad)**  
Additional Secretary

### **References of Amendments**

1. Sales Tax rate substituted with the words [at zero-rate] vide S.R.O. 154(I)/2013 dated 28<sup>th</sup> February, 2013.
2. Conditions substituted vide S.R.O. 154(I)/2013 dated 28<sup>th</sup> February, 2013. Before such substitution conditions were as under:-

#### **“Conditions**

- (i) The benefit of this notification shall be available to every such person doing business in textile (including jute), carpets, leather, sports and surgical goods sectors, who is registered as:-
- (a) manufacturer;
  - (b) importer;
  - (c) exporter; and

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- (d) wholesaler;
- (ii) on import by registered manufacturers of five zero-rated sectors mentioned in condition (i) above, sales tax shall be charged at the rate of zero per cent on goods useable as industrial inputs;
- (iii) the goods imported by, or supplies made to manufacturers, other than manufacturers mentioned in condition (i) above, shall be charged, sales tax at the rate of five per cent;
- iv) the commercial importers, on import of goods useable as industrial inputs, shall be charged sales tax at the rate of two per cent alongwith one per cent value addition tax at the import stage, which will be accountable against their subsequent liabilities arising against supply of these goods to the zero-rated sector at the rate of zero per cent or to non zero-rated sectors or unregistered persons at the rate of five per cent as the case may be. The balance amount shall be paid with the monthly sales tax return or in case of excess payment shall be carried forward to the next tax period;
- (v) the import of finished goods ready for use by the general public, shall be charged to tax at the rate of five per cent and value addition tax at the rate of one per cent;
- (vi) supplies of finished products of the sectors specified in condition (i) shall, if sold to the retailers (both registered and unregistered) or end consumers shall be charged to sales tax at the rate of five per cent *ad val*;
- (vii) supplies of goods, usable as industrial inputs, to registered persons of five zero-rated sectors up to wholesale stage shall be charged to tax at the rate of zero per cent;
- (viii) the registered persons who are solely or otherwise engaged in the retail business of these goods or products shall pay sales tax at the rate of five per cent *ad val* on their retail sales and shall be entitled to input tax adjustment. They shall not be required to pay any other sales tax leviable on their such retail transactions, however, such retailers shall be liable to pay turnover tax as prescribed under Chapter III of the Sales Tax Special Procedure Rules, 2007, and the goods supplied at the rate of five per cent shall not constitute part of turnover on which the aforesaid turnover tax is to be paid;
- (ix) the registered manufacturers who process goods owned by unregistered persons shall charge sales tax at the rate of five per cent on the processing charges received by them, provided that no such tax shall be charged from the registered principals;
- (x) a registered person who has consumed any other inputs acquired on payment of sales tax, whether covered under this notification or not, shall be entitled to input tax adjustment or, as the case may be, refund in respect of the supplies made by him either at the rate of zero per cent or five per cent or sixteen per cent *ad val* as the case may be;
- (xi) the registered manufacturers shall be entitled to adjustment of input tax paid on machinery, parts, spares and lubricants acquired by them for their own use;
- (xii) supply of electricity and gas to the registered manufacturers or exporters of five zero-rated sectors mentioned in condition (i), shall be charged sales tax at the rate of zero per cent in the manner specified by the Board;
- (xiii) the benefit of this notification shall be available to such registered persons who appear on active taxpayers list (ATL) on the website of Federal Board of Revenue; and
- (xiv) this notification shall apply from:
- (a) ginning onwards in case of textile sector;
- (b) production of PTA or MEG for synthetic sector;

- (c) regular manufacturing in case of carpets and jute products;
- (d) tannery in case of leather sector; and
- (e) organized manufacturing in case of surgical and sports goods

2. This notification shall take effect on and from the 1<sup>st</sup> day of January, 2012.”

3. The word “or unregistered” added vide S.R.O. 221(I)/2013 dated 19<sup>th</sup> March, 2013.

4. The word “registered” omitted vide S.R.O. 221(I)/2013 dated 19<sup>th</sup> March, 2013.

5. Clause (ix) and explanation substituted vide S.R.O. 221(I)/2013 dated 19<sup>th</sup> March, 2013. Before such substitution clause (ix) and explanation were as under:-

“registered manufacturers who process goods owned by others shall charge sales tax at the rate of two per cent on the value of goods, inclusive of processing charges received by them;

Explanation.- For the purpose of this provision, and in term of the proviso to sub-section (33) of section 2 of the Sales Tax Act, 1990 the return of goods by the processor to the principal after processing shall constitute supply, and the value of supply of such goods shall be the open market price of such goods inclusive of the processing charges;”

6. Clause (x) substituted vide S.R.O. 221(I)/2013 dated 19<sup>th</sup> March, 2013. Before such substitution clause (x) was as under:-

“a registered person who has consumed any other inputs acquired on payment of sales tax, shall be entitled to input tax adjustment or, as the case may be, refund against taxable supplies made by him, subject to the relevant provisions of the Sales Tax Act, 1990 and Rules made thereunder;”

7. Sr. No. 1 to 3, 6 & 7 substituted vide S.R.O. 504(I)/2013 dated 12<sup>th</sup> June, 2013. Before such substitution these were as under:-

S.No.	Description of goods	PCT heading No.
(1)	(2)	(3)
01.	Leather and articles thereof including artificial leather Footwear	41.01 to 41.15, 64.03, 64.04, 6405.1000, 6405.2000 and other respective headings
02.	Textile and articles thereof excluding monofilament, sun shading, nylon fishing net, other fishing net, rope of polyethylene and rope of nylon, tyre cord fabric	Chapter 50 to Chapter 63 and other respective headings excluding 5407.2000, 5608.1100, 5608.1900, 5608.9000.
03.	Carpets	57.01 to 57.05
06.	Sports goods	9504.2000, 9506 and other
07.	Surgical goods	Respective headings

8. In column (2) of Sr. No. 56 “excluding master batches” added vide S.R.O. 504(I)/2013 dated 12<sup>th</sup> June, 2013.

9. In columns (2) the word “Shoe adhesives” & (3) the heading “3506.9110” omitted vide S.R.O. 504(I)/2013 dated 12<sup>th</sup> June, 2013.

10. Part of the preamble substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said part of the preamble was as under:-

“notify the goods specified in column (2) of the Table below under the PCT heading numbers mentioned in column (3) of the said Table, including the goods or class of goods mentioned in the conditions stated in this notification, to be the goods on which sales tax shall, subject to the said conditions be charged [at the rate of two per cent] or, as the case may be, at the rate of five per cent, wherever applicable”

11. “Table” re-named vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013 as “Table-I”.

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12. Table-II added vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013.
13. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as five per cent.
14. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as two per cent.
15. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as five per cent.
16. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as two per cent.
17. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as two per cent.
18. Sales Tax rate substituted vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013. Before such substitution said sales tax rate was as two per cent.
19. New clause added vide S.R.O. 682(I)/2013 dated 26<sup>th</sup> July, 2013.
20. New clause added vide S.R.O. 898(I)/2013 dated 4<sup>th</sup> October, 2013.
21. Proviso substituted vide S.R.O. 898(I)/2013 dated 4<sup>th</sup> October, 2013. Before substitution such proviso was as under:-

*“Provided that in case of local supplies no refund shall be admissible. However, exporters shall be entitled to get refund in accordance with the law.”*