



GOVERNMENT OF THE PUNJAB
PUNJAB REVENUE AUTHORITY

20th February 2015

NOTIFICATION

No. PRA/Orders.06/2012.--In exercise of the powers conferred under section 76 of the Punjab Sales Tax on Services Act 2012 (XLII of 2012), the Punjab Revenue Authority, with the approval of the Government, is pleased to make the following rules:

1. Short title and commencement.— (1) These rules may be cited as the Punjab Sales Tax on Services (Withholding) Rules 2015.

(2) They shall come into force at once.

2. Definitions.— (1) In these rules:

- (a) "Act" means Punjab Sales Tax on Services Act 2012 (XLII of 2012);
- (b) "active taxpayer" means a registered person borne on the "active tax payers' list" maintained under rule 16 of the rules;
- (c) "Form" means a Form appended with the rules;
- (d) "rules" means the Punjab Sales Tax on Services (Withholding) Rules 2015;
- (e) "unregistered person" means a person who provides the taxable services to a resident of the Punjab or is otherwise liable to be registered under the Act but has not been registered with the Authority; and
- (f) "withholding agent" means:
 - (i) Federal Government, a Provincial Government, a local government, a department or office under the Government, a public sector project or programme governed thereunder;
 - (ii) autonomous body, special institution, public sector organization including public corporation, Government-owned enterprise, regulatory or statutory body or authority;
 - (iii) organization which is funded, fully or partially, out of the budget grants of the Federal Government or the Government;
 - (iv) recipient of services of an advertisement who is registered:
 - (a) for the sales tax on goods with the Federal Government; or
 - (b) for the sales tax on services in the Punjab;
 - (v) a Company which is resident or has a place of business in the Punjab;

- (vi) registered persons receiving taxable services from other than registered persons; and
- (vii) accounting office responsible for making payment against invoices or bills for the taxable services received by an office or department of the Government, Federal Government, Provincial Governments or local governments.

(2) A word and expression used herein, but not defined in the rules shall have the meaning as are assigned to them in the Act and rules made thereunder.

3. Applicability.- (1) The rules shall not apply on services relating to telecommunication, banking, courier and insurance and the services, except advertisement services, provided by the Companies being the active taxpayers.

(2) Sub-rule (1) shall not be involved where insurance services are provided from outside the Province to a withholding agent in respect of a risk located in or relating to the Province.

4. Responsibility of a withholding agent.- The withholding agent shall, for the purposes of acquiring and receiving taxable services, indicate statement as follow in an advertisement, tender, notice, booking order or any other document made or given for the purpose:

"Sales tax to the extent as provided in the rules shall be deducted and withheld from the payment to be made to the service provider for depositing with Government of the Punjab."

5. Withholding from registered service providers.- A withholding agent, other than a recipient of advertisement services, shall:

- (a) withhold the whole amount of sales tax shown in the tax invoice issued by a registered person as service provider; and
- (b) make payment of the balance amount of the invoice to registered person as service provider.

6. Withholding from unregistered person.- (1) A withholding agent shall, on receipt of taxable services other than advertisement services from an unregistered person, deduct sales tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider and the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable services.

(2) If a withholding agent receives taxable services from an unregistered person, he shall be responsible to obtain and keep in record:

- (a) a copy of computerised national identity card of the unregistered person if he is an individual; and
- (b) a copy of national tax number of the unregistered person assigned under the Income Tax Ordinance, 2011 (XLIX of 2001) if it is an association of persons or a Company.

(3) The withholding agent shall be required to enter correct information of computerised national identity card or national tax number of the

unregistered person, as the case may be, in the relevant columns of the statement in Form 'A' or form PST-04, whichever is applicable.

7. Deduction of tax on advertisement services.- (1) A withholding agent who receives advertisement services provided by a person based in Pakistan or abroad shall deduct the whole amount of sales tax as mentioned in the invoice issued by the service provider.

(2) In case where the amount of sales tax is not indicated on the invoice, the amount shall be deducted by the withholding agent at the applicable rate on the gross value of taxable services from the payment due to the service provider.

Explanation: "Advertisement" in the rules includes such taxable advertisements' services as are classified under the advertisements head 98.02 of the First Schedule of the Act read with all relevant expressions and descriptions defined under the Punjab Sales Tax on Services (Definition) Rules 2012.

8. Procedure.- (1) If taxable services are received by the Federal Government, the Government, any department or office under the Governments including local and district departments, the following procedure shall be observed:

- (a) the Drawing and Disbursing Officer, preparing bill for the accounting office, shall indicate the amount of sales tax withheld under the rules and the accounting office shall adopt the payment procedure as indicated below:
 - (i) in case of services received by a department or office under the Federal Government, the office of the Accountant General of Pakistan shall account for and transfer the amount deducted at source during a month to the Government through a cheque in the name of the Chairperson of the Authority by credit to the relevant head of account and send to the Authority by 15th day of the following month;
 - (ii) in case of services received by a department or an office under the Government; or a local government, the Accountant General of the Punjab or the District Accounts Officer, as the case may be, shall credit the amount deducted at source during a month to the Government under due intimation to the Chairperson of the Authority;
 - (iii) in case of services received by a department or an office under any provincial government other than the Government; or districts or local governments thereof, the Accountant General of that province or the respective District Accounts Officer shall credit the amount deducted at source during a month to the Government through a cheque in the name of the Chairperson of the Authority to be sent by 15th day of the following month to the Authority; and
 - (iv) if the services are received by a department or an office falling under the purview of Military Accountant General, the Military Accountant General shall deposit

the amount deducted at source during a month with the Government under intimation to the Chairperson of the Authority by 15th day of the following month and the amount, so deducted at source, shall simultaneously be reported by Military Accountant General to the Accountant General of the Punjab through civil exchange accounts; and

- (b) the concerned Drawing and Disbursement Officer shall prepare the statement as per Form 'A' for each month and forward the same to the Chairperson of the Authority by 15th day of the following month.

(2) If taxable services are not covered under sub-rule (1), the withholding agent shall deposit the withheld amount of sales tax with the Government on the form PST-04 as prescribed in the Punjab Sales Tax and Services (Filing of Returns) Rules 2012 on the following due dates:

- (a) in case the withholding agent is a registered person:

by the prescribed due date in the month following the tax period in which he claims input tax adjustment in his Punjab sales tax return or the date on which payment is made to the service provider or on a date within four months from the date of the invoice, whichever is earlier;

- (b) in case the withholding agent is an unregistered person but is registered with the Federal Board of Revenue under the Sales Tax Act, 1990 (VII of 1990):

(i) by 15th day of the month following the period in which he claims input tax adjustment in the federal sales tax return as prescribed by the Federal Board of Revenue; or

(ii) by the date on which payment is made to the service provider or on a date within four months from the date of the invoice, whichever is earlier; and

- (c) in case the withholding agent, is not covered under sub-clauses (a) and (b):

by 15th day of the following second month in which the tax invoice was issued by the service provider or the date on which payment is made to the service provider, whichever is earlier.

9. Filing of a statement. - (1) If the withholding agent is a registered person, he or it shall file the standard return in the Form PST-04 as prescribed in the Punjab Sales Tax and Services (Filing of Returns) Rules 2012 and deposit the withheld amount of sales tax in the prescribed manner along with other tax liability, if any,

(2) A withholding agent shall not be required to file the statement on the Form 'A' if he or it falls under sub-rule (1).

(3) In case the withholding agent is an unregistered person but holds a national tax number assigned under the Income Tax Ordinance, 2001 (XLIX of

2001), he or it shall file a statement as on the Form 'A' and deposit the amount deducted at source in the prescribed manner.

(4) In case the withholding agent is neither registered person nor holds a national tax number assigned under the Income Tax Ordinance, 2001 (XLIX of 2001), he or it shall file a statement as on Form 'A' and deposit the amount deducted at source in the prescribed manner.

(5) The return or the statement required to be filed in pursuance of the rules may be filed either electronically or manually through courier, post or otherwise.

(6) Where the withholding agent needs to revise the statement, resulting in payment of tax over the tax already paid on the original statement, he or it may, without any permission from the Commissioner, file his or its revise statement and pay the differential amount of tax along with the default surcharge as applicable.

(7) The Commissioner shall be competent to allow revision of statement not covered under sub-rule (6) and all such permissions for revision of statement shall be reported to the Authority on monthly basis on the format showing the name, name of withholding agent, relevant tax period, revenue (including adjustment) effect of revision and principal reason or reasons of revision.

10. Provision of information or data. - (1) A withholding agent shall furnish to officer of the Authority, all such information or data as may be required by him or it for carrying out the purposes of the Act and the rules made thereunder.

(2) Failure to furnish such information or data as required under sub-rule (1) shall render the withholding agent liable to penal action under serial Nos. 5 and 11 of the Table of subsection (2) of section 48 of the Act.

11. Certificate of withholding tax. - (1) A certificate on Form 'B', showing deduction of sales tax, may be issued to the service provider by the withholding agent, the certificate shall:

- (a) duly specifying the name and registration number of the service provider, if any;
- (b) description and value of services;
- (c) total amount of sales tax charged on the services; and
- (d) the amount of tax deducted.

(2) A copy or copies of every or all such certificate or certificates, described in the sub-rule (1), shall be sent to the Authority on monthly basis.

12. Responsibility of the registered person. - (1) A registered person shall:

- (a) issue a proper sales tax invoice in respect of every taxable service provided to a withholding agent;
- (b) file monthly return as prescribed in the relevant rules;
- (c) subject to rule 13, be entitled to adjust input tax against the output tax taking due credit of the sales tax deducted by the withholding agent or agents and deposited under the rules; and

(d) ensure that he or it allows withholding of sales tax to only such of his service recipients as are withholding agents.

(2) If a registered person allows withholding of tax by a person who is not a withholding agent, the registered person shall be liable to pay the tax along with the default surcharge payable on the tax.

(3) No recovery under sub-rule (2) shall be made unless the person concerned has been provided with an opportunity of being heard but nothing in this rule, shall restrain or otherwise disable the officer of the Authority or an authorised officer in this behalf to make recovery of tax in case of deliberate non-appearance.

13. Deposit of withheld sales tax amounts.— (1) Subject to sub-rule (2), all amounts of the sales tax on services deducted or withheld under the rules shall be paid or deposited with the Government under head of account "B-02385-Punjab Sales Tax on Services (Withholding)" in the prescribed form and manner.

(2) Notwithstanding anything to the contrary contained in any other provision under the rules or any other rules, no adjustment or credit shall be admissible to the persons registered under the Act in case of the tax deducted or withheld and paid in respect of advertisement services.

14. Failure to pay tax withheld or deducted.— (1) A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the Government, and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules 2012, If a withholding agent under the rules:

- (a) fails to withhold or deduct tax under the rules; or
- (b) having withheld or deducted tax under the rules, fails to deposit the tax to the Government.

(2) If at the time of recovery of tax under sub-rule (1), it is established that the tax which was to be deducted from the payment made to a person has meanwhile been paid, no recovery shall be made from the person who had failed to withhold or deduct the tax but the said person shall be liable to pay default surcharge at rates specified in section 49 of the Act from the date he failed to collect or deduct the tax to the date the tax was paid.

(3) A person personally liable for an amount of tax under clause (a) of sub-rule (1) as a result of failing to collect or deduct the tax shall be entitled to recover the tax from the person from whom the tax should have been withheld or deducted.

(4) The provisions of the Act and the rules made thereunder shall apply to any amount required to be paid to the Government under the rules as if it were tax payable under the Act.

15. Application of other provisions.— (1) All the provisions of the rules made or notified under the Act shall apply to the taxable services covered under the rules to the extent that these are not inconsistent with the provisions of the rules.

(2) The Authority may, constitute a three member committee headed by an officer not below the rank of Commissioner, to consider cases of hardship or cases where there is significant risk to revenue, to give its recommendations

to the Authority to either conditionally or otherwise in circumstances of special nature relax or specify the application of these rules in any case or class of cases.

(3) The Authority may agree or otherwise dispense with the recommendations of the committee constituted under sub-rule (2) of this rule in the manner deemed appropriate.

16. Active taxpayers' list. - (1) For the purpose of implementing the rules, the Authority shall prepare an active taxpayers' list.

(2) The active taxpayers' list shall be regulated by such terms and conditions as may be specified and declared by the Authority.

17. Repeal and Saving. - (1) The Punjab Sales Tax on Services (Withholding) Rules, 2012 are hereby repealed.

(2) The tax withheld or liable to be withheld or payable under the repealed rules shall be deemed to have been withheld or liable to be withheld under these rules and shall be paid and dealt with accordingly.

Form 'A'

[see rules 6, 8 and 9]

Punjab Sales Tax Monthly Statement for Withholding Agents

Withholding Agent:
Name: _____

Category: _____ (mention the number of sub-clause _____ of clause (f) of sub-rule (1) of rule 2)
Status of Service Provider (Please ✓ relevant option): _____

Registered/Unregistered

Contact (Tel/Cell): _____ E-mail: _____

Period

NTN/FTN

Sr. No.	Name of Service Provider	NTN / FTN/ Or CNIC whichever is applicable	Description of the services involved	No. and date of Tax Invoices/ Commercial Invoices	Value (excluding Sales Tax) of the Services Involved or Gross Amount of Commercial Invoice	Amount of Punjab Sales Tax Invoiced or Involved	Amount of Punjab Sales Tax Withheld

Verification	<p>I, _____ holder of CNIC No. _____ in my capacity as _____, certify that the information given above is/are correct, complete and in accordance with the provisions of the Punjab Sales Tax on Services Act, 2012 and the rules and notifications issued thereunder.</p>
	<p>Date: _____ Stamp _____ Signature: _____</p>

Head of Account "B - 02385 --- Punjab Sales Tax on Services (Withholding)"

Amount Received Rs. (in Figures) _____ Rupees (In Words) _____

Bank Officer's Signature _____ Bank Stamp with Date _____

Form 'B'
[see rule 11]

Ref No. _____

Dated _____

CERTIFICATE OF DEDUCTION/WITHHOLDING OF THE PUNJAB SALES TAX ON SERVICES

I/We _____, PNTN _____, STRN _____), located at _____ do hereby certify that

we deducted/withheld the following amount of Punjab sales tax on the services provided to us by M/S

_____ (PMTN/NTN) _____ or

CNIC _____

Sr.No	Tax Invoice No	Tax Invoice Date	Value of taxable services	Amount of tax involved	Amount of tax withheld/ deducted	Tax period of the Tax return/ withholding return in which this tax was paid, by the services recipient	CPR NO. ("P-1" series) & date in which the deducted/withheld tax amount was included in payment under Punjab Govt's head of account "B-02385"	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

This certificate is issued in pursuance of rule 11 of the Punjab Sales Tax on Services (Withholding) Rules, 2015.

Signature _____

Name _____

CNIC _____

Designation _____

Official seal _____


(IFTIKHAR QUTAB)
CHAIRPERSON**NO. & DATE EVEN**

A copy is forwarded to the Superintendent, Government Printing Press, Lahore. He is requested to please publish this notification in the Punjab Gazette and supply twenty copies thereof to this department.


(BABAR NAWAZ RAJA)
ADDITIONAL COMMISSIONER (HQ)

NO. & DATED EVEN

1. Secretary to Governor, Punjab.
2. Secretary to Chief Minister, Punjab.
3. Secretary, Finance Division, Government of Pakistan.
4. Chairman, Federal Board of Revenue, Government of Pakistan.
5. Finance Secretaries, Government of Sindh, Khyber Pakhtunkhwa and Balochistan.
6. Senior Member, Board of Revenue, Punjab.
7. Registrar, Lahore High Court, Lahore.
8. All Administrative Secretaries, Government of the Punjab.
9. Accountant General of Pakistan Revenue, Islamabad.
10. Accountant General, Punjab.
11. Inspector General of Police, Punjab.
12. Chairperson, Punjab Revenue Authority.
13. Chairman, Sindh Revenue Board.
14. All Commissioners in the Punjab.
15. Staff Officer to Chief Secretary, Punjab.
16. All District Coordination Officers in Punjab.
17. P.S to Finance Secretary, Finance Department.


(BABAR NAWAZ RAJA)
ADDITIONAL COMMISSIONER (HQ)