

Government of Pakistan
Revenue Division
Federal Board of Revenue

Islamabad, the 29th September, 2026.

NOTIFICATION
SALES TAX

S.R.O. 1664(I)/2026.— In exercise of the powers conferred by the provisos to sub-section (2) of section 6 of the Sales Tax Act, 1990, the Board is pleased to direct that the following further amendments shall be made in its Notification S.R.O. No. 1245(I)/2026, dated 31st day of July, 2026, namely: —

2. In the aforesaid Notification,—

- (a) in the preamble, the expression “, rates” shall be omitted;
- (b) in clause (a),—
 - (i) after the word “composite”, the word “units” shall be inserted and thereafter the words “in addition to sales tax chargeable under subsection (1) of section 3 of the Act” shall be omitted;
 - (ii) in sub-clause (iii), after the word “as”, the word “directly” shall be inserted and thereafter the expression “(from 01.07.2026)” shall be omitted;
 - (iii) in sub-clause (iii), the word “and” occurring at the end shall be omitted;
 - (iv) in sub-clause (iv), for the colon occurring at the end, the semi colon shall be substituted and thereafter the following new sub-clauses shall be added, namely: -
 - “(v) the steel re-rollers whether consuming imported or local raw material for manufacture of steel bars shall pay sales tax at the rate of rupees thirty per electricity unit consumed;
 - (vi) steel melters and composite units operating in erstwhile FATA and PATA using local remeltable scrap shall pay sales tax at the rate of rupees twenty per electricity unit consumed. This concessionary

rate of tax is in continuation of S. No. 89 of Table-1 of the Eighth Schedule to the Sales Tax Act, 1990 providing reduced rate of sales tax for above said territory. In case, consumption of imported raw material or remelttable steel scrap purchased directly from EFS registered persons exceeds seventy percent in aggregate during the immediate preceding twelve months, these units shall pay sales tax at the rate of rupees five per electricity unit consumed;

(vii) steel re-rollers operating in erstwhile FATA and PATA whether consuming imported or local raw material for manufacture of steel bars shall pay sales tax at the rate of rupees twenty per electricity unit consumed; and

(viii) for newly established and reinitiation of closed business entities or registered persons engaged in steel manufacturing, the criteria for eligibility for lower rate of sales tax rupees five per electricity unit consumed shall be determined on the basis of quarterly imports or purchases.”;

(c) for sub-clause (b), the following shall be substituted, namely:—

“(b) sales tax collected in the manner as prescribed under clause (a) shall be advance in nature and steel melters, composite units and re-rollers, as the case may be, shall be entitled to adjust the same against the output sales tax;”;

(d) in clause (c), after the expression “re-rollers” occurring at the end, the words “until and unless it is established and proved through production monitoring system of FBR that the said manufacturer is a steel melter or composite units” shall be added and for the semi colon, occurring at the end, colon shall be substituted and thereafter the following proviso shall be added, namely:—

“Provided that once an electricity connection associated with any type of steel business, shall remain the same irrespective of change in ownership or nature of business due to lease arrangements or otherwise.”.

[1(1)IR-Ops/2025]



(Anser Majeed)

Second Secretary (ST&FE-Budget)