The

SINDH SALES TAX SPECIAL PROCEDURE (TAX ON SPECIFIED SERVICES) RULES, 2023

[1]**Notification No. No. SRB-3-4/46/2023, dated 27th September, 2023.--**In exercise of the powers conferred by section 72, read with sub-section (2) of section 3, sub-section (3) of section 9 and section 13 of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No. XII of 2011), the Sindh Revenue Board is pleased to make following rules, namely,--

1. Short title, application and commencement.--(1) These rules may be called the Sindh Sales Tax Special Procedure (Tax on Specified Services) Rules, 2023.

(2) These rules shall apply in relation to collection and payment of tax on the specified services for which recipient of the service, based in the Province of Sindh, makes payments in relation to any of such specified services through a collection agent, as defined herein, by using any means for transfer of amounts of consideration to the service provider not resident in Pakistan [2][:]

[3][Provided that these rules shall not apply where the recipient of specified services is a company which is on the Active Taxpayers List maintained either by SRB under the Act or by FBR under the Sales Tax Act, 1990.]

(3) These rules shall take effect on and from the 1st day

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1 Reported as PTCL 2024 St. 187(ii)

2 Substituted for the full stop by Notification No. SRB-3-4/63/2023, dated 29th December, 2023, reported as PTCL 2024 St. 458(i).

3 Proviso added by Notification No. SRB-3-4/63/2023, dated 29th December, 2023, reported as PTCL 2024 St. 458(i).

of October, 2023.

2. Definitions.--(1) In these rules, unless there is anything repugnant in the subject or context:--

(i) **"Act"** means the Sindh Sales Tax on Services Act, 2011;

(ii) **"collection agent"** means a scheduled bank or any other entity licensed or authorized by the State Bank of Pakistan to transfer money abroad for the specified services;

(iii) **"scheduled bank"** means a bank as defined in clause (m) of section 2 of the State Bank of Pakistan Act, 1956;

(iv) **"specified services"** means the services specified in the Table against [1][S. Nos. 1, 2 and 3] in column (1) as described in column (2) relating thereto read with the tariff headings specified in column (3) thereof; and

(v) **"Table"** means the Table given under sub-rule (1) of rule 3.

(2) The words and expression used in these rules but not defined herein shall have the same meaning as assigned to them in the Act.

3. Collection and deposit of sales tax on specified service.-- (1) The collection agent shall charge and collect sales tax from the recipient of the specified service who are based in the Province of Sindh at the applicable rates of tax under the Second Schedule to the Act or any notification issued thereunder, as the case may be, as reproduced in column (4) of the Table below:--

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1 Substituted for the words and figures "S. No. 1 and S. No. 2" by Notification No. SRB-3-4/30/2024, dated 29th June, 2024, *w.e.f.* 1st July, 2024.

TABLE

S. No.	Description of taxable service	Tariff heading	Rate of tax
(1)	**(2)**	**(3)**	**(4)**
1.	Advertisement services for which payment is made through a collection agent by using any means for transfer of payments to any service provider not resident in Pakistan	9802.1000 9802.2000 9802.3000 9802.4000 9802.6000 9802.7000 9802.9000	[1][15 *per cent]*
2.	Services provided by software or IT based system development consultants as covered under clause (84B) of section 2 of the Act, including cloud-based content streaming services for which payment is made through a collection agent by using any means for transfer of payments to any service provider not resident in Pakistan	9815.6000	3 *per cent*
[2][3.	Services provided or rendered by market research agency for which payment is made through a collection agent by using any means for transfer of payments to any service provider not resident in Pakistan	9818.3000	[3][15 *per cent]]*

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1 Substituted for the figures and words "13 *per cent*" by Notification No. SRB-3-4/30/2024, dated 29th June, 2024, *w.e.f.* 1st July, 2024.

2 S. No. 3 and the entries relating thereto added by Notification No. SRB-3-4/63/2023, dated 29th December, 2023, reported as PTCL 2024 St. 458(i).

3 Substituted for the figures and words "13 *per cent*" by Notification No. SRB-3-4/30/2024, dated 29th June, 2024, *w.e.f.* 1st July, 2024.

(2) The collection agent shall charge and collect sales tax at applicable rate on the gross value of the specified service *i.e.* the amount of consideration for the service being remitted abroad by the collection agent on account of or on behalf of the recipient of the service in Sindh.

(3) The tax so collected by the collection agent shall be declared in Annex-C of his tax return (in Form SST-03) as an output tax duly indicating the relevant tariff heading of the specified service. The amount of tax, so involved, shall be e-deposited by the collection agent in Sindh Government's head of account "B-02384" by the 15th day of the month following the tax period in which the amount of consideration was remitted.

(4) No deduction or credit of input tax shall be admissible against the output tax as referred to in sub-rule (3).

4. Registration of collection agent:--The collection agent, if not already registered under section 24 of the Act, shall obtain registration under the Act.

5. Application of other provisions:--All provisions of the Act and rules and notification made thereunder shall *mutatis mutandis* apply in relation to payment of tax including non-payment or short payment, assessment of tax, recovery of tax not levied or short levied, e-filing of return, maintenance of records, imposition of penalties and default surcharge and recovery of arrears of tax to the extent that those are not inconsistent with the provisions of these rules.

[Issued by the Sindh Revenue Board, under the signature of Mr. Muhammad Iqbal Lakho, Secretary.]

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