

## BROCHURE ON TOBACCO SECTOR

Q. What is un-manufactured Tobacco?

A. It has been defined under section 2(24A) of the Federal Excise Act, 2005 “**un-manufactured tobacco**” as tobacco useable for manufacture of cigarettes as manufactured by Green Leaf Threshing Units after processing and conversion of tobacco green leaf”.

Q. What is the present taxation on un-manufactured and cigarettes?

A. The same is chargeable to FED whereas cigarettes produced through un-manufactured tobacco are also chargeable to FED respectively under the said Act, as follows:

### FIRST SCHEDULE

[See Section 3]

#### TABLE 1

(EXCISABLE GOODS)

S.No.	Description of Goods	Heading/ sub-heading Number	Rate of Duty
Col.(1)	Col.(2)	Col.(3)	Col.(4)
7	Un-manufactured tobacco	24.01	Ten rupee per kilogram
9.	Locally produced cigarettes if their on-pack printed retail price exceeds five thousand nine hundred and sixty rupees per thousand cigarettes.	24.02	Rupees five thousand two hundred per thousand cigarettes
10.	Locally produced cigarettes if their on-pack printed retail price does not exceed five thousand nine hundred and sixty rupees per thousand cigarettes.	24.02	Rupees one thousand six hundred and fifty per thousand cigarettes

Q. Which records are being maintained by the manufacturers of tobacco?

A. Under section 17 of the Federal Excise Act, 2005, every person registered for the purposes of this Act shall maintain and keep for a period of six years or till such further period the final decision in any proceedings including proceedings for assessment, appeal, revision, reference, petition and any, proceedings before an Alternative Dispute Resolution Committee is finalized at his business premises or registered office in English or Urdu language the following records of excisable goods purchased, manufactured and cleared (including those cleared without payment of excise duty) by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his liability of duty, namely:—

- (a) records of clearances and sales made indicating the description, quantity and value of goods, name and address of the person to whom sales were made and the amount of the duty charged;
- (b) records of goods purchased showing the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the duty, if any, on purchases;
- (c) records of goods cleared and sold without payment of duty;
- (d) records of invoices, bills, accounts, agreements, contracts, orders and other allied business matters;
- (da) record relating to gate passes, inward or outward, and transport receipts;
- (e) records of production, stocks and inventory;
- (f) records of imports and exports; and
- (g) such other records as may be specified by the Board.

(2) For any person or class of persons registered under this Act, or for any goods or class of goods the Board may specify or prescribe,—

- (a) to keep any other records for the purposes of this Act;
- (b) to use such electronic fiscal cash registers as may be approved by the Board; and
- (c) the procedure or software for electronic maintenance of records and filing of statements, documents or information by any person or class of persons.

**Q. Who is authorized to issue invoices?**

**A.** A person registered under the Federal Excise Act, 2005 shall issue for each transaction a serially numbered invoice at the time of clearance or sale of goods, including goods chargeable to duty at the rate of zero per cent, or providing or rendering services containing the following particulars, namely:—

- i. name, address and registration number of the seller;
- ii. name, address and registration number of the buyer;
- iii. date of issue of the invoice;
- iv. description and quantity of goods or as the case may be, description of services;
- v. value exclusive of excise duty;
- vi. amount of excise duty; and
- vii. value inclusive of excise duty.

(2) Where a registered person is also engaged in making supplies taxable under the Sales Tax Act, 1990, such person shall not be required to issue a separate invoice for excise purposes and the amount of excise duty and other related information may in such cases be mentioned on the invoice issued for sales tax purposes.