GOVERNMENT OF PAKISTAN
CENTRAL BOARD OF REVENUE

Islamabad, the 9th july, 1998

NOTIFICATION
(SALES TAX)

S.R.O. 786 (I)/98 - In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, read with section 15 to 18, 21 and 28 thereof, the Central \boardof Revenue is pleased to direct that the following further amendments shall be made in the Registration, Voluntary Registration and De-registration Rules, 1996, namely:-

In the aforesaid Rules, for rule 5 the following shall be substituted, namely:-

" 5.de-registration. - (1) A registered person is liable to be de-registered if-

(a) he ceases to carry on his business;
(b) his supplies are no longer chargeable to sales tax;
(c) his turnover during the last twelve months in case of a manufacturer, is below one million rupees and in case of a retailer, is below five million rupees; or
(d) he fails to file sales tax return consecutively for six months.

(2) A person liable to be deregistered under clause (a), (b) or (c) of sub-rule (1) shall make an application to the concerned Collector of Sales Tax specifying therein the grounds for de-registration.

(3) On receipt of application under sub-rule (2), an officer not below the rank of an Auditor or a Deputy Superintendent of Sales Tax shall be assigned to visit the registered office or the business premises of the registered person, wherever the records are kept, and examine, inspect and audit the relevant records and also to verify the physical stocks of taxable

inputs and taxable supplies made so as to ascertain whether the applicant qualifies for de-registration.

(4) If, on the basis of inquiry under sub-rule (3), the concerned Collector of Sales Tax is satisfied that the applicant is liable to be de-registered, he shall direct him to furnish a final return in respect of his taxable activity.

(5) The final return, submitted under section 28 of the Act, shall be examined and if the concerned Collector of Sales Tax is satisfied that the applicant has settled his tax liability, he shall be de-registered within the period specified under sub- section (1) of section 21 of the Act.

(6) In case the applicant is to be de-registered due to cessation of business or his supplies are no longer chargeable to tax, he shall be de-registered from such date as may be determined by the concerned Collector of Sales Tax but not later than the period specified under sub-section (1) of section 21 of the Act.

(7) In case a manufacturer seeks de-registration on the ground that his turnover has fallen below one million rupees he shall be de-registered from the beginning of next financial year in accordance with sub-section 21 of the Act.

(8) A person liable to be de-registered under clause (d) of sub-rule (1) shall be served with a show cause notice asking him to explain as to why he should not be de-registered and after giving him an opportunity of being heard, the concerened Collector of Sales Tax may de-register him without prejudice to any other action which may be taken under any other provision of the Act.".

C.No.3(62)/STP/97

(AKHTAR ALI)
SECRETARY