

**GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE**

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Islamabad, the 25<sup>th</sup> August, 2020.

**NOTIFICATION  
(SALES TAX)**

**S.R.O. 777(I)/2020.**—In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990 read with sub-clause (b) of clause (12A) of section 2 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Sales Tax Rules, 2006, namely: –

In the said Rules, after Chapter XVII, the following new Chapters shall be inserted:—  
namely:

**“CHAPTER XVII-A  
GREENFIELD INDUSTRIAL UNDERTAKING APPROVAL AND EXEMPTION RULES**

**158A. Application.**— The provisions of this chapter shall apply to an industrial undertaking applying for approval for “Greenfield Industry” and exemption from levy of sales tax thereof, for the purposes of clause (12A) of section 2 and Serial No.150 of Table -I of Sixth Schedule to the Act.

**158B. Filing of application for approval of Greenfield Industry.**— (1)  
A registered person applying for approval of its industrial undertaking as "Greenfield Industry", as defined in sub-clause (12A) of section 2 and for exemption under Serial No.150 of the Table –I of Sixth schedule to the Sales Tax Act 1990, shall make an application electronically to the Commissioner Inland Revenue having jurisdiction in the form prescribed in Annexure-I along with documents prescribed in Annexure-II of this Chapter.

(2) The registered person shall also submit a hard copy of the prescribed application to the Commissioner Inland Revenue for the purposes of approval under sub-clause (12A) of section 2 and Serial No.150 of Table-I of Sixth Schedule to the Sales Tax Act, 1990 along with all the documents required under this Chapter.

**158C. Processing of applications by the Commissioner.** — (1) On receipt of an application under rule 158B, the Commissioner Inland Revenue may make such inquiries or call for such further information or documents as deemed necessary.

(2) After scrutiny of the application and the documents annexed thereto, the Commissioner Inland Revenue shall, forward the application to the Engineering Development Board, Government of Pakistan hereinafter referred to as “EDB” in this Chapter, for seeking its expert opinion as to whether the process or technology being employed by the said industrial undertaking is or is not already under use in Pakistan.

(3) Upon receipt of application forwarded by Commissioner Inland Revenue, the EDB shall process the same within the time stipulated by him and communicate its expert opinion / findings with regard to the query raised in sub-rule (2) to the Commissioner Inland Revenue.

**158D. Approval of the application.** (1) After completion of all the formalities, the Commissioner Inland Revenue may, through an order in writing, approve the industrial undertaking for the purposes of sub-clause (12A) of Section 2 of the Act.

(2) The Commissioner Inland Revenue may, after recording the reasons in writing, refuse to grant approval for the purposes of sub-clause (12A) of Section 2 of the Act.

**158E. Finalization of Applications.** The Commissioner Inland Revenue shall finalize the applications filed under Rule 158B within fifteen days of its receipt.

**158F. Appeal against decision of a Commissioner Inland Revenue.**

Any registered person dissatisfied with the decision of the Commissioner Inland Revenue under Rule 158D may prefer an appeal within sixty days of the receipt of the order to the Appellate Tribunal Inland Revenue under section 46 of the Act.

**158G. Procedure for generation and transmission of exemption certificate in the WeBOC.** — (1) In case of grant of approval as “Greenfield Industry”, the exemption certificate shall be generated automatically by the IRIS on the basis of the approval as Greenfield industry granted by the Commissioner Inland Revenue.

(2) The exemption certificate shall be automatically transmitted from IRIS to WeBOC as per existing procedure.

**158H. Procedure for availing sales tax exemption on import of plant and machinery.** — (1) The registered person shall upload a copy of the order of approval as Greenfield Industry already issued by the Commissioner Inland Revenue in WeBOC at the time of preparations of Goods Declaration for the imported plant and machinery.

(2) The registered person shall claim in the Goods Declaration the exemption from sales tax on the imported plant and machinery as per Serial No. 150 of Table-1 of the Sixth Schedule to the Sales Tax Act 1990.

**ANNEXURE-I**  
**APPLICATION FOR APPROVAL AND EXEMPTION FOR GREENFIELD**  
**INDUSTRY**  
**under Rule 158B(1)**

To,

The Commissioner of Inland Revenue,  
\_\_\_\_\_ Zone,  
\_\_\_\_\_ (Name of Tax office and City).

1. With reference to sub-clause (12A) of section 2 and Serial No. 150 of Table-I of the Sixth Schedule to the Sales Tax Act, 1990, I, the undersigned, hereby

apply, on behalf of \_\_\_\_\_ (name of the industrial undertaking) for its approval and exemption as “Greenfield Industry”.

2. Necessary particulars are set out in the Schedule, as required under the schedule to this application.

3. The following documents set out in sub-rule (1) of Rule 158B of the Sales Tax Rules 2006, are also enclosed.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

(v) \_\_\_\_\_

1. I, the undersigned, undertake, to the effect that M/s \_\_\_\_\_ (name of the industrial undertaking) is:

i. Set up on land which has not previously been utilized for any commercial, industrial or manufacturing activity and is free from constraints imposed by any prior work;

ii. Built without demolishing, revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant;

iii. Not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;

iv. Intends to employ a technology & process for manufacturing of \_\_\_\_\_  
(description of goods)  
that is not already in use in Pakistan.

v. Intending to manufacture taxable goods as stated above.

It is also certified that the information provided above is true and correct to the best of my knowledge and belief.

Signature \_\_\_\_\_

Name (in block letters). \_\_\_\_\_

Designation \_\_\_\_\_

Application must be signed either by the Director or Principal Officer in case of a company, or by Member or Partner in case of AOP or by the owner of the industrial undertaking.

**SCHEDULE  
PARTICULARS  
(As required under Serial No. 2 of the Annexure-I)**

2. Name of the industrial undertaking (in block letters) \_\_\_\_\_;
3. Full address of the industrial undertaking (in block letters) \_\_\_\_\_;
4. Date of registration along with principal activity/nature of business of the industrial undertaking \_\_\_\_\_;
5. Name(s) of owner(s) along with CNIC of land on which industrial undertaking is set up or intended to be set up \_\_\_\_\_;
6. Complete details of plant, machinery and building \_\_\_\_\_;
7. Details of Directors and shareholders with more than ten percent shareholding or Partners, as the case may be , of the industrial undertaking on the date of application:
  - i. Name \_\_\_\_\_;
  - ii. CNIC \_\_\_\_\_;
  - iii. NTN \_\_\_\_\_;
  - iv. Estimated value of plant and machinery (USD/PKR) \_\_\_\_\_;
8. Estimated duties and taxes presently involved on the plant and machinery to be imported;
9. List of good(s) to be manufactured;
10. Production capacity of industrial undertaking per annum;
11. Estimated annual contribution of the undertaking to the national economy in the form of:
  - i. Employment;

- ii. Duties and taxes;
  - iii. Import substitution;
  - iv. Export earnings (USD);
  - v. Any other (please specify);
12. Brief description of the process or technology intended to be employed.

**Annexure-II**  
**LIST OF DOCUMENTS TO BE ATTACHED**  
**Under Rule 158B(1)**

1. Certificate of Incorporation or partnership deed, whichever is applicable;
2. NTN/STRN certificate;
3. Memorandum and Articles of Association in the case of Limited Company;
4. GPS tagged photos of the site of industrial undertaking / land of the industrial undertaking;
5. Copies of CNIC and NTN of directors or partners (in case of AOP).

**CHAPTER XVII-B**

**PROCEDURE FOR COLLECTION AND PAYMENT OF EXTRA TAX ON SUPPLIES OF ELECTRIC POWER AND NATURAL GAS CONSUMED BY UNREGISTERED PERSONS AND PERSONS OTHER THAN ACTIVE TAXPAYERS:**

**158I. Application.**—The provisions of this Chapter shall apply to the supplies of electric power and natural gas consumed by persons having industrial or commercial connections.

**158J. Mode and manner of collection.** — (I)Every person supplying electric power or natural gas, shall charge and collect extra tax at the rate notified by the Federal Government, from every consumer having an industrial or commercial connection, where the bill for a month is in excess of rupees fifteen thousand, and the consumer's name does not appear on the Active Taxpayer' List.

(2) The amount of extra tax shall be shown separately in the bill or invoice for electric power or natural gas issued by the supplier.

(3) The supplier shall collect and pay the amount of extra tax in the manner given in section 6 of the Act.

**158K. Conditions and limitations.**—(1) The amount of extra tax shall not be adjustable by the supplier or the consumer in their returns, and shall be paid in full by the supplier into the Treasury.

(2) The supplier of electric power or natural gas, as the case may be, shall require the consumer to communicate the sales tax registration number and then, verify it from the website of the Board, to confirm whether the person is actually registered and is on the active taxpayers list maintained by the Board.

(3) The supplier shall also confirm that the name, address and other particulars appearing in the registration profile are the same as those in the record of supplier.


(4) A person having multiple places of business shall ensure that all such places of business are properly declared and entered in his registration profile.

(5) When it is verified that the person exists on the active taxpayer list, the supplier shall incorporate the sales tax registration number in its billing system and ensure that it is printed on all subsequent bills. Thereafter, the supplier shall stop charging and collecting the extra tax from such person.

(6) The supplier shall start charging and collecting extra tax again from the consumer from the month in which he is de-registered or he ceases to exist on the Active Taxpayers List being maintained by the Board.”.

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**[C.No. 1/102-STB/2015 (Pt-I)]**

  
**(Zahid Baig)**  
Second Secretary (ST&FE-Policy)