II 28-01-09

GOVERNMENT OF PAKISTAN
FEDERAL BOARD OF REVENUE
(REVENUE DIVISION)
(SALES TAX & FEDERAL EXCISE WING)

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Islamabad, the 28th January, 2009

NOTIFICATION
(SALES TAX)

S.R.O. 76 (I)/2009.– In exercise of the powers conferred by sub-section (1) of section 4 and section 40 of the Federal Excise Act, 2005, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8, clause (ii) of sub-section (2) of section 8B, sections 9, 10, 14, 21 and 28, clause (c) of sub-section (1) of section 22, section 26, sub-section (6) of section 47A, sections 48, 50A, 52, 52A and 66 thereof, 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 aforesaid Rules, for rule 39A, the following shall be substituted, namely:-

"39A. Processing of refund claims in LTUs.– (1) The refund claimant registered in a Large Taxpayer Unit, desirous of availing facility under this rule, shall file a refund application to the Collector of Sales Tax having jurisdiction along with the following documents, namely:—

(a) an undertaking affirming the accuracy and genuineness of refund; and

(b) a revolving bank guarantee, valid for at least one hundred and twenty days issued by a scheduled bank, to the satisfaction of Collector of Sales Tax (Large Taxpayers Unit), of an amount not less than amount of the refund claimed.

(2) The refund claim shall be processed as follows:–

(a) where the claimant has filed documents under sub-rule (1), the Collector shall process and allow fifty percent of the refund of input tax within five working days of receipt thereof;

(b) within fifteen days after the sanctioning of the claim as at (a) the claimant shall file a complete refund claim along with the supportive documents and soft copy on the prescribed format, which shall be scrutinized in the Large Taxpayer Unit, and objections, if any, related to the refund claim shall be conveyed to the claimant within seven days of the receipt of the claim;

(c) subject to the provisions of this rule, the refund claim shall be finalized by the LTU within fifteen days of the filing of complete refund claim under clause (b) of sub-rule (2); and

(d) where an amount of refund on account of input credit document or otherwise is unverified, the Collector may require extension in bank guarantee covering such amount as deemed fit.

(3) In case any amount already sanctioned and paid is found inadmissible or remains unverified after six months of the bank guarantee, the same shall be recovered within seven days by encashment of the bank guarantee to the extent of inadmissible amount besides other legal action under the relevant provisions of the Act and rules made thereunder.

(4) The Collector of Sales Tax shall notify an officer, not below the rank of an Assistant Collector, as focal person in the LTU to liaise with other Collectorates regarding the problems or objections encountered on account of purchases and supplies of the refund claimant for speedy solution thereof.".

[3(19)ST-L&P/2008]

(Muhammad Sadiq) 28.01.08
Secretary (Law & Procedure)