GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
(SALES TAX & FEDERAL EXCISE WING)
****

C.No.1(5) FED/2009 Islamabad, the 15th September, 2009

SALES TAX GENERAL ORDER 35/2009

Subject: Extension in Time Limitation under Section 74 of the Sales Tax Act 1990 for Issuance of Debit/Credit Notes by Insurance Companies in Terms of Section 9 of the Act read with rule 22 of Sales Tax Rules 2006.

The Insurance Association of Pakistan has approached the Board that the Insurance Companies have to encounter undue encumbrance in seeking extension in limitation imposed by sub-rule (4) of rule 22 of the Sales Tax Rules 2006 for issuance of debit / credit notes, especially when a policy is discarded or changed by a client. Though the SRO 394(I)/ 2009 dated 21.05.2009 empowers the Collector to grant extension upto one year on case to case basis yet the recourse to that action entails individual applications by the concerned registered persons, time and again, for resolution to individual problems.

2. With a view to mitigating the hardship faced by the Insurance Companies, the Board, in exercise of powers conferred under section 74 of the Sales Tax Act,1990, is pleased to allow them extension in the time limitation for issuance of Debit Credit Note from 180 days to 365 days .

(Muhammad Sadiq)
Secretary ST-L&P