GOVERNMENT OF PAKISTAN
Central Board of Revenue
(Revenue Division)
(Sales Tax and Federal Excise Wing)
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Islamabad, the 5th June, 2006.

## SALES TAX GENERAL ORDER 01 OF 2006

**Subject: PROCEDURE FOR PAYMENT OF SALES TAX AGAINST ADVANCE RECEIPTS**

In order to streamline the payment of sales tax against advances, in terms of sub-section (44) of section 2 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to prescribe the following procedure:

1. **Payment of Tax.—** A registered person shall charge sales tax at the rate specified in sub-section (1) of section 3 of the Act against any advance payment received and the same will be included in the output tax to be declared in the sales tax return of the tax period in which such payment is received by him.

2. **Tax invoices.— (1)** A registered person at the time of receipt of advances may issue a serially numbered "Advance Payment Receipt" in the format as prescribed in Annex to this Order. Sales tax invoice required to be issued under section 23 of the Act against such advances may be issued at the time of actual delivery of goods. No tax shall be payable at the time of issuance of tax invoice in pursuance of advance payment receipt issued by the registered person on which tax has already been paid at the time of receipt of advances. However, the registered person will mention the advance payment receipt number and date in such invoice for the purpose of cross-referencing.

(2) Advance Payment Receipt shall be treated as tax invoice for the purposes of section 7 and 8 of the Act.

3. **Adjustment of advances.—** (1) Where a registered person has deposited the tax at the time of receipt of advance and such supply or part thereof is cancelled or its value is changed, consequent to which the tax charged and deposited on advances needs to be adjusted or the sales tax return needs to be

modified, the registered person may issue a credit note and make corresponding adjustment against output tax in the monthly sales tax return.

(2) Where a registered person deposited tax on advances then the time limit for the issuance of debit or credit note, as prescribed in rule 22 of the Sales Tax Rules, 2006, shall not be applicable.

Annex

Advance Payment Receipt

Serial No. ________________

Sales Tax Registration No. _____________________

M/s ____________(Sellers' Name) _________
(_______________Sellers' Address ________)

Tel: __________________
Fax: __________________

Buyer's Name & Address: ______________________________________________

| S.No. | Description | Quantity/No. / Weight/Volume | Value of goods exclusive of Sales Tax | Amount of Sales Tax involved | Amount of Sales Tax received in advance | Balance amount of Sales Tax payable, if any |
|---|---|---|---|---|---|---|
| | | | | | | |
| Total | | | | | | |

Signature of authorized person

[C. No. 3(1)ST-L&P/2001]

Abdul Hameed Memon
Secretary (ST-L&P)