Government of Pakistan
Revenue Division
Central Board of Revenue
(Sales Tax Wing)
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C.No.4/49-STB/98 Islamabad, the 29th June, 1999.

SALES TAX GENERAL ORDER NO.05 OF 1999

SUBJECT: VALUE OF SUPPLY WHEN GOODS ARE REMOVED/ SUPPLIED UNDER CHAPTER-X OF THE CENTRAL EXCISE RULES, 1944.

A question has arisen as to whether for the purposes of clearances made under Chapter-X of the Central Excise Rules, 1944, the amount of Central Excise Duty remitted would also be included in the value of taxable supply or not.

2. Since the amount of Central Excise Duty is remitted under Chapter-X of the Central Excise Rules, 1944, and is also not actually paid to the seller, the bond submitted under rule 192 of the Central Excise Rules, 1944, can not be considered as "money" received by supplier. Moreover, the principle outlined in Sales Tax Circular No.10/94 dated 27.10.1994 also applies.

3. Therefore, the amount of Central Excise Duty remitted under Chapter-X of the Central Excise Rules, 1944, and, accordingly, not received by the supplier of the taxable goods shall not form an ingredient of the value of taxable supply under section 2(46) of the Sales Tax Act, 1990.

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