**GOVERNMENT OF PAKISTAN**
**MINISTRY OF FINANCE, ECONOMIC AFFAIRS**
**STATISTICS & REVENUE**
**(REVENUE DIVISION)**
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Islamabad, the 5th June, 2006

**NOTIFICATION**
**(SALES TAX)**

**S.R.O.541(I)/2006**.- In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969), sub-sections (3A) and (6) of section 3, clause (b) of sub-section (1) of section 8, clause (a) of sub-section (2) of section 13 and section 71 of the Sales Tax Act, 1990, and in supersession of its notification S.RO. No. 390(I)/2001 dated the18th June 2001, the Federal Government is pleased to exempt customs-duty leviable under the First Schedule to the Customs Act, 1969 (IV of 1969), and sales tax on the import or, as the case may be, on the supply of cellular telephone sets (hand-held sets) to the extent that the combined effect of both the levies shall be ***five hundred rupees*** per such set, hereinafter called the said amount, subject to the following conditions, namely:-

(i) no customs-duty or sales tax shall be collected on such cellular telephone sets at the time of import or, as the case may be, at the time of supply, but the said amount will be charged, collected and paid by the cellular company operator at the time the sets are presented to the cellular company operator for activation or energization;

(ii) the cellular company operator shall, if not already registered, obtain registration under the Sales Tax Act, 1990;

(iii) no cellular telephone set shall be activated or energized by the cellular company operator without charging and collecting the said amount;

(iv) the said amount shall also be charged, collected and paid on every new activation or energization done by the cellular company operator;

(v) the liability to charge, collect and pay the said amount shall be on the cellular company operator who shall deposit same through a monthly tax return in terms of section 26 of the Sales Tax Act, 1990, and rules made thereunder;

(vi) the cellular company operator shall maintain proper records, whether in electronic form or otherwise, of all the sets energized or activated after payment of the aforesaid amount for a period of three years, and such records shall be produced for inspection, audit or verification as and when required by an officer authorized by the Collector of Sales Tax, and such officer shall not ask for proof of import of cellular telephone sets activated or energized; and

(vii) no adjustment of input tax shall be admissible to the cellular company operator or the buyer against the amount chargeable and payable under this notification.

**Explanation. 1.** — For the purposes of this notification, a cellular telephone set (hand-held set) includes one battery and a battery charger identifiable for use in connection with such mobile telephone set; provided that the amount payable under this notification shall not be effected on the ground that such battery or battery charger has not been presented or is not accompanied with such telephone set at the time of activation or energization.

**Explanation 2.** — For the purpose of condition (v), the expression "new activation or energization" means a new connection or number given by the cellular company operator but does not include a change in number given to a customer due to change in package or his location in Pakistan.

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[F.No.1(210)STT/99]

**(Shahid Ahmad)**
Additional Secretary