

Ref: PAA/010/2019/115

23rd July, 2019

All Member Agencies
Chief Executive Officers
Chief Financial Officers
Heads of Finance & Taxation
Pakistan Advertising Association.

Sub: Withdrawal of Exemption on Services of Advertisement in Newspapers / Periodicals.

Dear Members,

This refers to the attached notification SRB-3-4/11/2019 dated 27th June 2019. This is to confirm that as per the said notification the exemption on sales tax on the subject services of 3% stands withdrawn as of July 01, 2019.

If Newspapers / Periodicals do not send invoices along with 3% Sales Tax added in their invoices, it is suggested that all Advertising Agencies invoice their clients with 3% Sales Tax added in their invoices of Newspaper / Periodicals releases to clients.

The same should then be declared and accordingly deposited in Sindh Revenue Board according to normal practice.

It has been conveyed verbally to PAA that All Pakistan Newspapers Society and Council of Pakistan Newspapers Editors are making efforts to have this tax withdrawn.

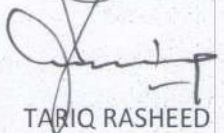
It has also been informed to PAA by different member agencies that SRB has directly issued letters to member agencies informing them of the said exemption.

In view of the above, all agencies are requested to follow the notification of applying 3% sales tax in their invoices for Newspaper / Periodicals releases in absence of any further information available of extension in the exemption earlier being offered by the Government of Sindh.

The PAA Finance & Taxation Committee is keeping a tab closely on any progress and if there is any change in the above, the same shall be informed to all agencies.

Thanking you,

Yours faithfully,



TARIQ RASHEED
Secretary General



Copy to:

Secretary General - All Pakistan Newspapers Society
Secretary General - Council of Pakistan Newspaper Editors
Executive Director - All Pakistan Newspapers Society

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**GOVERNMENT OF SINDH
SINDH REVENUE BOARD**

Karachi, the 27th June, 2019

NOTIFICATION
(Sindh Sales Tax on Services)

SRB-3-4/11/2019.----- In exercise of the powers conferred by sub-section (2) of section 8 of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No. XII of 2011), the Sindh Revenue Board, with the approval of the Government, is pleased to direct that the following further amendments shall be made in its notification No. SRB-3-4/8/2013 dated the 1st July, 2013, namely:-

In the aforesaid notification, in the Table,-----

- (a) before tariff heading “9805.3000” in column (1), and the entries relating thereto in columns (2), (3) and (4), the following shall be added, namely:-

“ 9802.4000	Advertisement in newspapers and periodicals	3%	Input tax credit/adjustment shall not be admissible.	”;
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- (b) against tariff heading “9805.5000” in column (1), for the figure “8%” in column (3), the figure “5%” shall be substituted;
- (c) against tariff heading “9805.5100” in column (1), for the figure “8%” in column (3), the figure “5%” shall be substituted;
- (d) after tariff heading “9810.1000, 9821.4000 and 9821.5000” in column (1), and the entries relating thereto in columns (2), (3) and (4), the following shall be added, namely:-

5.

“ 9811.0000	Service provided or rendered by stand-alone laundries and dry cleaners. Explanation: For the purpose of this notification, “Stand-alone laundries and dry cleaners” means a laundry and dry cleaner:- (a) which does not provide any taxable service other than the services described against tariff heading 9811.0000; and (b) which, or any outlet/branch of which, is not located within the building, premises or precincts of a hotel, motel, guest house or club whose services are liable to tax	5%	Input tax credit/adjustment shall not be admissible.
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(e) against tariff heading “9813.1500”, in column (1),-----

- (i) after the word “insurance” in column (2), the comma and words “, other than group life insurance” shall be added; and
- (ii) for the figure “8%” in column (3), the figure “3%” shall be substituted;

(f) against tariff heading “9815.3000” in column (1),-----

- (i) in column (2), for the words “Accountant &”, the words “Accountants and” shall be substituted; and
- (ii) for the entry in column (4), the following shall be substituted namely:-

“1. The reduced rate specified in column (3) shall apply only in relation to the accounting and auditing services provided or rendered by accountants and auditors.;

3.

2. Input tax credit/adjustment shall not be admissible.”;

(g) against tariff heading 9824.0000 in column (1), -----

- (i) for the words “Construction services” in column (2), the brackets and words “(a) Construction services” shall be substituted;
- (ii) in column (3), for the figures “8%”, the brackets and figure “(a) 8%” shall be substituted;
- (iii) in column (4), the existing entries shall be numbered as clause (a); and
- (iv) after clause (a) in column (2) and the entries relating thereto in columns (3) and (4), the following new clause shall be added, namely:-

“

(b) Construction services in relation to Government Civil Works for which the expenditure is paid out of the expenditure budget of the Federal Government or the Provincial Government or the Local Government or the Cantonment Board	(b) 5%	(b) Input tax shall not be admissible.
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”;

(h) after tariff heading “9824.0000” in column (1), and the entries relating thereto in columns (2), (3) and (4), the following shall be added, namely:-

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9830.0000	Services provided in the matter of manufacturing or processing of textile and leather goods for others on toll basis	3%	Input tax credit/adjustment shall not be admissible.
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”;

(i) against tariff heading “9834.0000” in column (1), for the figure “10%” in column (3), the figure “5%” shall be substituted;

(j) against tariff heading 9836.0000 in column (1),-----

- (i) in column (2), for the words “Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit” in column (2), the brackets and words “(a) Services provided or rendered by persons engaged in inter-

city transportation or carriage of goods by road or through pipeline or conduit" shall be substituted;

- (ii) in column (3), for the figures "8%", the brackets and figure "(a) 8%" shall be substituted;
- (iii) in column (4), the existing entries shall be numbered as clause (a); and
- (iv) after clause (a) in column (2) and the entries relating thereto in columns (3) and (4), the following new clause shall be added, namely:-

“ (b) Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road through truck <i>addas</i> or through bus/wagon stands excluding road transportation or carriage of:- (i) petroleum oils through oil tankers; (ii) automotive vehicles, classified under tariff headings of Chapter 87 of the First Schedule to the Customs Act, 1969, as are transported or carried through specialized vehicle carriers; and (iii) goods and cargo through vehicles operated by Fleet Logistic Companies having not less than 25 vehicles in its fleet	(b) 3%	(b) Input tax shall not be admissible.
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2. This notification shall take effect on and from the 1st day of July, 2019.


(Khair Mohammad Kalwar)
Secretary