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GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,  
STATISTICS AND REVENUE  
(REVENUE DIVISION)  
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Islamabad, the 1<sup>st</sup> April, 2011.

**NOTIFICATION  
(SALES TAX AND EXCISE)**

S.R.O. 283 (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, clause (a) of sub-section (2) of section 13 and section 71 of the Sales Tax Act, 1990, and sub-section (2) of section 16 read with section 3A of the Federal Excise Act, 2005 and in supersession of its Notification No.S.R.O.509(I)/2007, dated the 9<sup>th</sup> June, 2007, the Federal Government is pleased to notify the goods specified in column (2) of the Table below under the PCT heading numbers mentioned in column (3) of the said Table, to be the goods on which sales tax shall, subject to the conditions stated in this notification, be charged at the rate of zero percent on the supply and import thereof, or at reduced rate of sales tax of six percent or, as the case may be, at four percent as specified in the said conditions, namely:-

**TABLE**

S #	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	Chapter 50 to Chapter 63 and other respective headings.
03.	Carpets	57.01 to 57.05
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, 1302.3900
06.	Rattans	1401.2000
07.	Sports goods	9504.2000, 9506 and other respective headings
08.	Surgical goods	Respective headings

09.	Emery powder/grains	2513.2010
10.	Magnesium oxide	2519.9010
11.	Coning oil	2710.1991
12.	Spin finish Oil	2710.1998
13.	Silicon dioxide	2811.2200
14.	Titanium dioxide	2823.0010
15.	Antimony oxide	2825.8000
16.	Sodium bromate	2829.1100
17.	Sodium sulphide and sodium hydrogen sulphide	2830.1010, 2830.1090
18.	Sodium dithionite	2831.1010
19.	Sodium sulphite and sodium hydrosulphide	2832.1010, 2832.1090
20.	Disodium sulphate	2833.1100
21.	Phosphinates (hypophosphites) and phosphonates( phosphates)	2835.1000
22.	Sodium dichromate	2841.3000
23.	Hydrogen per oxide	2847.0000
24.	p-Xylene	2902.4300
25.	Trichloroethylene	2903.2200
26.	Ethylene Glycol (MEG)	2905.3100
27.	4-chloro 3-methyl phenol and chloro hydro quinone	2908.1910
28.	Di-ethylene glycol	2909.4100
29.	Ethyl glycol	2909.4490
30.	Tri-ethylene Glycol	2909.4490
31.	Glutar aldehyde	2912.1900
32.	Formic acid	2915.1100
33.	Sodium formate	2915.1210
34.	Acetic acid	2915.2100
35.	Sodium acetate	2915.2930
36.	Cobalt acetate	2915.2940
37.	Acrylic acid and its salts	2916.1100
38.	Esters of Methacrylic acid	2916.1400
39.	Oxalic acid	2917.1110

40.	Adipic acid, its salts and esters	2917.1200
41.	Maleic Acid	2917.1900
42.	Pure terephthalic acid (PTA)	2917.3610
43.	Tartaric acid	2918.1200
44.	Gluconic acid and its salts	2918.1600
45.	Glycolic acid and their esters	2918.1800
46.	Other phosphoric esters and their salts	2919.9090
47.	Dyes intermediates	2921.0000 2922.0000 2923.0000 2924.0000 2927.0000 2933.0000 2934.0000
48.	DMF (Dimethyl Formamide)	2924.1990
49.	Acrylonitrile	2926.1000
50.	Other organic derivatives of hydrazine or of hydroxylamine	2928.0090
51.	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters & other derivatives	3201.1000 3201.2000 3201.9020 3201.9090
52.	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
53.	Disperse dyes and preparations based thereon.	3204.1100
54.	Acid dyes & preparations based thereon	3204.1200
55.	Basic dyes & preparations based thereon	3204.1300
56.	Direct dyes & preparations based thereon	3204.1400
57.	Indigo Blue	3204.1510
58.	Vat dyes & preparations based thereon	3204.1590
59.	Reactive dyes and preparations based thereon	3204.1600
60.	Pigments and preparations based thereon	3204.1700
61.	Dyes, sulphur	3204.1910
62.	Dyes, synthetic	3204.1990

63.	Synthetic organic products of a kind used as fluorescent brightening agents.	3204.2000
64.	Other synthetic organic colouring matter	3204.9000
65.	Pigments and preparations based on titanium dioxide.	3206.1900
66.	Other colouring matter and other preparations	3206.4900
67.	Granules, flakes, powder of glass (others)	3207.4090
68.	Prepared water pigments of a kind used for finishing leather	3210.0020
69.	Anionic surface active agents	3402.1110
70.	Anionic surface active agents	3402.1190
71.	Cationic surface active agents	3402.1210 3402.1220 3402.1290
72.	Non-ionic surface active agents	3402.1300
73.	Surface active preparations and cleaning preparations excluding detergents	3402.9000
74.	Preparations for the treatment of textile material, leather, fur skins or other material	3403.1110 3403.1120 3403.1990 3403.9110 3403.9190
75.	Spin finish oil	3403.9131
76.	Artificial waxes and prepared waxes	3404.9010
77.	Other artificial waxes	3404.9090
78.	Electro polishing chemicals	3405.9000
79.	Other glues (printing gum)	3505.2090
80.	Shoe adhesives	3506.9110
81.	Hot melt adhesive	3506.9990
82.	Enzymes	3507.9000
83.	Photographic film, with silver halide emulsion (for textile use)	3702.3900
84.	Sensitizing emulsions (for textile use)	3707.1000
85.	Lignin sulphonates	3804.0000
86.	Gum rosin	3806.1010
87.	Fungicides for leather industry	3808.9200
88.	Preparation of a kind used in textile or like industry	3809.9100

89.	Preparation of a kind used in leather or like industries	3809.9300
90.	Compound plasticizers for rubber or plastics	3812.2000
91.	Antimony triacetate	3815.1910
92.	Palladium catalyst	3815.9000
93.	Electrolyte salt	3824.9060
94.	Polymers of vinyl acetate (in aqueous dispersion)	3905.1200
95.	Vinyl acetate copolymers: in aqueous dispersion	3905.2100
96.	Polymers of vinyl alcohol	3905.3000
97.	Other vinyl polymers	3905.9990
98.	Other acrylic polymers	3906.9000
99.	Acrylic polymers in primary forms	3906.9080
100.	Polyethylene terephthalate-Yarn grade, and its waste	3907.6010
101.	Nylon Chips (PA6)	3908.9000
102.	Polyurethanes	3909.5000
103.	Silicones in primary form	3910.0000
104.	Cellulose nitrates nonplsticised	3912.2010
105.	Other cellulose nitrates	3912.2090
106.	Carboxymethyl cellulose and its salts	3912.3100
107.	Alginic acids, its salts and esters	3913.1000
108.	Nylon tubes	3917.3910
109.	Artificial leather	3921.1300
110.	Synthetic leather grip	3926.9099
111.	Natural rubber latex	4001.1000
112.	Technical specialized natural rubber	4001.2200
113.	Rubber latex	4002.1100
114.	Synthetic rubber SBR 1502 latex	4002.1900
115.	Butadiene rubber	4002.2000
116.	Thermo-plastic rubber (T.P.R.)	4002.9900
117.	Vulcanized rubber thread and cord	4007.0010 4007.0090
118.	Leather shearing-finish leather with wool	4302.1910
119.	Articles of apparel and clothing accessories of fur skin	4303.9000
120.	Artificial fur and articles thereof	4304.0000

121.	English willow cleft (wood)	4404.1010
122.	Cork Granules	4501.9000
123.	Cork sheet	4504.1010
124.	Satin Finishing Wheels	6804.2100
125.	Carbon Fiber	6815.1000
126.	Glass fiber sleeves	7019.3200
127.	Shoe tacks	7317.0020
128.	Forging of surgical and dental instruments	7326.1920
129.	Nickel not alloyed	7502.1000
130.	Nickel rotary printing screens	7508.9010
131.	Hooks for footwear	8308.1010
132.	Eyes and eyelets for footwear	8308.1020
133.	Tubular or bifurcated rivets	8308.2000
134.	Strings	8308.9090
135.	Bladders and covers of inflatable balls	9506.9919
136.	Press-fasteners, snap fasteners and press studs	9606.1000
137.	Buttons of plastics not covered with textile material	9606.2100
138.	Buttons of base metal not covered with textile materials	9606.2200
139.	Studs	9606.2910
140.	Buttons	9606.2920
141.	Slide fasteners fitted with chain scoops of base metal	9607.1100 9607.1900
142.	Tallow	1502.0000
143.	Caustic Soda (liquid)	2815.1200 2815.1100
144.	Zinc Chloride	2827.3900
145.	Soda Ash	2836.2000
146.	Sodium Silicate	2839.1910
147.	..... Others (Assorted Chemicals for Leather Industry) [XR-2508, P-13436-AC (Stahi)]	2929.9090
148.	Urea reactive	3102.1000
149.	..... Others (Assorted Varnishes for Leather Industry) [LP- 28-415, SD-51-783 (Stahi), Cross Linker, Permuthane]	3208.9090
150.	Shoe Finshes	3404.9090
151.	Polishes, Creams and similar preparations for leather [Leather polish, can spray, instant spray cans, EX-6883/D Antique past]	3405.1020

152.	Casein, caseinates and other casein derivatives, others [C 51, Lm Wax 85.Lm Pig Nero Cs&K, PR Lucido 901/E, PR Lucido 865, Lm Pig Ca Nero, Pr Lucido 973 (vandoni)]	3501.9000
153.	..... Others (Assorted chemicals for leather industry [Busan 30 L (Buckman)])	3803.9199
154.	Isocynate	3824.9091
155.	..... Others (Assorted chemicals for leather industry [Aqualen Aku Liq, Adhasive & Hardener])	3824.9099
156.	Isocynate	3824.9099
157.	Polyol	3907.2000
158.	..... Insulation tape double sided [PVC tape]	3919.1010
159.	..... Others [Plastic sheets for leather cutting]	3920.4900
160.	..... Polyvinyl Chloride (PVC) rigid film [Plastic boards for leather cutting]	3920.4910
161.	Toe Puff and Counter material	3921.9090
162.	..... Plastic belts [Plastic gloves clips]	3926.2000
163.	..... Others [plastic hangers]	3926.2090
164.	..... Design patterns, cards for leather garments	3926.9070
165.	..... Plastic tags and staples for leather garments [100% PVC price tickets]	3926.9091
166.	..... Latex (for leather industry) [Euderm resin (Lanxess)]	4002.9100
167.	Thermoplastic Rubber (TPR)	4005.9900
168.	..... Others [protectors]	4016.1090
169.	Fibre Board	4411.9400
170.	Insole Board	4811.5990
171.	Corrugated paper/paper board boxes	4819.1000
172.	..... Printed labels of paper [paper hang tags, price tags]	4821.9000
173.	Paper cone	4822.1000
174.	Microfur lining	6001.9200
175.	Accessories for leather garments [labels 100% polymade]	6217.1000
176.	Polythene bags	6305.3300 3923.2100
177.	..... Millstone and grindstones for milling, grinding or pulping	6804.2200
178.	Accessories for leather garments [Metal chains etc.]	7419.9099
179.	..... Others [shaving blades]	8208.9090
180.	..... Blades [cutter/blades for leather]	8211.9400
181.	..... Eyes and eyelets [Eyelets for leather made ups]	8308.1020
182.	..... Buckles [buckles]	8308.9020
183.	..... Others [stopper & pins]	8309.9000

184.	..... Parts [zip slider, pullers & slope parts]	9607.2000
185.	Any other goods as may be specified by Federal Board of Revenue.	--

## CONDITIONS

(a) **Textile Sector:-**

- (i) The facility of zero-rating shall be available to every such person engaged in manufacturing or trading in textile sector (including carpets and jute) who is registered for the purpose of sales tax other than retailer. No tax shall be payable at any stage of the supply chain if goods are sold by a registered person to a registered person till the stage of processing where sales tax shall be charged as specified hereunder;
- (ii) the benefit of this notification shall be available to registered importers, traders, manufactures and exporters. In case where a commercial importer sells any imported goods to unregistered person, he shall charge and pay sale tax @ 6% of value of supply, if the goods are usable in textile sector up to the stage of spinning including the product of spinning such as yarn and its by-products, whereafter such importer shall charge and pay sales tax @ 4% of value of supply;
- (iii) no sales tax shall be payable at ginning or man-made and synthetic fiber manufacturing stage;
- (iv) in case of registered manufacturers importing their inputs or acquiring their inputs from commercial importers or registered manufacturers, such manufacturers shall charge and pay sales tax @ 6% of value of supply only at the spinning stage, i.e. yarn and its by-products if these goods are supplied to any unregistered person provided that if such goods relate to the stages after spinning, sales tax shall be charged and paid @ 4% of the value of supply;
- (v) in case of yarn purchases on payment of sales tax @ 6% of value of supply from spinning mills by unregistered persons i.e. traders or persons engaged in activities like sizing, warping, weaving, intermediary and other ancillary processes etc. before processing of finished fabric, no further amount of sales tax shall be charged or demanded;



- (vi) in case of registered persons engaged in providing processing services of any kind in respect of textile goods, such person shall charge from the person who owns the goods but is not a registered person, sales tax @ 4% of service charges;
- (vii) in case of stages after weaving, if the fabric is sold by a registered manufacturer to an unregistered person, sales tax shall be charged @ 4% of value of supply, if such manufacturer has availed zero-rate facility at previous stages of the production chain;
- (viii) at the stage of processing or finishing of any kind of fabric or stitching of such fabric, if any registered person supplies the goods including finished products like finished, dyed/processed/printed fabric, textile apparel, home textile and clothing including garments and all non-woven products etc. to an unregistered buyer, he shall charge and pay sales tax @ 4% of the value of supply; and
- (ix) the registered persons who have acquired goods at zero-rate under this notification shall pay sales tax @ 4% of value of supply on their supplies of all kinds of finished products to retailers, regardless of the registration of such retailers.

(b) **Leather, Sports & Surgical Goods Sectors:-**

- (i) Zero-rating facility shall cover the whole registered supply chain covering both imports and local supplies except retail;
- (ii) registrations will start from tanneries and manufacturers of surgical and sports goods including the persons engaged in ancillary industrial activities;
- (iii) the jobbers working in informal or un-organized sector for individual and specified industrial or like processes prior to manufacturing of leather, surgical and sports goods in tanneries and other manufacturing units shall not be required to be registered provided their annual turnover from service charges does not exceed Rs. 5 million or their annual utility (electricity, gas and telephone) bills do not exceed seven hundred thousand rupees, and if so exceed, they will be required to be registered; and
- (iv) no sales tax shall be charged at any stage of supply for domestic consumption except that where a tannery supplies its product to any un-registered person other than retailer, it shall charge and pay sales tax @ 6% of the value of supply and where any finished product of leather, sports or surgical goods is supplied to any un-registered person by a manufacturer other than tannery, such manufacturer shall

charge and pay sales tax @ 4% of the value of supply. All supplies of finished goods made to retailers shall, however, be charged to sales tax @ 4% regardless of their registration.

(c) **Miscellaneous:-**

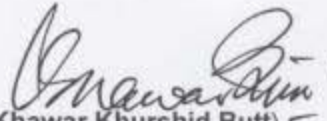
- (i) Benefit of zero-rating or reduced rate shall be admissible only if the goods covered in this notification are usable and are used in the aforesaid sectors for trading and manufacturing purposes. No other sector or industry shall be entitled to the benefit of this notification;
- (ii) no input tax adjustment or refund shall be admissible to any registered person against his liability of sales tax @ 6% of the value of supply, or as the case may be, of @ 4% of value of supply. However, admissible refund in case of capital goods, maintenance parts, lubricants, packing materials or other sector-specific used inputs, not covered under this notification, whether imported or acquired locally, shall be paid to such person against zero-rated supplies in one week of filing of the complete claim;
- (iii) the registered persons of these sectors shall be entitled to acquire electricity and gas at zero-rate in the manner prescribed by Federal Board of Revenue;
- (iv) subject to miscellaneous condition (ii) above, where at any stage of registered supply chain, no liability to charge and pay sales tax accrues under this notification, the supply at such stage shall be deemed to be a supply chargeable to sales tax at the rate of zero percent and reflected on the tax invoice accordingly;
- (v) no special excise duty shall be charged on the goods of the said sectors as mentioned in the aforesaid Table whether these are chargeable to zero-rate or to reduced rate of tax and special excise duty shall be treated as exempt;
- (vi) the persons registered after the issuance of notification but not after 30<sup>th</sup> day of June, 2011 in case of persons already engaged in businesses in the above sectors, shall not be questioned about their past transactions in their businesses for the purpose of the Sales Tax Act, 1990 or as the case may be, the Federal Excise Act, 2005 provided that no refund of any amount of tax or duty already paid or recovered shall be admissible to any person on account of this condition;
- (vii) in case of commercial importers registered after the issuance of this notification, benefit of this notification shall be available only if they satisfy the Collector of

Customs at the time of import of their first consignment about their business and financial soundness on the basis of a certificate from the bank(s) in which they have opened and will operate their business account(s);

- (viii) in case of persons already registered under the Sales Tax Act, 1990, benefit of this notification shall be available only if they are shown as active in active taxpayers list (ATL) on the website of Federal Board of Revenue and have done a declared business activity in any of the tax periods during the last twelve months; and
- (ix) the composite units including wholesalers covering supplies upto retail stage shall pay sales tax @ 4% of value of supply and shall not pay any other amount of upfront tax on their retail sales under any other scheme for retailers under the Sales Tax Act, 1990 or notifications issued or rules made thereunder.

2. This notification shall take effect on and from the 15<sup>th</sup> day of March 2011, provided that any liability accrued under this notification and as a consequence of the said supersession shall take effect with immediate effect.

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

  
(Khawar Khurshid Butt)  
Additional Secretary

