



No.PRA/Orders.06/2012
**PUNJAB REVENUE AUTHORITY
FINANCE DEPARTMENT
GOVERNMENT OF THE PUNJAB
5-B, DANEPUR ROAD, GOR-I,
LAHORE**

Dated: 28th January, 2014



MOST IMMEDIATE

To,

1. **Mr. Shumail Ahmed Khawaja,**
Commissioner, Gujranwala
Division, Gujranwala.
2. **Capt. Zahid Saeed,**
Commissioner, Rawalpindi
Division, Rawalpindi.
3. **Capt. (Retd) Asadullah Khan,**
Commissioner, Bahawalpur
Division, Bahawalpur.
4. **Mr. Suhail Shehzad,**
Commissioner, Dera Ghazi
Khan Divisions, Dera Ghazi
Khan.
5. **Mr. Sardar Muhammad Akram Khawaja,**
Commissioner, Faisalabad
Division, Faisalabad.
6. **Mr. Rashid Mahmood Langrial,**
Commissioner, Lahore
Division,
Lahore.
7. **Commissioner,**
Sargodha Division,
Sargodha.
8. **Mr. Sher Alam Mahsud,**
Commissioner, Sahiwal
Division, Sahiwal.
9. **Syed Ali Murtaza,**
Commissioner, Multan
Division,
Multan.

Subject:- **EMPOWERMENT OF CIVIL ADMINISTRATION UNDER THE
PUNJAB SALES TAX ON SERVICES LAW ---- INSTRUCTIONS FOR
BROADENING OF TAX BASE.**

I am directed to refer to PRA's notification No.PRA/Orders.06/2012/3 dated 10-01-2014 on the above subject and to state that under the said notification, PRA has empowered the civil administration officers to exercise powers and perform functions under the Punjab Sales Tax on Services Act, 2012 and rules made thereunder. In order to ensure that these officers carryout their Punjab sales tax work systematically and effectively, PRA will not only continue issuing guidelines and instructions (preferably through general orders) but will also conduct intensive training sessions so that these officers are enabled to incrementally develop a true sense of VAT management. Till such time regular measures are taken for this purpose, the concerned officers under your supervision may be advised to visit the website of PRA, download all the legal instruments relating to Punjab sales tax on services and peruse them thoroughly to understand the character and dynamics of the system and the nature and extent of their powers, functions and duties.

It may be appreciated that the Punjab sales tax on services system is a VAT-like sales taxation whereunder voluntary compliance is encouraged by bringing the potential taxpayers under registration net and guiding them towards honest tax compliance covering the areas like tax invoicing, record maintenance, assessment, preparation and filing of declarations and payment of tax through the computerized system as embodied in PRA's website/e-portal (<https://pra.punjab.gov.pk>). PRA's website has an inbuilt e-support system whereunder the taxpayers can freely interact with PRA on issues warranting clarifications and guidance.

3. Administratively, the principal function of the field officers is to ensure that the taxable service-providing businesses territorially located in and confined to their jurisdictions do not remain non-compliant but register and pay Punjab sales tax as due on their taxable business activities. To begin with, efforts may be made to secure compliance from the following taxable services (excluding those already registered and complying properly):

- (i) Hotels, clubs, caterers, motels, guest houses, marriage halls and lawns (including pandal and shamiana services) and restaurants.
- (ii) Advertising agents including advertisements on hoarding boards, pole signs and sign boards.
- (iii) Personal care services of beauty parlors, clinics, slimming clinics including cosmetic and plastic surgery.
- (iv) Property developers/promoters, construction services, architects, town planners and interior decorators and contractual execution of work and furnishing supplies.
- (v) Car/automobile dealers and rent-a-car-services.
- (vi) Technical, scientific and engineering consultancy services.
- (vii) Tour operators, property dealers and fashion designers.
- (viii) Manpower recruitment agency and security agency.
- (ix) Software or IT-based system development consultants.
- (x) Toll manufacturing services.

4. The exact description of the said services is available in the Second Schedule of the Punjab Sales Tax on Services Act, 2012 and their definitions are given under Punjab Sales Tax on Services (Definition) Rules, 2012. The scope of taxability is to be determined keeping in view the provisions of rule 4A of the said rules and the rate of tax in case of each service is given under the said Second Schedule readwith PRA's notification No.PRA/Caterers.21/2012 dated 25-11-2013. Threshold exemptions are available either in the Second Schedule or under two notifications bearing the same number No.PRA/Orders.06/2012 both dated 22-05-2013 relating to hotels and restaurants.

5. You are accordingly requested to please direct the concerned officers of your jurisdiction to identify all such unregistered and non-compliant businesses and persuade them towards compliance with effect from the date the relevant service has been brought under tax net. Arrears must be recovered under all circumstances. Voluntary liquidation of arrears may however, be encouraged.

6. In order to verify the registration status of any business, your officers may please interact with PRA headquarters either through e-support or by telephonically contacting **Mr. Arfan Talib**, Manager (Operations), PRAL at his numbers **042-99205483** and **0323-5449964**. They can also obtain detailed information about the tax payments position of any of these businesses from the said manager.

7. It will be appreciated if a brief monthly report on the work done, performance delivered and achievements made in respect of the implementation and enforcement of Punjab sales tax in your jurisdiction is sent either electronically or otherwise to PRA headquarters by 5th of every month. In this regard, PRA will structure and automate the monthly/periodical performance reporting system in due course. It is hoped that the authorized officers of your jurisdiction will make all-out sincere, fair and dedicated efforts to broaden the tax base and maximize revenue yield from their respective jurisdictions.

8. Meanwhile, the information about the names, designations details, jurisdiction, office/cell numbers and email addresses (both official and personal) of the officers authorized to work for Punjab sales tax on services in your jurisdiction may be furnished to PRA headquarters within one week positively. PRA may be kept informed about future changes in the disposition of these officers.

9. For further technical guidance, **Mr. Shehzad Mehmood Gondal**, Additional Commissioner (Enf-1) may be contacted on his phone number **042-99205481/0300-4354308**. His email address is **shazgondal@hotmail.com**. Sectoral data of registered and unregistered taxpayers (initially identified including registered but not complying businesses) on district wise basis may be collected/obtained from the said Additional Commissioner.


BABAR NAWAZ RAJA

Additional Commissioner (HQ)
042-99205487
adchq@pra.punjab.gov.pk

Copy to:

- (i) Mr. Ahmad Aziz Tarar, Additional Secretary/PSO to Chief Secretary, Government of Punjab, Civil Secretariat, Lahore.
- (ii) Mr. Shehzad Mehmood Gondal, Additional Commissioner (Enf-1), PRA Headquarter office, Lahore.
- (iii) Mr. Socrat Aman Rana, Deputy Secretary (Resources), Finance Department, Civil Secretariat, Lahore.
- (iv) Mr. Imtiaz Ahmad Khan, Chief Executive Officer, PRAL, 14- Hill Road, F-6/3, Islamabad.
- (v) Mr. Waqar Safdar, Manager Senior Manager (Operations) PRAL, Ground Floor, Tax House (Income Tax Building), Naba Road, Lahore
- ✓ (vi) Mr. Afran Talib, Manager (Operations), PRAL, PRA headquarter office, Lahore.