

FOR OFFICIAL USE ONLY

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
(INLAND REVENUE POLICY WING)

C. No. 4/22-STB/2017 (Pt)

Islamabad, the 20th September, 2017

To:

All Chief Commissioners Inland Revenue

All Chief Collectors of Customs

SUBJECT: **SALES TAX, FEDERAL EXCISE DUTY AND ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE, 2001 – BUDGETARY INSTRUCTIONS (BUDGET 2017-18)**

I am directed to refer to the subject cited above and to say that budgetary measures relating to sales tax, federal excise duty and Islamabad Capital Territory (Tax on Services) Ordinance, 2001 have been notified through Finance Act, 2017 and also through various SROs issued in exercise of powers conferred under the three laws. A brief summary of the measures is given below for ease of understanding and necessary action by the field formations. At the same time, field formations are requested to consult the provisions of Finance Act, 2017 and notifications/SROs for proper appraisal of the provisions. Summary of the measures under the three tax laws i.e. Sales Tax Act, 1990, Federal Excise Act, 2005 and Islamabad Capital Territory (Tax on Services) Ordinance, 2001 is given hereunder:

Sales Tax Act, 1990 and Federal Excise Act, 2005:

1. **Tier-1 Retailers.**

Definition of tier-1 retailers has been introduced through insertion of clause (43A) in section 2 of the Sales Tax Act, 1990. Under the provisions of newly inserted sub-section (9A) of section 3 of the Sales Tax Act, 1990, tier-1 retailers are required to pay sales tax

