

Government of Pakistan  
Revenue Division  
Federal Board of Revenue

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**Notification**  
(Sales Tax)

Islamabad, the 21<sup>st</sup> March, 2023.

**S.R.O. 376(I)/2023.**- In exercise of the powers conferred by section 71 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to make the following rules, namely:-

**1. Short title, application and commencement.** — (1) These rules shall be called the Special Procedure for Collection and Payment of Sales Tax (Electric Power Supply by DISCOs) Rules, 2023.

(2) These rules shall apply for collection and payment of sales tax on electric power supplied by electricity distribution companies only i.e. DISCOs and K Electric, licensed under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997).

(3) They shall come into force at once.

**2. Definitions.** —(1) In these rules, unless there is anything repugnant in the subject or context,—

(a) “Act” means the Sales Tax Act, 1990;

(b) “consumer” means a person or his successor-in-interest who purchases or receives electric power for consumption or purchases in bulk for resale to end consumers, including a person who owns or occupies a premises where electric power is supplied;

(c) “Consumer Service Manual” means Manual, as amended from time to time, issued by the National Electric Power Regulatory Authority (NEPRA) and adopted by the distribution companies for the purposes of various operations inter alia including installation, disconnection, reconnection and permanent disconnection procedures; and

(d) "DISCO" means a utility or entity engaged in the business of distribution and supply of electric power as licensed by NEPRA.

(2) All other words and expressions used, but not defined herein, shall have the same meanings and explanations assigned thereto in the Act.

**3. Registration.** — Every DISCO which supplies electric power to end consumers, if not already registered, shall get registration under section 14 of the Act read with rules made there-under.

**4. Levy and collection of sales tax.** — Each DISCO that supplies electric power shall collect sales tax at the rate specified in sub-sections (1) and (1A) of section 3 of the Act.

**5. Filing of returns and deposit of sales tax.** — (1) Each DISCO shall file sales tax return as required under the Act and rules made there-under and shall declare its amount billed and accrued on supply of electricity during the billing month or tax period after making adjustments of amount mentioned in Annex-G under sub-rule (3).

(2) In case any consumer fails to pay whole or any part of the amount of sales tax charged or billed by the DISCO during the time period stipulated at the time of issuance of electric power consumption bill, the amount paid subsequently shall be recorded and deposited with the sales tax return for the subsequent tax period, as the case may be, during which the amount is paid by the consumer.

(3) The complete details of such defaulting consumers and recovery therefrom shall be submitted on Annex-G appended with the monthly sales tax return.

(4) The due date for the purposes of filing monthly sales tax return and payment of sales tax shall be the date specified under section 26 of the Act read with the rules made there-under.

**6. Recovery assistance from officer of sales tax.** —(1) In case any consumer fails to pay the charged or billed amount of sales tax despite procedure mentioned and required in the relevant Chapters of the Consumer Service Manual for recovery of the defaulted amount including sales tax resulting removal of energy meter or metering installation, as the case may be, on the basis of Equipment Removal Order (ERO) against the consumer-in-default, each DISCO, after making security deposit adjustment, shall submit the detail of defaulting consumers, separated as per category of consumer i.e. residential, commercial or industrial etc, as Annex-A to these rules to the concerned Commissioner of Inland Revenue, for assistance in recovery by an

officer of sales tax. Assistance in such recovery by officer of sales tax shall be to the extent of tax amount only.

(2) The detail of such permanent defaulters under sub-rule (1) shall be supported with a certificate counter-signed by the Chief Executive Officer of the DISCO stating that all applicable measures for recovery of the defaulted amount were taken in time along-with removal of the electricity meter. Such certificate shall also indicate that legal proceedings have also been initiated against the defaulter and that no other electricity meter has been installed at the same premises in any other name and that no electric power is being supplied or consumed at the premises where the default occurred (excluding already existing connections in different names of separate portions of the premises as laid down under Chapter 8.2.7 of the Consumer Service Manual).

(3) The procedure provided in sub-rule (2) shall be applicable to prospective permanent defaulters only.

(4) Till the time electronic submission of information on **Annex-A** is enabled as an Annexure to Sales Tax Return, each distribution company shall submit such information manually on Excel to the Commissioner Inland Revenue having jurisdiction.

**CATEGORY-WISE LIST OF THE PERMANENT DEFAULTERS (IN DESCENDING ORDER)**

Name of the DISCO:

Commissioner IR:

Category of the Consumer:

Total No. of the Permanent Defaulters:

Total amount of sales tax defaulted:

Sr. No	Name of Consumer	NTN/ CNIC	Electricity Reference No	Address/ Status of the Premises (Lcased/ Owned)	Bill Month(s) (Default)	Date of ERO/ Removal of Meter	Date of Security Encashment	Status of Legal Proceedings	Date Memo sent to Tehsildar or Recovery Officer	Report of Tehsildar/ Recovery Officer and Comments of DISCO	Sales Tax Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

It is certified that all procedural and legal formalities have been fulfilled in order to recover the defaulted amount of sales tax from the following consumers before declaring them the permanent defaulters:

**Sign Stamp of Officer of DISCO**

**Sign Stamp of CEO of DISCO**

**[F. No. 1(1)SS(Pro.Taxes-I)/2023]**

  
(Tariq Iqbal)  
Secretary (Law & Clarification)