

GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,  
STATISTICS AND REVENUE  
(REVENUE DIVISION)

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Islamabad, the 23<sup>rd</sup> November, 2011.

**NOTIFICATION  
(SALES TAX)**

S.R.O. 1058 (I)/2011.- In exercise of the powers conferred by clause (c) of section 4 read with clause (b) of sub-section (2) and sub-section (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 Sales Tax Act, 1990, and in supersession of its Notifications. No. S.R.O. 1012(I)/2011, dated the 4<sup>th</sup> November, 2011, the Federal Government is pleased to notify the goods specified in column (2) of the Table below under the PCT heading numbers mentioned in column (3) of the said Table, to be the goods on which sales tax shall, subject to the conditions stated in this notification, be charged at the rate of zero percent on the supply and import thereof, or at reduced rate of sales tax of six percent or, as the case may be, at four percent as specified in the said conditions, namely:-

**TABLE**

S #	Description of goods	PCT heading No.
(1)	(2)	(3)
01.	Leather and articles thereof including artificial leather footwear	41.01 to 41.15, 64.03, 64.04, 6405.1000, 6405.2000 and other respective headings
02.	Textile and articles thereof excluding monofilament, sun shading, nylon fishing net, other fishing net, rope of polyethylene and rope of nylon, tyre cord fabric	Chapter 50 to Chapter 63 and other respective headings excluding 5407.2000, 5608.1100, 5608.1900, 5608.9000.
03.	Carpets	57.01 to 57.05
04.	Maize (corn) starch	1108.1200
05.	Mucilages and thickness, whether or not modified, derived from locust beans locust bean seeds or guar seeds	1302.3210, 1302.3290, 1302.3900
06.	Sports goods	9504.2000, 9506 and other respective headings
07.	Surgical goods	Respective headings
08.	Emery powder/grains	2513.2010
09.	Magnesium oxide	2519.9010
10.	Coning oil	2710.1991
11.	Spin finish Oil	2710.1998

12.	Antimony oxide	2825.8000
13.	Sodium bromate	2829.9000
14.	Sodium sulphide and sodium hydrogen sulphide	2830.1010, 2830.1090
15.	Sodium dithionite	2831.1010
16.	Sodium sulphite and sodium hydrosulphide	2832.1010, 2832.1090
17.	Phosphinates (hypophosphites) and phosphonates (phosphates)	2835.1000
18.	Sodium dichromate	2841.3000
19.	Hydrogen per oxide	2847.0000
20.	p-Xylene	2902.4300
21.	Trichloroethylene	2903.2200
22.	Ethylene Glycol (MEG)	2905.3100
23.	Di-ethylene glycol	2909.4100
24.	Ethyl glycol	2909.4490
25.	Tri-ethylene Glycol	2909.4990
26.	Glutar aldehyde	2912.1900
27.	Formic acid	2915.1100
28.	Sodium formate	2915.1210
29.	Acetic acid	2915.2100
30.	Sodium acetate	2915.2930
31.	Acrylic acid and its salts	2916.1100
32.	Esters of Methacrylic acid	2916.1400
33.	Oxalic acid	2917.1110
34.	Pure terephthalic acid (PTA)	2917.3610
35.	Glycolic acid and their esters	2918.1800
36.	Other phosphoric esters and their salts	2919.9090
37.	Dyes intermediates	2921.0000 2922.0000 2923.0000 2924.0000 2927.0000 2933.0000 2934.0000
38.	DMF (Dimethyl Formamide)	2924.1990
39.	Acrylonitrile	2926.1000
40.	Other organic derivatives of hydrazine or of hydroxylamine	2928.0090

41.	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters & other derivatives	3201.1000 3201.2000 3201.9020 3201.9090
42.	Synthetic organic tanning substances, inorganic tanning substances, tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre- tanning	3202.1000 3202.9010 3202.9090
43.	Disperse dyes and preparations based thereon.	3204.1100
44.	Acid dyes & preparations based thereon	3204.1200
45.	Basic dyes & preparations based thereon	3204.1300
46.	Direct dyes & preparations based thereon	3204.1400
47.	Indigo Blue	3204.1510
48.	Vat dyes & preparations based thereon	3204.1590
49.	Reactive dyes and preparations based thereon	3204.1600
50.	Pigments and preparations based thereon	3204.1700
51.	Dyes, sulphur	3204.1910
52.	Dyes, synthetic	3204.1990
53.	Synthetic organic products of a kind used as fluorescent brightening agents.	3204.2000
54.	Other synthetic organic colouring matter	3204.9000
55.	Pigments and preparations based on titanium dioxide.	3206.1900
56.	Other colouring matter and other preparations	3206.4900
57.	Granules, flakes, powder of glass (others)	3207.4090
58.	Prepared water pigments of a kind used for finishing leather	3210.0020
59.	Cationic surface active agents	3402.1210 3402.1220 3402.1290
60.	Non-ionic surface active agents	3402.1300
61.	Surface active preparations and cleaning preparations excluding detergents	3402.9000
62.	Preparations for the treatment of textile material, leather, fur skins or other material	3403.1110 3403.1120 3403.1990 3403.9110 3403.9190
63.	Spin finish oil	3403.9131
64.	Artificial waxes and prepared waxes	3404.9010
65.	Other artificial waxes	3404.9090

66.	Electro polishing chemicals	3824.9060
67.	Other glues (printing gum)	3505.2090
68.	Shoe adhesives	3506.9110
69.	Hot melt adhesive	3506.9110 and 3506.9190
70.	Enzymes	3507.9000
71.	Photographic film, with silver halide emulsion (for textile use)	3702.4300 and 3702.4400
72.	Sensitizing emulsions (for textile use)	3707.1000
73.	Fungicides for leather industry	3808.9220
74.	Preparation of a kind used in textile or like industry	3809.9110 and 3809.9190
75.	Preparation of a kind used in leather or like industries	3809.9300
76.	Compound plasticizers for rubber or plastics	3812.2000
77.	Antimony triacetate	3815.1910
78.	Palladium catalyst	3815.9000
79.	Electrolyte salt	3824.9060
80.	Polymers of vinyl acetate (in aqueous dispersion)	3905.1200
81.	Vinyl acetate copolymers: in aqueous dispersion	3905.2100
82.	Polymers of vinyl alcohol	3905.3000
83.	Other vinyl polymers	3905.9990
84.	Other acrylic polymers	3906.9030
85.	Acrylic polymers in primary forms	3906.9090
86.	Polyethylene terephthalate-Yarn grade, and its waste	3907.6010
87.	Nylon Chips (PA6)	3908.1000
88.	Polyurethanes	3909.5000
89.	Silicones in primary form	3910.0000
90.	Cellulose nitrates nonplasticised	3912.2010
91.	Other cellulose nitrates	3912.2090
92.	Carboxymethyl cellulose and its salts	3912.3100
93.	Alginic acids, its salts and esters	3913.1000
94.	Nylon tubes	3917.3910
95.	Artificial leather	3921.1300
96.	Synthetic leather grip	3926.9099
97.	Natural rubber latex	4001.1000
98.	Technical specialized natural rubber	4001.2200
99.	Rubber latex	4002.1100
100.	Synthetic rubber SBR 1502 latex	4002.1900
101.	Butadiene rubber	4002.2000

102.	Thermo-plastic rubber (T.P.R.)	4002.9900
103.	Vulcanized rubber thread and cord	4007.0010 4007.0090
104.	Leather shearing-finish leather with wool	4302.1910
105.	Articles of apparel and clothing accessories of fur skin	4303.9000
106.	Artificial fur and articles thereof	4304.0000
107.	English willow cleft (wood)	4404.1000
108.	Cork Granules	4501.9000
109.	Cork sheet	4504.1010
110.	Satin Finishing Wheels	6804.2100
111.	Carbon Fiber	6815.1000
112.	Glass fiber sleeves	7019.9010
113.	Forging of surgical and dental instruments	7326.1920
114.	Nickel rotary printing screens	7508.9010
115.	Hooks for footwear	8308.1010
116.	Eyes and eyelets for footwear	8308.1020
117.	Tubular or bifurcated rivets	8308.2000
118.	Strings	8308.9090
119.	Bladders and covers of inflatable balls	9506.9919
120.	Press-fasteners, snap fasteners and press studs	9606.1000
121.	Buttons of plastics not covered with textile material	9606.2100
122.	Buttons of base metal not covered with textile materials	9606.2200
123.	Studs	9606.2910
124.	Buttons	9606.2920
125.	Slide fasteners	9607.1100 9607.1900
126.	Wood-pulp (dissolving grade)	4702.0000 if imported by manufacturers of viscose staple fibre for use in the manufacturing of viscose staple fibre.
127.	Cotton linter	1404.2000
128.	Sequins	3926-9099

## CONDITIONS

### (a) Textile Sector:-

- (i) The facility of zero-rating shall be available to every such person engaged in manufacturing or trading in textile sector (including carpets and jute) who is registered for the purpose of sales tax other than retailer. No tax shall be payable at any stage of the supply chain if goods are sold by a registered

person to a registered person till the stage of processing where sales tax shall be charged as specified hereunder;

- (ii) the benefit of this notification shall be available to registered importers, traders, manufactures and exporters. In case where a commercial importer sells any imported goods to unregistered person, he shall charge and pay sale tax @ 6% of value of supply, if the goods are usable in textile sector up to the stage of spinning including the product of spinning such as yarn and its by-products, whereafter such importer shall charge and pay sales tax @ 4% of value of supply;
- (iii) no sales tax shall be payable at ginning or man-made and synthetic fiber manufacturing stage;
- (iv) in case of registered manufacturers importing their inputs or acquiring their inputs from commercial importers or registered manufacturers, such manufacturers shall charge and pay sales tax @ 6% of value of supply only at the spinning stage, i.e. yarn and its by-products if these goods are supplied to any unregistered person provided that if such goods relate to the stages after spinning, sales tax shall be charged and paid @ 4% of the value of supply;
- (v) in case of yarn purchases on payment of sales tax @ 6% of value of supply from spinning mills by unregistered persons i.e. traders or persons engaged in activities like sizing, warping, weaving, intermediary and other ancillary processes etc. before processing of finished fabric, no further amount of sales tax shall be charged or demanded;
- (vi) in case of registered persons engaged in providing processing services of any kind in respect of textile goods, such person shall charge from the person who owns the goods but is not a registered person, sales tax @ 4% of service charges;
- (vii) in case of stages after weaving, if the fabric is sold by a registered manufacturer to an unregistered person, sales tax shall be charged @ 4% of value of supply, if such manufacturer has availed zero-rate facility at previous stages of the production chain;
- (viii) at the stage of processing or finishing of any kind of fabric or stitching of such fabric, if any registered person supplies the goods including finished products like finished, dyed/processed/printed fabric, textile apparel, home textile and

clothing including garments and all non-woven products etc. to an unregistered buyer, he shall charge and pay sales tax @ 4% of the value of supply; and

- (ix) the registered persons who have acquired goods at zero-rate under this notification shall pay sales tax @ 4% of value of supply on their supplies of all kinds of finished products to retailers, regardless of the registration of such retailers.

**(b) Leather, Sports & Surgical Goods Sectors:-**

- (i) Zero-rating facility shall cover the whole registered supply chain covering both imports and local supplies except retail;
- (ii) registrations will start from tanneries and manufacturers of surgical and sports goods including the persons engaged in ancillary industrial activities;
- (iii) the jobbers working in informal or un-organized sector for individual and specified industrial or like processes prior to manufacturing of leather, surgical and sports goods in tanneries and other manufacturing units shall not be required to be registered provided their annual turnover from service charges does not exceed Rs. 5 million or their annual utility (electricity, gas and telephone) bills do not exceed seven hundred thousand rupees, and if so exceed, they will be required to be registered; and
- (iv) no sales tax shall be charged at any stage of supply for domestic consumption except that where a tannery supplies its product to any un-registered person other than retailer, it shall charge and pay sales tax @ 6% of the value of supply and where any finished product of leather, sports or surgical goods is supplied to any un-registered person by a manufacturer other than tannery, such manufacturer shall charge and pay sales tax @ 4% of the value of supply. All supplies of finished goods made to retailers shall, however, be charged to sales tax @ 4% regardless of their registration.

**(c) Miscellaneous:-**

- (i) Benefit of zero-rating or reduced rate shall be admissible only if the goods covered in this notification are usable and are used in the aforesaid sectors for trading and manufacturing purposes. No other sector or industry shall be entitled to the benefit of this notification;

- (ii) no input tax adjustment or refund shall be admissible to any registered person against his liability of sales tax @ 6% of the value of supply, or as the case may be, of @ 4% of value of supply. However, admissible refund in case of capital goods, maintenance parts, lubricants, packing materials or other sector-specific used inputs, not covered under this notification, whether imported or acquired locally, shall be paid to such person against zero-rated supplies in one week of filing of the complete claim;
- (iii) the registered persons of these sectors shall be entitled to acquire electricity and gas at zero-rate in the manner prescribed by Federal Board of Revenue;
- (iv) subject to miscellaneous condition (ii) above, where at any stage of registered supply chain, no liability to charge and pay sales tax accrues under this notification, the supply at such stage shall be deemed to be a supply chargeable to sales tax at the rate of zero percent and reflected on the tax invoice accordingly;
- (v) in case of persons already registered under the Sales Tax Act, 1990, benefit of this notification shall be available only if they are shown as active in active taxpayers list (ATL) on the website of Federal Board of Revenue and have done a declared business activity in any of the tax periods during the last twelve months; and
- (vi) the composite units including wholesalers covering supplies up to retail stage shall pay sales tax @ 4% of value of supply and shall not pay any other amount of upfront tax on their retail sales under any other scheme for retailers under the Sales Tax Act, 1990 or notifications issued or rules made thereunder.

2. This notification shall take effect on and from the 4<sup>th</sup> November, 2011.

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**[C.No.1(140)C(RGST)/2011 (Pt-V)]**

**(Shahid Hussain Asad)**  
Additional Secretary