(KHYBER PAKHTUNKHWA ACT NO. XXI OF 2013)

(Amended till June 30, 2021)

AN ACT

to levy, continue and exempt certain taxes, cess and fees and to amend and consolidate the law relating for the imposition, levy, collection and administration of a tax on services provided, supplied, rendered, initiated, originated, executed, received, delivered or consumed in the Province of the Khyber Pakhtunkhwa and to establish the Khyber Pakhtunkhwa Revenue Authority.

WHEREAS it is expedient to levy, continue and exempt certain taxes, cess and fees and to amend and consolidate the law relating for the imposition, levy, collection and administration of a tax on services provided, supplied, rendered, initiated, originated, executed, received, delivered or consumed in the Province of the Khyber Pakhtunkhwa and to establish the Khyber Pakhtunkhwa Revenue Authority;

It is hereby enacted as follows:

PART I PRELIMINARY

1. Short title, extent and commencement.---(1) This Act may be called the Khyber Pakhtunkhwa Finance Act, 2013.

(2) It shall extend to the whole of the Province of the Khyber Pakhtunkhwa.

(3) It shall come into force on the 1st day of July, 2013:

Provided that the Government in respect of the services listed in the Schedules appended to this Act, may by notification in the official Gazette, specify different dates for different services on which taxes shall be levied.

2---Definitions.---In this Act, unless there is anything repugnant to the subject or context,-

(1) "Appellate Tribunal" means the Appellate Tribunal [1][constituted under section 82 of] this Act;

(2) "arrears", in relation to a person, shall mean, on any day, the tax due and payable by the person under this Act before that day but which has not yet been paid.

(3) "Assistant Collector" means a person appointed as an Assistant Collector under this Act;

(4) "associates" or "associated persons" includes-

(a) two persons, where the relationship between them is such that one may reasonably be expected to act in accordance with the intention of the other, or both persons may reasonably be expected to act in accordance with the intention of a third person but two persons shall not be associate solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;

(b) without prejudice to the generality of clause (a) and subject to clause (c), the following persons shall always be treated as associates:

(i) an individual and a relative of that individual;

(ii) members of an association of persons;

(iii) a member of an association of persons and the association, where the member, either alone or together with an associate or associates under another application of this section, controls fifty per cent or more of the rights to income or capital of the association;

(iv) a shareholder in a company and the company, where the shareholder, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons-

(a) fifty percent or more of the voting power in the company; or

(b) fifty percent or more of the rights to dividends; or

[1] Words "established under" substituted vide Khyber Pakhtunkhwa Finance Act, 2021

(c) fifty percent or more of the rights to capital; and

(v) two companies, where a person, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons-

(a) fifty percent or more of the voting power in both companies; or

(b) fifty percent or more of the rights to dividends in both companies; or

(c) fifty percent or more of the rights to capital in both companies; and

(c) two persons shall not be associate under sub- clause (i) or (ii) of clause (b) where the Collector is satisfied that1neither person may reasonably be expected to act in accordance with the intention of the other.

Explanation: The expression `relative in relation to an individual' means-

(i) an ancestor, a descendant of any of the grandparents, or an adopted child of the individual or of a spouse of the individual; or

(ii) a spouse of any person specified at sub- clause (i);

(5) "association of persons" means and include a firm, any artificial or juridical person and body of persons formed under a foreign law, but does not include a company;

(6) "Authority" means the Khyber Pakhtunkhwa Revenue Authority established under this Act;

(7) "banking company" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes anybody corporate which transacts the business of banking in Khyber Pakhtunkhwa;

(8) "Collector" means a person appointed as Collector under this Act;

(9) "Collector (Appeals)"means a person appointed as Collector (Appeals) under this Act;

(10) "committee" means any committee constituted by the Authority;

(11) "Common Taxpayer Identification Number" means the registration number or any other number or identification code allocated to a registered person;

(12) "Company" means-

(a) a company as defined in the [2][Companies Act, 2017 (Act No. XIX of 2017)];

(b) a body corporate formed by or under any law;

(c) a Modarba and any other Islamic financial institution;

(d) a body incorporated outside Pakistan;

(e) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law; or

(f) a foreign association, whether incorporated or not, which the Authority has, by general or special order, declared to be a company for the purposes of this Act.

(13) "computerized system" means any comprehensive information technology system, including its development, up-gradation or updation, to be used by the Authority or any other office as may be notified by the Authority, for carrying out the purposes of this Act;

(14) "Council" means the Policy Making Council of the Authority;

(15) [3]["default surcharge" means the default surcharge levied and calculated under section 65 of this Act.]

(16) "defaulter" means a person and, in the case of a company or firm, every director of the company or partner of the firm and includes guarantors or successors, who fail to pay the arrears of tax under this Act and the rules;

(17) "Deputy Collector" means a person appointed as Deputy Collector under this Act;

(18) "Director" means any person appointed as a Director of the Authority;

(19) "Director General" means the Director General of the Authority;

(20) "document" includes any electromagnetic data, computer programmes, computer tapes, computer disks, micro-films or any other medium or mode for the storage or conveyance of such data;

(21) "due date" in relation to the furnishing of a return under Chapter VI means the 15th day of the month following the end of the tax period, or such other date as the Authority may, by notification in the official Gazette, specify;

(22) "economic activity" means any economic activity under section 22;

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[2] Words "Companies Ordinance, 1984 (XLVII of 1984)" omitted vide Khyber Pakhtunkhwa Finance Act, 2019.

[3] Clause (15) substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

""default surcharge" means the default surcharge levied under this Act;"

(23) “e-intermediary” means a person appointed as e-intermediary under this Act;
(24) “employee” means a person in the employment or service of the Authority;
(25) “exempt service” means a service which is exempt from the tax under section 28;
(26) “Federal Board of Revenue” means the Federal Board of Revenue established under the Federal Board of Revenue Act 2007 (IV of 2007);
(27) “financial year” means the period from 1st July of a year to 30th June of the following year;
(28) “firm” means the relation between two or more persons who have agreed to share the profits of a business carried on by all or any of them acting for all;
(29) “fiscal law” include the laws of the Khyber Pakhtunkhwa relating to sales tax on services, tax on immovable property, capital gain tax, capital value tax, tax on professions, trades, callings or employment, Motor Vehicles, entertainments, land revenue, stamp duty, agricultural income tax, excise duty on alcoholic liquors, opium and others narcotics and such other law imposing any tax, levy, duty, fee, cess or surcharge as the Government may specify;
(30) “goods” include every kind of movable property other than actionable claims, money, stocks, shares and securities but does not include a service defined under this Act;
(31) “Government” means the Government of the Khyber Pakhtunkhwa;
(32) “inter-bank rate” means the Karachi inter-bank offered rate prevalent on the first day of each quarter of a financial year;
(33) “Magistrate” means a Magistrate of the first class empowered under the Code of Criminal Procedure, 1898 (V of 1898);
(34) “officer” means any officer of the Authority;
(35) “open market price” shall have the meaning as given to it by section 24;
(36) “person” means-
   (a) an individual;
   (b) an association of individuals or persons;
   (c) a company;
   (d) Federal Government;
   (e) a Provincial Government;
   (f) a local authority or local government; or
   (g) a foreign government, a political subdivision of a foreign government, or public international organization;

   Explanation: The use of the word “he” in this Act shall be taken to refer to any or all mentioned from (a) to (f) as required in the context of the relevant provision;
(37) “place of business” means whenever a person-
   (a) owns, rents, shares or in any other manner occupies a space in the Khyber Pakhtunkhwa from where he carries on an economic activity whether wholly or partially; or
   (b) carries on an economic activity whether wholly or partially through any other person such as an agent, associate, franchise, branch, office, [4][through virtual presence or a website or a web-portal or through any other form of e-commerce, by whatever name called] or otherwise in the Khyber Pakhtunkhwa but does not include a liaison3 office;
(38) “prescribed” means prescribed by the rules or regulations;
(39) “Provincial Consolidated Fund” means the Provincial Consolidated Fund in terms of Article 118 of the Constitution of the Islamic Republic of Pakistan;
(40) “Public Account” means the Public Account of the Province in terms of Article 118 of the Constitution of the Islamic Republic of Pakistan;
(41) “registration number” means the number allocated to a registered person for the purposes of this Act;
(42) “registered person” means a person, who is registered or is liable to be registered under this Act but the person liable to be registered and has not been registered shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;
(43) “return” means any return required to be furnished under Chapter VI of this Act;
(44) “resident” means-
   (a) an individual who, in a financial year, has-
      (i) a place of business, whole or part thereof, in the Khyber Pakhtunkhwa in any mode, style or manner; or
      (ii) is permanent address, as listed in the individual’s national identity card, in the

[4] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2019.

Khyber Pakhtunkhwa; or

(iii) permanent representative to act on his behalf or to provide service on his behalf in Khyber Pakhtunkhwa;

(b) an association of persons or a company which, in a financial year, has-

(i) Its registered office in the Khyber Pakhtunkhwa or

(ii) its place of business, whole or part thereof, in the Khyber Pakhtunkhwa in any mode, style or manner; or

(iii) a permanent representative to act or to provide service on its behalf in the Khyber Pakhtunkhwa; or

(iv) the control or management of the affairs of the association of persons is situated in Khyber Pakhtunkhwa at any time during the financial year;

(45) "regulations" means the regulations made under this Act; and

(46) "rules" means the rules made under this Act.

(47) "Schedule" means a Schedule appended to this Act;

(48) "service" or "services" means anything which is not goods or providing of which is not supply of goods and shall include, but not limited to, the services listed in First Schedule; Explanation: A service shall remain and continue to be treated as service regardless whether or not rendering thereof involves any use, supply or consumption of any goods either as an essential or as an incidental aspect of such rendering;

(49) "short-paid" means where a registered person pays an amount of tax less than the tax due owing to miscalculation or incorrect assessment of the tax amount due for a tax period;

(50) "similar service" means any other service which is the same as, or closely resembles with, the other service in character, quality, quantity, functionality, materials, or reputation;

(51) "Special Judge" means a Special Judge appointed under section 57 of this Act;

(52) "tax" means and includes-

(a) the tax, additional tax, or default surcharge levied under this Act;

(b) a fine, penalty or fee imposed or charged under this Act; and

(c) any other sum payable or recoverable under this Act or the rules;

(53) "tax fraud" means knowingly, dishonestly or fraudulently and without any lawful excuse-

(a) doing of any act or causing to do any act; or

(b) omitting to take any action or causing the omission of any action, including providing of taxable services liable to registration but without being registered under this Act; or

(c) falsifying or causing falsification of tax invoices or other tax documents or records; or

(d) acting in contravention of the duties or obligations imposed under this Act or the rules or instructions issued thereunder with the intention of understating or suppressing the tax liability or underpaying the tax liability;

(54) "tax period" means a period of one month or such other period as the Authority may, by notification in the official Gazette, specify;

(55) "taxable service" shall have the meaning as given to them in section 19 of this Act;

[5][(55A) "unregistered" means a person, who is liable to be registered under this Act, but is actually not registered and does not hold the Khyber Pakhtunkhwa Sales Tax Registration Number (KNTN); and]

(56) "value of a taxable service" shall have the meaning as given to them in section 23 of this Act.

(57) [6]["withholding agent" means any person, who, as a recipients of taxable service or otherwise, withholds or deducts and pays or deposits tax directly to Government in the manner as may be prescribed;]

PART II

CHAPTER I

KHYBER PAKHTUNKHWA REVENUE AUTHORITY

3. Establishment of the Khyber Pakhtunkhwa Revenue Authority.---(1) Government shall, by notification in the official Gazette, establish an Authority to be called the Khyber Pakhtunkhwa Revenue Authority.

[5] Clause (55A) inserted vide Khyber Pakhtunkhwa Finance Act, 2019

[6] Clause (57) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

(2) The Authority shall be a body corporate, having perpetual succession and a common seal, with power to enter into agreements, acquire, hold, manage and dispose off property and to sue and be sued in its name:
Provided that for the disposal of any immovable property the Authority shall have to obtain the prior approval of the Government.
Provided further that the property shall have to be disposed off through competitive bidding only.

(3) The Authority shall comprise of a Director General and not less than three Directors to be appointed by the Government in such manner and on such terms and conditions as may be prescribed, and until so prescribed as may be determined by the Government.

(4) The Director General shall be a person, who-

(a) has at least a Master's or equivalent degree in Economics, Political Science, Law, Public Administration, Accounting or Public Financial Management from a recognized University or Institution;
(b) has at least twenty-five years experience in the relevant field, including five years' experience in tax administration or financial management at senior position;
(c) is not more than sixty-five years of age on the date of appointment; and
(d) possesses such other qualifications which the Government may prescribe.

(5) The Director General shall be appointed for a period of three years and shall be eligible for re-appointment for a similar term:

Provided that there shall be no further re-appointment of such person on expiry of second term.

(6) The qualifications, Experience and other requirements for appointment as Director shall be such as may be prescribed.

(7) If the office of the Director General is vacant or he is absent or is unable to perform the functions of the Director General owing to any cause, the senior most Director, as designated by Government, shall perform the functions of the Director General;

Provided that the Government shall fill in the vacant post of Director General within two months.

4. **Directorates–(1)** The Authority may, with the approval of the Council, establish Directorates for tax related specialized functions including intelligence and investigation, finance, internal audit and inspection, training and research as may be necessary.

(2) The Authority shall assign and regulate the powers and functions of the said Directorates in such manner as it may deem proper.

5. **Powers and functions of the Authority.---(1)** The Authority shall exercise such powers and perform such functions as are necessary to achieve the purposes of this Act.

(2) Without prejudice to the generality of the powers mentioned in sub- section (1), the Authority shall have powers to–
(a) administer and collect Sales Tax on Services;
(b) administer and collect such other taxes, duties and levies as are assigned to it under a fiscal law;
(c) implement, with the approval of the Government, tax administration reforms;
(d) promote voluntary tax compliance;
(e) implement comprehensive policies and programmes for awareness and facilitation of taxpayers, stakeholders and employees to improve the quality of performance of the Authority as a service oriented entity;
(f) adopt modern effective tax administration methods, information technology systems and policies to consolidate assessments, improve processes, organize registration of tax payers, widen the tax base, and make departmental remedies more efficient including enforcement of, or reduction or remission in duty, penalty or tax, in accordance with the relevant fiscal law;
(g) improve productivity through a comprehensive and effective human resource strategy;
(h) identify and select in transparent manner, qualified work force on such terms and conditions and in such manner as may be prescribed;
(i) grant with the approval of the Council such performance based additional allowances or incentives and rewards to the employees and Director General and Directors of the Authority as may be prescribed;
(j) take appropriate measures including internal controls to combat corruption in the Directorates under the Authority and to provide for checks to ensure that the integrity of the employees is

verified periodically through prescribed procedures and the said verification may constitute one of the criteria for the purposes of grant of incentives and consideration for promotion;

(k) direct or advise, where necessary, investigation or inquiry into suspected duty or tax evasion and tax or commercial fraud;

(l) introduce and maintain a system of accountability of performance, competence and conduct of the employees;

(m) implement the mandate and provisions of a fiscal law if so authorized by such law;

(n) establish, with the approval of the Government, a foundation for the welfare of the present and retired employees and their families, and for creating, establishing, organizing and assisting them in the social and cultural facilities;

(o) frame regulations, policies, programme strategies in order to carry out the purposes of the Act;

(p) setup mechanism and processes for remedying the grievances and complaints of the tax payers;

(q) develop a website and adopt, in the prescribed manner, electronic communication in respect of assigned taxation matters such as e-filing, e-payments, e-notice, e- notification, digital imaging, protocols or agreements;

(r) practice transparency and public participation as a norm for all its processes and policies;

(s) review the existing fiscal laws and suggest improvements, if necessary;

(t) form committees and assign or delegate functions to such committees; and

(u) perform such other functions as may be prescribed or are incidental to the above functions or assigned by the Government.

(3) Subject to the provisions of this Act and the relevant fiscal law, the Authority may, where appropriate, issue notifications, circulars and instructions for the enforcement of any of the provisions of the Act or any other fiscal law administered by the Authority.

[7][(4) Notwithstanding the powers and functions of the Authority under this action or elsewhere in the Act, including other fiscal laws, if any, the Director General shall be competent and responsible to manage, conduct or perform and supervise all day to day or other regular work whether or not involving adjudicatory process or exercise of quasi-judicial powers including but not limited to the powers under sections 45, 46 and 78 in all tax or allied matters and administrative or other operations of the Authority under the Act including transfers, postings, delegation of powers, assignment of duties and functions, changes of jurisdiction or transfer of cases etc and all decisions made by him in this behalf shall be treated as decisions of the Authority.]

6. Authority may impose any fee, cess or charges.–The Authority may, with the approval of the Government, levy any fee, cess or charges for provision of additional or enhanced facilities to the tax payers, or may direct reimbursement of such cost or expense as is incurred by the Authority on that account.

7. Meetings.---(1) The Authority shall meet at least once in a month but the Director General may, at any time, call a special meeting of the Authority.

(2) The Authority shall conduct its meetings, take decisions and keep record of the proceedings of the meetings in such manner as may be prescribed, and until so prescribed as may be determined by the Authority.

(3) The Authority shall take decisions through simple majority with the casting vote of Director General.

(4) The quorum for a meeting shall be three including the Director General.

8. Validity of proceedings.---No act, proceeding, decision or order of the Authority or a committee shall be invalid only by reason of existence of a vacancy or any defect in the constitution of the Authority or the committee.

9. Properties and assets to vest in the Authority.---(1) All properties, assets and records transferred to, or purchased or acquired by the Authority and all intellectual property rights arising from technical or professional reports, analysis, systems, written, prepared or developed by the employees of the Authority or procured by the Authority shall vest in the Authority and shall be the property of the Authority.

(2)The Authority may create its own logo, insignia, stationary, forms, returns, challans and online communication mechanism.

10. Data bank.---(1) The Authority shall create, collect and maintain a data bank containing information in any form necessary to achieve the purposes of this Act.

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[7] Sub-section (4) inserted vide Khyber Pakhtunkhwa Finance Act, 2020.

(2) The Authority shall have the power to share its data with or obtain and require data from Federal or any other provincial government or any of its statutory body, law enforcement entity or utility company, stock exchange, State Bank of Pakistan, Security Exchange Commission of Pakistan, Pakistan Telecommunication Authority, banks, financial institutions or other organizations including any ministry, division and attach department, body or authority of the Federal or any other provincial government.

CHAPTER II

POLICY MAKING COUNCIL

11. Policy Making Council.---(1) There shall be a Policy Making Council of the Authority comprising of the following:

(i)	Chief Minister, Khyber Pakhtunkhwa;	Chairman
(ii)	Minister for Finance Department, Khyber Pakhtunkhwa;	Member
(iia)	Minister for Law, Parliamentary Affairs and Human Rigths, Khyber Pakhtunkhwa;	Member
(iii)	Minister of Excise and Taxation, Khyber Pakhtunkhwa;	Member
(iv)	Chief Secretary, Khyber Pakhtunkhwa;	Member
(v)	Secretary to Government, Finance Department;	Member
(vi)	Secretary to Government, Law Department;	Member
(vii)	Secretary to the Government, Excise and Taxation;	Member
(viii)	a maximum of four private members to be nominated by the Government from amongst the eminent economists, tax experts, bankers, chartered accountants, representatives of Chambers of Commerce and Industry or civil society organizations; and	Member
(ix)	Director General of the Authority;	

(2) The Council may co-opt any other person as member of the Council.

(3) The Council shall be a Policy Making body for the Authority and shall formulate Policy guidelines pertaining to tax administration, planning, reforms, budget and any other matter referred to it by the Government.

(4) The policies formulated by the Council shall be binding upon the Authority.

(5) The Chief Minister and, in his absence, any of his nominee from the Ministers shall be Convener of the Policy Making Council.

(6) The Council shall meet at least once every six month.

(7) The Council shall perform its functions in such manner as may be prescribed.

CHAPTER III

BUDGET AND ACCOUNT

12. Fund.---(1) There shall be established a Fund to be known as the Khyber Pakhtunkhwa Revenue Authority Fund vested in the Authority which shall be utilized to meet the expenses including the payment of salaries and other remuneration to the staff administered and controlled by the Authority.

(2) The Fund shall consist of–

(a) grants if any, made by the Government, the Federal Government or any other authority or agency;
(b) loans obtained from the Government including the Federal Government and commercial Banks or any other source;
(c) foreign loans, grants or any other financial assistance obtained;
(d) fee and charges collected and profits earned by the Authority; and
(e) income from any other source.

(3) The Authority may keep money in any Schedule Bank which shall be operated according to the regulations of the Authority.

(4) Nothing in sub-section (3) shall be deemed to preclude the Authority from investing any such moneys which are not required for immediate expenditure in any of the securities described in section 20 of the Trust Act, 1982 (Act No. II of 1882), or placing them in a fixed deposit in any Schedule Bank or National Saving Centre.

13. Budget and accounts.---(1) The Authority shall, before the commencement of each financial year, prepare a statement of the estimated receipts, revenue targets and expenditure of the Authority for the financial year in the prescribed manner and submit it to the Government for consideration and approval.

(2) The Authority shall maintain proper accounts and other records relating to its financial affairs including its income and expenditures and its assets and liabilities in such form and manner as may be prescribed.

(3) As soon as may be, after the end of each financial year, the Authority, in the manner prescribed, shall cause to be prepared for that financial year a statement of account of the Authority, which shall include a balance-sheet and an account of income and expenditure.

14. Audit.---(1) The Auditor General of Pakistan shall annually audit the accounts of the Authority.

(2) The Authority, in addition to the audit under sub-section (1), shall also cause the annual accounts of the Authority audited, in the prescribed manner, by a Chartered Accountant or a firm of Chartered Accountants.

(3) The Authority shall devise for itself adequate mechanisms to document internal controls, ensure continuous internal audit and performance evaluation from time to time.

CHAPTER IV

EMPLOYMENT IN AUTHORITY

15. Human resource management.---The Authority may-

(a) develop and implement human resource management policies;
(b) assess, identify, create, increase, decrease or designate or re- designate posts and prepare and execute the internal job posting regime;
(c) lay down qualifications and criteria for the posting of employees against specialized or available posts;
(d) implement a transparent and objective evaluation process to determine that an employee is qualified for posting against a specialized or available post;
(e) make assessment of integrity and proficiency of the employees for purposes of evaluation, posting, promotion, transfer or other incidental matters;
(f) transfer, select or post any employee against any post on the basis of transparent criteria of selection in any entity administered by the Authority;
(g) take action, issue orders, regulations, guidelines, code of conduct to achieve the purposes of this Act;

(h) appoint, with or without remuneration, such advisers, commissioners, consultants, experts, interns, liaison officers on such terms and conditions as may be prescribed;
(i) fix, with the approval of the Council, an honorarium or remuneration for the services rendered by advisers, consultants, experts, fellows, interns, officers and staff of the Authority, liaison officers and other staff engaged by the Authority; and
(j) impart the requisite training to its employees for purposes of better tax administration.

16. Staff.---(1) The Authority may employ such persons as may be necessary for the efficient performance of its functions in such manner and on such terms and conditions as may be prescribed, or unless so prescribed, as determined by the Council.

(2) The Authority may terminate the services of any employee at any time in accordance with the regulations as may be prescribed.

(3) The Authority may, in the manner prescribed, absorb in its service any employee who is on deputation with the Authority, subject to prior approval of the Government or the employer and consent of the employee.

(4) The terms and conditions of service of an employee, on absorption, shall not be less favourable than those admissible to such employee immediately before his absorption in the service of the Authority:

Provided that the Authority may, by regulation specify criteria for seniority amongst its employees.

(5) Notwithstanding anything contained in this Act, an appointment of a person to a post in the Authority shall not confer any right on such person to continue to serve in the said post.

17. Public servants.---The employees and other persons authorized to perform or exercise any function or power under this Act or render services to the Authority as agents, advisors or consultants shall be deemed to be public servants within the meanings of section21of the Pakistan Penal Code1860 (XLVof1860).

18. Indemnity.–(1) No prosecution, suit or other legal proceedings hall lie against the Authority or its employees for anything done in good faith for carrying out the purposes of the Act, rules or regulations.

(2) No Federal or any other provincial government or any statuary body shall initiate any enquiry or investigation against the official conduct of any of the employees of the Authority without prior approval of the Authority.

PART III

Chapter I

Sales Tax on Services

19. Taxable Service.---(1) A taxable service is a service listed in the Second Schedule to this Act, which is provided:

(a) by a registered person from his registered office or place of business in the Khyber Pakhtunkhwa;
(b) in the course of an economic activity, including its commencement or termination of the activity.

Explanation: This sub-section deals with services provided by registered persons, regardless of whether those services are provided to resident persons or non-resident persons.

(2) A service that is not provided by a registered person shall be treated as a taxable service, if

the service is listed in the Second Schedule to this Act and-

(a) is provided to a resident person;

(b) by a non-resident person in the course of an economic activity, including its commencement or termination of the activity.

Explanation: This sub-section deals with services provided by non- resident persons to resident persons.

(3) For the purposes of sub-section (2), where a person has a registered office or place of business in the Khyber Pakhtunkhwa and another office outside Khyber Pakhtunkhwa, the registered office or place of business in Khyber Pakhtunkhwa and that outside Khyber Pakhtunkhwa shall be treated as separate legal persons.

(4) The Authority by notification, prescribe regulation for determining the conditions under which a particular service or class of services will be considered to have been provided by a person from his registered office or place of business in the Khyber Pakhtunkhwa.

20. Application of principles of origin and reverse charge in certainsituations.---(1) Where a person is providing taxable services in a Province other than Khyber Pakhtunkhwa but the recipient of such services is resident of Khyber Pakhtunkhwa or is otherwise availing such services in Khyber Pakhtunkhwa and has charged tax accordingly, the person providing such services shall pay the amount of tax so charged to the Government.

(2) [8][Where the recipient of a taxable service is a person registered under this Act, he shall deduct the amount of tax, to the extent as prescribed by regulations, in respect of the services received and pay the same to Government][9][:

Provided that where a person, receiving taxable service, is resident of Khyber Pakhtunkhwa and sub-section (1) is not applied or is otherwise not applicable in respect of such service for any reason, provision of this sub-section shall apply regardless whether such person is registered or not.]

(3) Where a person is providing taxable services in more than one Province or territory in Pakistan including Khyber Pakhtunkhwa, such person shall be liable to pay tax to the Government to the extent the tax is charged from a person resident in Khyber Pakhtunkhwa or from a person who is otherwise availing such services in Khyber Pakhtunkhwa.

(4) Where rendering of a taxable service originates from Khyber Pakhtunkhwa but terminates outside Pakistan, such person shall be required to pay the tax on such service to the Government. Where a taxable service originates from outside Pakistan but is received or terminates in Khyber Pakhtunkhwa, the recipient of such service shall be liable to pay the tax to the Government.

(5) The persons who are required to pay the tax to the Government in terms of sub-sections (1), (2), (3), (4) and (5) shall be liable to registration for the purposes of this Act.

(6) All questions or disputes relating to the application of the principle of origin given in this section shall be resolved in terms of the already recorded understanding between the Federal Government and the Provincial Governments on the implementation of reformed General Sales Tax:

Provided that pendency of any such question or dispute shall not absolve the concerned person from his obligation to deposit the tax.

(7) The provisions of this section shall apply notwithstanding any other provision of this Act or the rules and the Government may specify special procedure to regulate the provisions of this section.

[8] Sub-section (2) of section 20 substituted vide Khyber Pakhtunkhwa Finance Act, 2019
"(2) Where the recipient of a taxable service is a person registered under this Act, he shall deduct the whole amount of tax in respect of the service received and pay the same to the Government."
[9] Proviso to sub-section (2) of section 20 inserted vide Khyber Pakhtunkhwa Finance Act, 2020.

21. Amendment in Second Schedule.---(1) Government may, by notification in the official Gazette, make an amendment in the Second Schedule by modifying, adding or deleting any entry or entries with reference to the classification, if any, description of any service or class of services and the rate of tax chargeable on any service or class of services not exceeding the maximum rate prescribed in the Second Schedule.

(2) A notification issued under sub-section (1), shall be effective from such date as may be specified in the notification but such date shall not be prior to the date on which the notification is published in the official Gazette.

(3) Government shall at the time of presenting the Annual Budget Statement for the next financial year, lay before the Provincial Assembly of the Khyber Pakhtunkhwa all the notifications relating to the amendments in the Second Schedule during the current financial year.

[10][**21A.Validation** – (1) The following Notifications, issued, under section 21 of this Act, from time to time, shall be deemed to have been validly issued, in accordance with the provisions of this Act and shall not be called in question of any court of law:

(a) the Excise, Taxation and Narcotics Control Department's Notification No. SO(Tax)E&T/2-7/2014, dated: 4th August, 2014;

(b) the Excise, Taxation and Narcotics Control Department's Notification No. SO(Tax)E&T/2-7/2015, dated: 4th February, 2016;

(c) the Excise, Taxation and Narcotics Control Department's Notification No. SO(Tax)ET&NC/2-7, dated: 22nd March, 2017;

(d) the Excise, Taxation and Narcotics Control Department's Notification No. SO(Tax)ET&NC/2-7, dated: 22nd March, 2017;

(e) the Excise, Taxation and Narcotics Control Department's Notification No. SO(Tax)E&T/2-7/2017/1735-47, dated: 20th October, 2017; and

(f) the Khyber Pakhtunkhwa Revenue Authority's Notification No. 506-15/2018, dated: 31st August, 2018;

(2) the provisions of this section shall be deemed to have effect from the respective dates of the Gazette Notifications, mentioned therein, till the commencement of this Act, except the Revenue Authority Notification at clause (e) of sub-section (1), which shall be deemed to have effect from 4th February, 2016.]

22. Economic activity.---(1) An economic activity means any activity carried on whether continuously, regularly or otherwise by a person that involves or is intended to involve the provision of services to another person and includes-

(a) an activity carried on in the form of a business, including a profession, calling, trade, or undertaking of any kind, whether or not the activity is undertaken for any consideration or profit;

(b) the supply of movable property by way of lease, license or such similar arrangement; and

(c) a one-time transaction or concern in the nature of a business or trade.

(2) Anything done or undertaken during the commencement or termination of an economic activity shall be construed as part of the economic activity.

(3) An economic activity does not include-

(a) the activities of an employee providing services in that capacity to an employer; or
(b) a private recreational pursuit or hobby of an individual.

[10] Section 21A inserted vide Khyber Pakhtunkhwa Finance Act, 2019

23. Value of a Taxable Service.--- The value of a taxable service is:

(a) the consideration in money including all Federal and Provincial duties and taxes, if any, which the person providing a service receives from the recipient of the service but does not include the amount of tax under this Act:

Provided that-

(i) in case the consideration for a service is in kind or is partly in kind and partly in money, the value of the service shall mean the open market price of the service as determined under section 24 excluding the amount of sales tax under this Act;

(ii) in case the person provides the service and the recipients of the service are associated persons and the service is supplied for no consideration or for a consideration which is lower than the price at which the person provides the service to other persons who are not associated persons, the value of the service shall mean the price at which the service is provided to such other persons who are not associated persons excluding the amount of sales tax; and

(iii) in case a person provides a service for no consideration or for a consideration which is lower than the price at which such a service is provided by other persons, the value of the service shall mean the open market price for such a service;

(b) in case of trade discounts, the discounted price excluding the amount of sales tax under this Act, provided that the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with customary business practice;

(c) in case there is reason to believe that the value of a service has not been correctly declared in the invoice or for any special nature of transaction it is difficult to ascertain the value of a service, the open market price, as determined under section 24; and

(d) notwithstanding any of the above, where the Authority deems it necessary it may, by notification in the official Gazette, fix the value of any service or class of services and for that purpose fix different values for different classes or description of the same or similar types of services;

Provided that where the value at which the service is provided is higher than the value fixed by the Authority, the value of the service shall, unless otherwise directed by the Authority, be the value at which the service is provided.

24. Open market price.---(1) The open market price of a service is-

(a) the price, the service would fetch in an open market transaction freely entered into between persons who are not associated persons;

(b) if it is not possible to determine an amount under paragraph (a), the price a similar service would fetch in an open market transaction freely made between persons who are not associated persons, adjusted to take account of the differences between the similar service and this Actual service; and

(c) determined on the basis of the market conditions prevailing at the time and place at which the service is provided.

(2) If the open market price of a service cannot be determined under sub-section (1), it may be determined by using any method or formula specified by the Authority for calculating an objective approximation of the price, the service would fetch in an open market transaction freely made between persons who are not associated.

25. Provision of services over a period of time.---(1) Where a service is provided over a period of time and payment for the same is made on a periodic basis, the service shall be treated as comprising two or more separate and distinct services each corresponding to the part of the service to which each separate part of the consideration relates.

ILLUSTRATIONS

(a) Where services are provided for a two year period and payment is made on a semi- annual basis, the provision of services for each six month period constitutes a separate service.

(b) Where an insurance company provides an insurance policy over a five year period and receives a premium on an annual basis, each premium relates to a separate service.

(2) This section does not apply to services for which payment is made on installments basis.

CHAPTER II

SCOPE OF TAX

26. Scope of tax and allied matters.---(1) Subject to the provisions of this Act, there shall be charged, levied, collected and paid a tax on the value of a taxable service at the rate specified in the Second Schedule[11][:

Provided that fifteen percent rate of tax shall be deemed and treated as standard or general rate of tax for all purposes of this Act.]

(2) Government may, on the recommendation of the Authority and subject to such conditions and restrictions as the Government may impose, by notification in the official Gazette, declare that in respect of any taxable service provided by a registered person or a class of registered persons, the tax shall be charged, levied and collected at such higher, lower, fixed or specific rate as maybe specified in the said notification.

(3) Notwithstanding other provisions of this Act, the Authority may, with the prior approval of the Government and by notification in the official Gazette and subject to the conditions, restrictions, limitations or otherwise, fix the limit or threshold of annual turnover of any service or class of services provided by any person or class of persons below which such person or class of persons shall be exempt from payment of tax under this Act.

(4) A person required to pay tax under this Act shall be entitled to deduct from the payable amount, the amount of tax already paid by him on the receipt of taxable services used exclusively in connection with taxable services provided by such person subject to the condition that he holds a true and valid tax invoice not older than six tax periods, showing the amount of tax earlier charged and paid under this Act on the services so received but the Authority may, by notification in the official Gazette, disallow or restrict such deduction in case of any service or services as it may deem appropriate[12][:

Provided that payment of the amount for a transaction exceeding value of fifty thousand rupees, excluding payment against a utility bill, shall be made by a crossed cheque, drawn on a bank, bank draft, pay order or any other banking instrument, showing transfer of the amount of the sales tax invoice, in favour of the service provider, from the business bank account of the service recipient.]

[13][**Explanation:** For the purpose of sub-section (4), the expression "paid" shall be construed to include deposit of tax with the Government.]

[14][26A. Standard of general tax rate application choice, --

(1) Where any services or class of services are chargeable to reduced rate of tax either under the Second Schedule or under any notification issued under this Act, any registered person or class of registered persons, providing such services, may after taking permission from

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[11] Proviso to sub-section (1) of section 26 inserted vide Khyber Pakhtunkhwa Finance Act, 2020.
[12] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2019.
[13] Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2020.
[14] Section 26A inserted vide Khyber Pakhtunkhwa Finance Act, 2020. inserted vide Khyber Pakhtunkhwa Finance Act, 2020.

the Authority, opt to pay sales tax at standard or general rate and take input tax adjustment as admissible under this Act and rules or regulations issued thereunder and every such permission shall be effective from the date mentioned therein and subject to such conditions, restrictions, and limitations as may be specified by the Authority in this behalf[15][:

Provided that a registered person, in case of a company, may opt to operate under standard rate system on intimation to the Authority at least one month in advance and shall not be entitled to revert back to the reduced rate without prior permission from the Authority as required under sub-section (2).]

(2) Once the registered person has started paying sales tax at standard rate or general rate as aforesaid, he shall not on his own switch over back to availing the reduced rate of tax on any of his such services unless he takes prior permission from the Authority and while examining and deciding on the requests of switching back to reduced rate of tax, the Authority may conduct or cause to conduct such enquiry or audit as it may deem necessary to ascertain the genuineness of the request.

(3) No amount of unadjusted amount of input tax accrued during the period when standard or general rate was applied shall be subsequently adjustable in respect of services subjected to reduced rate of tax provided that recommencement of applying standard or general rate of tax at any later stage by any registered person shall likewise be subject to prior permission from the Authority.

(4) The Authority may on its own or otherwise withdraw the permission granted under this section in respect of any case or class of cases after issuing show cause notice and affording opportunity of hearing in the case or cases.]

27. Person liable to pay tax.---(1) Where a service is taxable by virtue of sub-section (1) of section 19, the liability to pay the tax shall be on the registered person providing the service.

(2) Where a service is taxable by virtue of sub-section (2) of section 19, the liability to pay the tax shall be on the person receiving the service.

(3) The Authority may, by notification in the official Gazette, specify the service or services in respect of which the liability to pay tax shall be on any person, other than the person providing the taxable service, or the person receiving the taxable service.

(4) Nothing contained in this section shall prevent the collection of tax from a different person if that person is made separately or jointly or severally liable for the tax under section 35.

28. Exemptions.---(1) Notwithstanding anything contained in sections 19 and26, the Authority may, with the approval of the Government and subject to such conditions, limitations or restrictions as it may impose, by notification in the official Gazette, exempt-

(a) taxable service or services from the whole or any part of the tax;

(b) taxable service or services provided by a person or class of persons from the whole or any part of the tax;

(c) recipient or recipients of service or services, including international organizations and institutions, from the payment of the whole or any part of the tax; and

(d) a class of persons, any area or areas of the Khyber Pakhtunkhwa from the whole or any part of the tax.

(2) The exemption under sub-section (1) may be allowed from any previous date specified in the notification issued under sub-section (1).

[15] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021

29. Effect of change in the rate of tax.----If there is a change in the rate of tax, the taxable services shall be charged to tax at such rate as is in force at the time the service is provided.

30. Special procedure and tax withholding provisions.---(1) Notwithstanding anything contained in this Act, the Authority may, by notification in the official Gazette, prescribe a special procedure for the payment of tax, registration, book keeping, invoicing or billing requirements, returns and other related matters in respect of any service or class of services, as may be specified.

(2) Notwithstanding any other provisions of this Act, the Authority may require any person or class of persons whether registered or not for the purpose of this Act to withhold full or part of the tax charged from such person or class of persons on the provision of any taxable service or class of taxable services and to deposit the tax so withheld, with the Government within such time and in such manner as it may, by notification in the official Gazette, specify.

[16][(3) Where a person has been or is required to act as withholding agent, he shall personally be responsible to withhold and deposit the due tax. In case of failure on his part to do so, it shall be his personal liability to pay such due amount of tax along with default surcharge and penalty under this Act. Any such amount of tax, including default surcharge and penalty, if not paid, may be recovered from such person under section 87 of this Act.]

31. Delegation of power to collect, administer and enforce sales tax on certain services.---(1) Notwithstanding anything contained in this Act, the Government may, by notification in the official Gazette, authorize the Federal Board of Revenue or any other Federal or Provincial department, agency, organization or person to administer, collect and enforce the levy of sales tax on such taxable services as it may notify and in such mode and manner and for such period as it may prescribe and subject to such restrictions and conditions as it may impose.

(2) Notwithstanding anything contained in this Act, where the Government notifies any taxable services under sub-section (1) above, for the period specified therein, except for the provisions of Chapters I and II and sections 109, 113 and 115, the remaining provisions of this Act shall not be applicable to such taxable services.

(3) At the end of the period specified in sub-section (1) above, the tax on taxable services notified under sub-section (1) shall be administered, collected and enforced by the Authority in the same mode and manner as all other taxable services and all provisions of this Act shall be applicable to them.

32. Adjustments.---(1) The Authority may, subject to such conditions and restrictions as it may specify, allow registered persons to claim adjustments or deductions, including refunds arising as a result thereof, in respect of the tax paid under any other law on any account in respect of any taxable service or goods or class of taxable services or goods provided by them.

(2) For the purposes of sub-section (1), the Authority may adopt the principles or concepts laid down in such other law in respect of adjustments, deductions or refunds including zero-rating principle.

(3) No adjustment or deduction of any tax payable under any other law shall be claimed by any person except in the manner [17][to the extent and from the date] specified in the notification issued under sub-section (1)[18][:

Provided that if no such date has been specified, the date of coming into effect of such notification shall be deemed to be the specified date for the purpose of this section.]

[16] Sub-section (3) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[17] Words "and to the extent" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[18] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

CHAPTER III

PAYMENT AND COLLECTION OF TAX ON TAXABLE SERVICES

33. Collection of excess tax.---(1) Any person so authorized, who has collected or collects the tax or charge, whether under misapprehension of any provision of this Actor otherwise, which was not payable as tax or charge or which was in excess of the tax or charge actually payable and the incidence of which had been passed on to the person to whom the service was provided, shall pay the amount of tax or charge so collected to the Government.

(2) Any amount payable to the Government under sub-section (1) shall be deemed to be an arrear payable under this Act and shall be recovered accordingly.

(3) The burden of proof that the incidence of tax or charge referred to in sub-section (1), has been or has not been passed on to the person to whom the service is provided shall be on the person collecting the tax or charge.

34. Time, manner and mode of payment.---(1) The tax in respect of a taxable service provided during a tax period shall be paid by a person at the time of filing the return in respect of that period under Chapter VI.

(2) For the purposes of sub-section (1), a taxable service shall be considered to have been provided in the tax period during which-

(a) it was provided to the recipient;

(b) an invoice for the value of the taxable service was issued or was due to be issued or sent or due to be sent to the recipient; or

(c) consideration for the same was received, whichever is earlier.

(3) Notwithstanding anything contained in sub-section (1), the Authority may, by notification in the official Gazette, direct that the tax in respect of any taxable service or such class of taxable services shall be charged, collected and paid in any other way, mode, manner or time as may be specified in the notification.

(4) The tax due on taxable services shall be paid by any of the following modes namely:

(a) through deposit in a bank designated by the Authority; or

(b) through such other mode and manner as may be specified by the Authority.

35. Joint and several liability of registered persons where tax unpaid.---
Where a registered person[19][, or a person as the case may be,] receiving a taxable service from another registered person [20][, or a person as the case may be,] is in the knowledge of or has reasonable grounds to suspect that some or all of the tax payable in respect of that taxable service or any previous or subsequent taxable service provided or to be provided would go unpaid as against the requirements of this Act, such person as well as the person providing the taxable service shall be jointly and severally liable for payment of such unpaid amount of tax.:

Provided that the Authority may, by notification in the official Gazette, exempt any person, service or transaction or class of persons, services or transactions from the provision of this section.

[21][**Explanation:** Notwithstanding anything contained in this section, it shall be the responsibility of a registered person or a person to take all possible measures to ensure that the person from whom he has received taxable services, deposits the due tax, relating to such transaction, in the manner as provided under this Act and rules and regulations made thereunder.]

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[19] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[20] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[21] Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

36. Sales of taxable activity or transfer of ownership.---(1) Where the ownership of any business providing taxable services is sold, transferred or otherwise disposed of as an ongoing concern or activity, the fact of such sale, transfer or other disposition shall be intimated to the Collector within one month of the occurrence of such fact by the former owner.

(2) The tax chargeable on the taxable services provided in the business referred to in sub-section (1), shall be accounted for and paid by the person to whom sale or other disposition of such business is made or ownership thereof is transferred and every such person shall be liable to registration under this Act.

37. Estate of deceased person.---The tax liability of a deceased registered person under this Act shall be the first charge on his estate in the hands of his successors.

38. Estate in bankruptcy.---(1) Where a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy, if it continues to operate the business.

(2) Where the tax liability is incurred by an estate in bankruptcy, the tax shall be deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims of all other creditors are settled.

39. Liability for payment of tax in case of private companies or business enterprises.--- Notwithstanding anything contained in the Company Ordinance,1984 (No. XLVII of 1984), where any company or business enterprise is wound up and any tax chargeable on or payable by the company or business enterprise, whether before, or in the course of, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of the company or business enterprise during the relevant period shall, jointly and severally be liable for payment of such tax.

40. Assessment of tax.---(1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the Authority is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment [22][including such short payment as has resulted or may result from taking inadmissible adjustment of input tax], the officer shall make an assessment of the tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 64 and 65.

[23][(1A) Where any person, required to withhold sales tax under the provisions of this Act or regulations, fails to withhold the tax or withholds the tax but fails to deposit the same in the prescribed time an manner, an officer of the Authority shall, after a notice to such person to show cause, determine the amount in default and shall impose a penalty and default surcharge according to law.]

(2) No order under [24][sub-section (1) and (1A)] shall be made unless a notice to show cause is given to the person in default within five years from the end of the tax period to which the assessment relates specifying the grounds on which it is intended to proceed against him and the said officer shall take into consideration the representation made by such person and provide him an opportunity of being heard if the person so desires.

(3) An order under [25][sub-section (1) and (1A)], shall be made within one hundred and twenty days of issuance of the show cause notice or within such extended period as the officer may, for reasons to be recorded in writing, fix: Provided that such extended period shall ordinarily not exceed sixty days.

(4) In computing the period specified in sub-section (3), any period during which the proceedings are adjourned on account of a stay order or proceedings under section 89 or the time taken through adjournments by the person [26][“or the adjournments otherwise ordered by the officer for any bona fide or genuine reasons or factors beyond normal human control

[22] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2020.
[23] Sub-section (1A) to section 40, inserted vide Khyber Pakhtunkhwa Finance Act, 2019.
[24] Words “sub-section (1)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[25] Words “sub-section (1)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[26] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

of the person, on the date fixed for hearing] shall be excluded.

(5) An order passed under [27][sub-section (1) and (1A)], may be further amended as may be necessary when on the basis of any information acquired during an audit, inquiry, inspection or otherwise, the officer is satisfied that-

(a) any tax has been under-assessed or assessed at a low rate; or
(b) any taxable service provided by the person has escaped assessment.

(6) The Collector may amend, or further amend any order passed under [28][sub-sections (1) and (1A) or sub-section (5)], if he considers that the order is erroneous or pre-judicial to interest of Justice.

(7) The provisions of sub-sections (2), (3) and (4) shall be applicable to an order passed under sub-section (5) and (6).

(8) Notwithstanding anything contained in this Act, the Authority may prescribe thresholds, parameters, standards and basis for assessment of supply value and the assessment of tax.

[29]**[Explanation-I:** For the removal of any doubt, the provisions of this section shall apply in cases involving situations where a registered person has received or collected tax from the recipient of a taxable service or services but has not paid the same or where a registered person has short-paid the tax whether due to short receipt, short collection or due to availing inadmissible input tax adjustment and where such non-payment or short-payment of tax has resulted from all or any of the reasons of intention, collusion, abetment, deliberate attempt, mis-statement, fraud, forgery, false or fake documents, the provisions of sub-section (2) of section 68 shall apply.

Explanation-II: Audit includes departmental audit, external audit, special audit or any other scrutiny of records, facts and tax affairs in any manner, style or mode, resembling audit or appearing like audit.

Explanation-III: Non-paid or short-paid amount of tax includes such non-paid or short-paid amount as was or is to be withheld or has been withheld by a person receiving a service or services as withholding agent but has not been deposited or has been short-deposited to Government.]

CHAPTER IV

REGISTRATION

41. Registration.---(1) A person shall register under this Act, who-

(a) provides any taxable service from his office or place of business in Khyber Pakhtunkhwa; or

(b) is otherwise required to be registered under any of the provisions of this Act or the rules; or

(c) fulfills any other criteria or requirements which the Authority may prescribe under sub-section (2).

(2) The registration under this section will be regulated in such manner and subject to such conditions and restrictions as the Authority may, by notification in the official Gazette, specify.

(3) A person who receives a service, which is a taxable service by virtue of sub-section (2) of [30][section 19], and is not a registered person shall be deemed to be a registered person for the

[27] Words "sub-section (1)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[28] Words "sub-section (1) or (5)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[29] Explanations inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[30] Substituted for the word and figure "section 3" by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)

purposes of the tax period in which-

(a) such person receives the service;
(b) an invoice for the value of the service is issued or sent to or received by the person; or
(c) consideration for the service is paid by the person whichever is earlier and all the provisions of this Act and the rules shall be applicable to such person for that particular tax period and any matters relating to, arising out of, or concerning that tax period as if that person had provided the service.

[31][**Explanation:** Any person, who is not or is not required to be registered for the purposes of this Act, whether as a provider of services or otherwise but is required to withhold any pay or otherwise pay tax in terms of any of the provisions of this Act or rules or regulations issued thereunder, shall be deemed as registered person for all legal purposes under this Act, including non-filing or non-submission of any information or document or document and such person shall, regardless of the place of residence, business or other activity of such person, comply with such registration, enrolment or other obligation or formalities as may be specified by the Authority.]

(4) The Authority may publish on its website a list of persons registered under this Act.

(5) It shall be reasonable for a person to believe that another person is registered under this Act, if that other person is on the list placed on the website of the Authority.

42. Voluntary registration.---(1) A person, who carries on an economic activity but is not required to be registered may apply for voluntary registration at any time.

(2) If a person who is not required to be registered, applies for voluntary registration, the Authority may register the person if the Authority is satisfied that-

(a) the person is providing, or shall provide a service that is a taxable service if the person was registered;
(b) the person has a place of business at which he carries on an economic activity;
(c) there are reasonable grounds to believe that the person shall keep proper records and file regular returns as prescribed under this Act and the rules; and
(d) if the person has commenced an economic activity, the person has-

(i) kept proper records in relation to his economic activity; And

(ii) complied with his obligations under other applicable taxation laws.

43. Compulsory registration.---(1) If the Authority is satisfied that a person who is required to be registered and has not applied for registration, the Authority shall register the person and shall, not later than fifteen days before the day on which the registration takes effect, notify the person of the registration, the day on which it takes effect, and the registration number issued to the person.

(2) No person shall be registered compulsorily without being given an advance notice and an opportunity of being heard in such manner as the Authority may specify.

(3) The Authority may, by notification in the official Gazette, authorize any officer to perform any of the functions under this section relating to compulsory registration of a person for any of the taxable services.

44. Application for registration.---(1) A person, who is required to be registered shall apply for registration in such manner and mode as may be specified by the Authority not later than fifteen days before the day on which the person becomes liable to be registered.

(2) If the Authority is satisfied that the person is liable for registration, the Authority shall, within fifteen days of receiving the application-

(a) register the person; and

[31] Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2020.

(b) notify the person of the registration, the day on which it takes effect, and the registration number issued to the person.

(3) Where a person who is not required to be registered, applies for registration, the Authority shall, within fifteen days of receiving the application, notify the person of the decision on the application, and if-

(a) the Authority registers the person, the notice shall state the day on which the registration takes effect and the registration number is issued to the person; or

(b) the Authority rejects the application, notify the person of the reasons for the decision and outlining the person's right to appeal against the decision.

(4) The Authority shall issue every registered person with a registration number for the purpose of this Act.

45. Suspension of registration.---(1) Subject to sub-section (3), the Authority may temporarily inactivate the registration of a person if it is satisfied that the person-

(a) is not entitled to be registered; or

(b) has failed to comply with the obligations under this Act or the rules.

(2) The Authority shall give notice to a registered person stating the reasons for temporary inactivation of the person's registration and the remedial actions required to be taken by the person in such time as may be specified in the notice.

(3) In case the Authority is not satisfied with the response of the person or no remedial action taken by him or does not receive any response in the specified time, the Authority may suspend that person's registration.

(4) The suspension of registration shall be affected by removing the name of the person from the list of registered persons published on the Authority's website.

(5) At any time within a period of sixty days of suspension, the Authority may withdraw the suspension if it is satisfied with the remedial actions taken by the person.

(6) Where at the expiry of sixty days, the suspension has not been withdrawn, the Authority may-

(a) institute proceedings against the person in respect of the alleged non-compliance under this Act;

(b) re-instate the person's registration; or

(c) cancel the person's registration, if neither of the actions in clauses (a) and (b) is satisfied.

(7) No registration shall be cancelled unless the Authority either through enquiry, investigation or audit is satisfied that circumstances exist necessitating such cancellation and under no circumstances, the cancellation of registration shall absolve the person of his other obligation and liabilities under this Act or the rules.

46. De-registration.---(1) The Authority may de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Where any person registered under this Act believes that he does not satisfy the requirements for registration specified in section 41, he may make an application to the Authority to be de-registered.

(3) If upon receiving such an application, the Authority is satisfied that the person is not required to be registered under this Act and has fulfilled the obligations under this Act, it shall de-register such person.

(4) Where the Authority receives an application under sub-section (2), it shall dispose of the application within a period of three months from the date of the receipt of the application, or within such extended period, not exceeding sixty days, as the Authority may, for reasons to be recorded in writing, fix.

CHAPTER V

BOOK KEEPING AND AUDIT PROCEEDINGS

47. Issuance of tax invoices.---(1) A registered person providing a taxable service shall issue a serial numbered and dated tax invoice containing the following particulars:-

(a) name, address and registration number of the service provider;

(b) name, address and registration number, if any, of the service recipient;

(c) description of service or services;

(d) value exclusive of the tax;

(e) amount of the tax; and

(f) value inclusive of the tax..

(2) The Authority may, by notification in the official Gazette, specify such modified invoices for different services or persons and prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.

(3) A registered person providing a taxable service may, subject to such conditions and restrictions as the Authority may by notification in the official Gazette specify, issue invoices to another registered person or other recipient of taxable service electronically and transmit images or statements of such invoices to the Authority as well as to the Collector, as may be specified.

48. Records.---(1) A registered person providing taxable service shall maintain and keep at his business premises or registered office in English or Urdu the following records of taxable service including exempt service provided by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period-

(a) records of taxable service provided indicating-

(i) the description and type of service;

(ii) the value of the service;

(iii) the particulars of the person to whom the service was provided; and

(iv) any other information as may be specified by the Authority;

(b) records of exempt service; and

(c) such other records as may be specified by the Authority.

(2) The Authority may, by notification in the official Gazette, require a registered person or class of registered persons to declare and use as many number of business bank accounts as may be specified by the Authority in such notification to make or receive payments on account of providing services for the purpose of this Act and the rules and to make payment of due tax from such accounts.

(3) The Authority may, by notification in the official Gazette, specify that any person or class of persons registered under this Act, shall use such electronic fiscal cash registers in such manner as are approved by the Authority.

(4) The Authority may, by notification in the official Gazette, prescribe the procedure or software for electronic invoicing or billing, maintenance of records, filing of tax returns and for any other matter or approve any software for electronic invoicing or billing, maintenance of records and filing of returns by a registered person or class of such persons under this Act.

(5) The registered persons, whose accounts are subject to audit under the [32][Companies Act, 2017 (Act No. XIX of 2017)], shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of the tax due and any deficiency in the tax paid by the registered person.

49. Retention and production of records and documents.---(1) A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of five years after the end of the tax period to which such record or documents relate or till the final decision in any proceedings including proceedings for assessment, appeal, revision, reference or petition, whichever is later.

(2) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by an officer not below the rank of the Assistant Collector, produce records or documents which are in his possession or control or in the possession or control of his agent, and where such records or documents have been stored as electronic data, he shall allow to such officer full and free access to, and use of, such data of any machine.

50. Audit proceedings.---(1) An officer authorized by the Authority or the Collector may, on the basis of the return or returns submitted by a registered person or the records maintained under this Act and the rules, conduct an audit of such person.

(2) In case the Authority or the Collector has any information showing that any registered person is involved in tax fraud or evasion of tax, it or as the case may be, he, may authorize an officer not below the rank of the Assistant Collector, to conduct an inquiry or investigation, which may or may not be in addition to any audit carried out for the same period.

(3) Where the officer is to conduct an audit under sub-section (1), he shall issue a notice of audit to the person informing him of the audit proceedings and direct him to produce any records or documents which such officer may require for conducting the audit.

(4) The officer shall conduct audit and issue an audit observation pointing out the contraventions of this Act or the rules and the amount of the tax evaded or short paid, and the registered person may, within a period of twenty one days of the receipt of the audit observation, submit his reply in writing.

(5) If no reply is received within the specified time or the reply furnished by the registered person is found unsatisfactory, the officer shall issue an audit report specifying the amount of the tax or charge that has not been levied or has been short levied or any other violation of any provision of this Act or the rules.

(6) After completion of the audit under this section or any other provision of this Act or the rules, an officer having pecuniary jurisdiction in terms of section 76 shall, if required, pass an order determining the correct amount of payable tax, charging default surcharge and imposing a penalty.

(7) Notwithstanding the penalties prescribed in section 64-

(a) if a registered person wishes to deposit the amount of the tax short paid or evaded along with default surcharge voluntarily, whenever it comes to his notice, he may, before receipt of notice of audit, file a revised return and may deposit the amount of tax short paid or evaded along with default surcharge, in which case no penalty shall be recovered from him;

(b) if a registered person wishes to deposit the amount of the tax short paid or evaded along with default surcharge during the audit, or at any time before issuance of show cause notice in lieu of the audit report, he may file a revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 65 and twenty per cent of the penalty payable under section 64, in which case the show cause notice in lieu of the audit report shall not be issued in the matter;

(c) if a registered person wishes to deposit the amount of tax short paid or evaded along with default surcharge after issuance of show cause notice, he may file a

[32] Words "Companies Ordinance, 1984 (XLVII of 1984)" deleted vide Khyber Pakhtunkhwa Finance Act, 2019.

revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 65, and fifty per cent of the penalty payable under section 64 and, thereafter, the show cause notice shall abate.

51. Special audit by chartered accountants or cost accountants.---(1) The Authority may, by notification in the official Gazette, appoint a Chartered Accountant as defined under Chartered Accountants Ordinance, 1961 (X of 1961) or a firm of Chartered Accountants or a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966)or a firm of Cost and Management Accountants [33][or any consultant, foreign or local, having expertise in the forensic audit] , for conducting a special audit of the records of any registered person.

(2) Notwithstanding that the records of a registered person have been audited by an officer appointed under section 56, the Authority or a Collector may direct an auditor appointed under sub- section (1) to audit the records of any registered person for the same period.

(3) An auditor appointed under sub-section (1), shall have such powers of an officer as may be conferred by the Authority to such auditor under any of the provisions of this Act or the rules made thereunder.

(4) For the purposes of this section or section 40, the audit of records includes audit of the tax affairs of the registered person under this Act and the rules.

CHAPTER VI

RETURNS

52. Return.---(1) Every registered person shall furnish, not later than the due date, a true, correct and properly filled-up return in the prescribed form to a designated bank or any other office specified by the Authority, indicating the tax due and paid during a tax period and such other information or particulars as may be specified.

(2) Notwithstanding anything contained in sub-section (1), the Authority may, by notification in the official Gazette, require any registered person or class of registered persons to submit returns on a quarterly, six monthly or annual basis in lieu of monthly return.

(3) Notwithstanding anything contained in sub-section (1), the Authority may, by notification in the official Gazette, require any registered person to submit such returns, as may be prescribed, for any period in addition to other returns required to be filed by such person.

(4) A return filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Authority shall be deemed to be a return for the purpose of sub-sections (1), (2) or (3) and the Authority may, by notification in the official Gazette, specify the criteria for eligibility of the data of such returns and e-intermediaries who shall digitize the data of such returns and transmit the same electronically under their digital signatures.

(5) If there is a change in the rate of the tax during a tax period, a separate return in respect of each portion of tax period showing the application of different rates of tax shall be furnished.

(6) A registered person may, after prior permission from the Collector, file a revised return within six months of filing a return under sub-sections (1), (2) or (3), to correct any omission or wrong declaration made therein and to deposit any amount of the tax not paid or short paid.

53. Special returns.---In addition to the return or returns specified under section 52, the Collector may require any person, whether registered or not, to furnish a return, whether on his

[33] The words and commas inserted by the Khyber Pakhtunkhwa Finance Act, 2015 (XXIII of 2015) (Assented on 25th June, 2015)

own behalf or as an agent or trustee in the prescribed form and such person shall furnish the return not later than the date specified in this regard.

54. Final return.---If a person applies for de-registration in terms of section 46, he shall before such deregistration, furnish a final return to the Authority or the Collector in the specified form in such manner and at such time as may be directed by the Authority or the Collector.

55. Return deemed to have been made.---A return purporting to be made on behalf of a person by his duly appointed representative, agent or e-intermediary shall, for all purposes of this Act or the rules, be deemed to have been made by such person or under his authority unless proved to the contrary.

[34][**55A. Information declaration or return.** – Where any person or class of persons are engaged in providing any service or services which are either exempt under this Act, including a notification issued thereunder or are otherwise not taxable for the purposes of this Act, the Authority may require any such person or class of persons to regularly file monthly or periodic declarations or returns containing such correct and verifiable information as may be required to be provided in such declaration or return and every such person or class of persons shall be under legal obligation to file such declaration or return and any violation relating thereto shall be treated as non-filing of the return under this Act, except that no tax liability per se other than liability for penalty may be imposed, shall accrue in respect thereof.]

CHAPTER VII

APPOINTMENT OF OFFICERS AND THEIR POWERS

56. Appointment of officers.---(1) For the purposes of this Act and the rules, the Authority may, in the prescribed manner and by notification in the official Gazette, appoint in relation to any area or cases specified in the notification, any person to be-

(a) a Collector;

(b) a Collector (Appeals);

(c) an Additional Collector;

(d) a Deputy Collector;

(e) an Assistant Collector;

(f) an Audit Officer;

(g) an Inspector or

(h) any other officer with any other designation.

[35][(2) An officer appointed under sub-section (1), shall exercise such powers, pecuniary and territorial jurisdiction and discharge such duties as are conferred on him under this Act and the regulations made under this Act and shall also be empowered the regulations made under this Act and shall also be empowered and competent to exercise all powers and discharge all duties or functions conferred upon any officer subordinates to him.]

[36][(3) The Authority may, by general or special order impose such limitation, restriction or conditions on the exercise of such powers and discharge of such duties or functions as it may deem fit.]

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[34] Section 55A inserted vide Khyber Pakhtunkhwa Finance Act, 2020.
[35] Sub-section (2) substituted by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016). At the time of substitution sub-section (2) was as under:-
"(2) For delegation and distribution of powers, pecuniary and territorial jurisdiction of the officers mentioned in sub-section (1), the Authority shall frame regulations."
[36] Sub-section (3) added by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)

[37][**56-A.Distribution of Powers**.—(1) The Authority may, by Notification and subject to such limitations or conditions, as may be specified therein, empower by name or designation—

(a) an Additional Collector to exercise any of the powers of the Collector (Appeals) till the regular appointment of Collector (Appeal) as specified in section 79 of this Act;
(b) an Additional Collector to exercise or perform any of the power or function of the collector;
(c) a Deputy Collector to exercise or perform any of the powers or function of the Additional Collector;
(d) an Assistant Collector to exercise or perform any of the powers or function of the Deputy Collector;
(e) any other officer to exercise or perform any of the powers or function of the Assistant Collector.

(2) The officer to whom any powers are delegated under this section shall not further delegate such powers.

(3) The officer designated or empowered as Collector (Appeals) shall not hear and decide the cases adjudicated by him in terms of section 56 of this Act.]

57. Special Judges.---(1) Government may, in consultation with High Court, by notification in the official Gazette, appoint any person who is serving or has served as District and Sessions Judge for a period of at least five years as Special Judge and, where it appoints more than one Special Judge, it shall specify in the notification the headquarters of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act and the rules.

(2) If a Special Judge is, for any reasons, unable to perform his duties under this Act or the rules, the District and Sessions Judge of the District shall perform the duties of the Special Judge for the District.

58. Cognizance of offence.---(1) The Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable by him upon-

(a) a report in writing made by an officer, not below the rank of Assistant Collector, with the approval of the Collector, or by an officer especially authorized in this behalf by the Authority;

(b) receiving a complaint or information of facts constituting such offence made or communicated by any person; or

(c) his knowledge acquired during any proceedings before him.

(2) If the Special Judge receives a report under clause (a) of sub-section (1), he shall proceed with the trial of the accused.

(3) If the Special Judge receives a complaint or information under clause(b) [38][or on the basis of his own knowledge under clause (c) of sub-section (1)], the Special Judge shall, before issuing a summon or warrant for appearance of the person, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, information or knowledge or direct any Magistrate or any officer to hold such inquiry and submit a report, and such Magistrate or officer, shall conduct such inquiry and make a report accordingly.

(4) If, after conducting such an inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that-there is insufficient ground for proceeding, he may dismiss the complaint, or there is sufficient ground for proceeding, he may proceed against the person complained in accordance with law.

[37] Section 56-A inserted by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)
[38] Words "of sub-section (1), on the basis of his own knowledge" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

(5) A Special Judge or a Magistrate or an officer holding an inquiry under sub-section (3) may hold such inquiry, as nearly as possible, in accordance with the provisions of section 202 of the Code of Criminal Procedure, 1898 (V of 1898).

59. Application of the Code of Criminal Procedure, 1898.---(1) The provisions of the Code of Criminal Procedure, 1898 (V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to all proceedings of the court of a Special Judge and such court shall be deemed to be a
Court of Sessions for the purposes of the said Code and the provisions of Chapter XXII-A of the Code, so far as applicable and with necessary modifications, shall apply to the trial of cases by the Special Judge under this Act.

(2) For the purposes of sub-section (1), the Code of Criminal Procedure,1898 (V of 1898) shall have effect as if an offence punishable under this Act was one of the offences referred to in sub- section (1) of section 337 of the Code.

60. Exclusive jurisdiction of Special Judge.---No court other than the Special Judge having jurisdiction shall try an offence punishable under this Act.

61. Place of sitting.---A Special Judge shall ordinarily hold sittings at his headquarters provided that keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.

62. Persons who may conduct prosecution.---(1) An officer not below the rank of an Assistant Collector shall be competent to conduct prosecution before a Special Judge for and on behalf of the Government.

(2) A prosecution conducted under this Act before the Special Judge may only be withdrawn by the Authority on the direction or after concurrence of the Government.

63. Appeal to the High Court.---(1) Any person, including the Government, the Authority, or any officer of the Authority, aggrieved by any order passed or decision made by a Special Judge under this Act or under the Code of Criminal Procedure , 1898 (V of 1898), may, subject to the provisions of Chapters XXXI and XXXII of the said Code, within sixty days from the date of the order of the decision, prefer an appeal to the High Court.

(2) Except as otherwise provided in sub-section (1), the provisions of the Limitation Act, 1908 (V of 1908), shall apply to an appeal preferred under sub-section (1).

CHAPTER VIII

OFFENCES AND PENALTIES

64. Offences and penalties.---(1) If a person commits any offence described in column 2 of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column 3.

(2) The sections referred to in column 4 of the said Table shall be deemed to be meant for illustrative purposes only and the corresponding offence described in column 2 may fall and be prosecuted under other sections of this Act as well.

S.No.	Offences	Penalties	Section
1	2	3	4

1	Any person who is required to apply for registration under this Act fails to make an application for registration before providing any taxable services	Such person shall be liable to pay a penalty of ten thousand rupees or five per cent of the amount of the tax he would have been liable to pay had he been registered, whichever is higher. In the case of non-compliance of compulsory registration, the minimum penalty shall be ten thousand rupees: If such person who is required to get himself registered under this Act, fails to get registered within ninety days of providing taxable services, he shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to the amount of the tax he would have been liable to pay had he been registered, or with both.	[39][30(2) and] 41
2	Where any person fails to furnish a return within the due date [40][***]	[41][such person shall pay a penalty of five thousand rupees: Provided that in case a person files a return within ten days of the due date, he shall pay a penalty of one hundred rupees for each day of default.]	[42][30(2) and] 52
3	Where a person fails to issue tax invoice.	Such person shall be liable to pay a penalty of [43][one hundred] thousand rupees or three percent of the tax involved, whichever is higher.	47
4	Where any person fails to deposit the amount of the tax due or any part thereof in time or manner laid down under this Act or the rules.	(a) Such person shall be liable to pay a penalty of ten thousand rupees or five per cent of the tax payable for that period, whichever is higher. (b) If the amount of the tax due is not paid even after the expiry of a period of sixty days of issuance of the notice for such payment by an officer, not below the rank of Assistant Collector, the person shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to the amount of the unpaid tax, or with both. (c) No penalty shall be levied if any miscalculation is made for the first time during a year.	19,20,26,27, [44][30(2),] 33,34,and88
5	Any person who wants to maintain records required under this Act or the rules.	Such person shall pay a penalty of ten thousand rupees or five per cent of the total tax payable for the tax period for which he has failed to maintain the required record, whichever is higher.	[45][30(2),] 47,48 and 49

[39] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[40] Words “or furnishes it after the due date” omitted vide Khyber Pakhtunkhwa Finance Act, 2019.
[41] Words “Such person shall be liable to pay a penalty of five thousand rupees provided if a return is not filed within fifteen days of the due date, a penalty of hundred rupees for each day of default shall be levied.” Substituted vide Khyber Pakhtunkhwa Finance Act, 2019.
[42] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[43] Word “five” substituted vide Khyber Pakhtunkhwa Finance Act, 2019.
[44] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[45] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

6	Where a registered person, without any reasonable cause, fails to,; Produce any record which he is bound to maintain under this Act or the rules made thereunder,- or Furnish any information which he is liable to furnish under this Act or the rules made thereunder, When a notice in the respect is received from the Authority or any officer of the Authority directing him to produce such records or furnish such information.	Where such person is not a company, he shall be liable to pay a penalty of five thousand rupees. Where such person fails to produce the record within sixty days of receipt of a notice, he shall be liable to pay the penalty prescribed for the offence at serial No.5 above.	[46][30(2),] 47,49,69 and 73
7	Any person who knowingly or fraudulently- (a) submits a false or forged document to any officer of the Authority; or (b) destroys, alters, mutilates or falsifies the records including a tax invoice; or (c) makes a false statement, False declaration, false representation, false personification, or gives any false information.	Such person shall be liable to pay a penalty of twenty five thousand rupees or one hundred per cent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.	General
8	Where any person who denies or obstructs the access of an authorized officer to The business premises, registered office or to any other place where records are kept, or otherwise refuses access to accounts or records.	Such person shall be liable to pay a penalty of twenty five thousand rupees or one hundred per cent of the tax period to which the offence relates, whichever is higher	[47][30(2),] 48,49 and 72
9	Where any person commits, causes to commit or attempts to commit tax fraud, or abets or connives in the commission of tax fraud equal to twenty five thousand rupees or more.	Such person shall be liable to pay a penalty of up to five hundred thousand rupees, but not less than twenty five thousand rupees, or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to seven years, or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.	2(53) [48][and 30(2)]
10	Where any person violates any embargo Placed on providing of service in connection with recovery of the tax.	Such person shall be liable to pay a penalty of twenty five thousand rupees or ten percent of the amount of the tax sought to be recovered, whichever is higher. Such person shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of the tax sought to be recovered, or with both.	87

[46] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[47] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[48] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

11	Where any person obstructs any officer of the Authority in the performance of his official duties under this Act or the rules.	Such person shall be liable to pay a penalty of twenty five thousand rupees or one hundred per cent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year or with fine not exceeding fifty thousand rupees or with both.	General
12	Where any person who fails to fulfill any of the conditions, limitations or restrictions prescribed in a notification issued under any of the provisions of this Act or the rules.	Such person shall be liable to pay a penalty of five thousand rupees or three per cent of the tax payable for the tax period to which the offence relates, whichever is higher.	General
13	Where any person who contravenes any provision of this Act or the rules for which no penalty has specifically been provided in this section	Such person shall be liable to pay a penalty of ten thousand rupees or three per cent of the tax payable for the tax period to which the offence relates, whichever is higher	General
14	Where any person repeats an offence for which a penalty provided under this Act under this Act	Such person shall be liable to pay is twice the amount of penalty provided under this Act for the said offence	General
15	Where any person- (a) knowingly and without lawful authority gains access to computerized system; or (b)unauthorizedly uses discloses or publishes or Otherwise disseminates information obtained from the computerized system; or (c)falsifies any record or information stored in the computerized system; or (d) knowingly or dishonestly damages or impairs the computerized system; or (a) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; or (f) unauthorizedly uses unique user identifier of any other registered user to authenticate a transmission of information to the computerized system; or (g) fails to comply with or contravenes any of the Conditions prescribed for security of unique user identifier.	Such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount equal to the loss caused to the tax revenue. Such person shall further be liable, upon conviction by the Special Judge, to imprisonment for a term which or may extend to three years, or with fine which may extend to an amount equal to the loss caused to the tax revenue, or with both	General
16	Where any officer of the Authority Acts or conducts himself in a manner resulting in vexatious prosecution or undue detriment of a tax payer.	Such person shall be liable upon conviction by special Judge to imprisonment for a term which may extend to three years or with fine not exceeding fifty thousand rupees or both.	General

[49][17	Where a bank fails to attach or delays in attaching the bank accounts of a person from whom tax is sought to be recovered, specified in the notice issued by the officer of the Authority or fails to pay or delays payment of such amount.	Such bank shall be liable to pay penalty of one hundred thousand rupees of five (05) percent of the amount of tax involved, whichever is higher. The concerned officer of such bank shall further be liable, upon conviction by a special judge, to imprisonment which may extend to one year or with fine which may extend to five (05) per cent of the amount of tax involved or with both.	87.
18	Where a person fails to withhold or withholds but fails to deposit the tax.	Such person shall be liable to pay penalty of twenty-five thousand rupees or five (05) per cent of the tax involved, whichever is higher.	40.]

[50][**Explanation:** For the purpose of this section, in situations, where penalty or penalties are to be adjudicated or other penal actions are to be initiated or taken in terms of this section, in respect of any withholding agent, the word and expressions, carrying meanings of a service provider, shall be construed as service recipient or if so required, as withholding agent.]

65. Default surcharge.---(1) Notwithstanding anything contained in the provisions of section 40, if a registered person does not pay the tax due or any part thereof, whether willfully or otherwise, on time or in the manner specified under this Act, rules or notifications or procedures issued thereunder, he shall, in addition to the tax due and any penalty under section 64, pay default surcharge at the rate mentioned below:

(a) the person liable to pay any amount of tax or charge shall pay default surcharge at the rate of inter-bank rate plus three percent per annum of the amount of the tax due; and

(b) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of two per cent per month, of the amount of tax evaded, till such time the entire liability including the amount of default surcharge is paid.

(2) For the purpose of calculation of default surcharge, the period of default shall be reckoned from the sixteenth day following the due date of the tax period to which the default relates, to the day preceding the date on which the tax due is actually paid.

[51][(3) For the purpose of working out the monthly rate of default surcharge under clause (a) of sub-section (1), quarterly average of inter-bank rate, as announced or certified by or obtained from the State Bank of Pakistan, shall be taken into account and applied and in no case either falling under clause (a) or clause (b) of sub-section (1), default surcharge shall be calculated on compound basis and in case of any shortfall of days in the month during which the tax is paid, the amount of default surcharge shall be prorated in terms of days of the relevant month.]

Explanation: For the purpose of this section, the tax due does not include the amount of penalty.

66. Exemption from penalty and default surcharge.---(1) The Government may, by a notification in the official Gazette, exempt any registered person or any taxable service from payment of the whole or any part of the penalty and default surcharge subject to such conditions and limitations as may be specified.

(2) The Government at the end of each financial year shall lay before the [52][Provincial Assembly of the Khyber Pakhtunkhwa] all the notifications made under sub section (1).

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[49] Serial No. 17 and 18 inserted vide Khyber Pakhtunkhwa Finance Act, 2019.
[50] Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[51] Sub-section (3) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[52] The word "Council" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

67. Compounding of offences.---Notwithstanding anything contained in any other provision of this Act, where any person has committed any offence warranting prosecution under this Act, the Authority may, either before or after the institution of any proceedings for the prosecution of such offence, compound the offence and terminate the proceedings if such person pays the amount of the tax due along with such default surcharge and penalty as is determined by the Authority under the provisions of this Act and the rules.

68. Recovery of tax not levied or short-levied.---(1) Where by reason of inadvertence, error, misconstruction or for any other reason, any tax or charge has not been levied or has been short levied, the person liable to pay such amount of the tax or charge shall be served with a notice, within [53][five] years of the relevant tax period requiring him to show cause for nonpayment of the amount specified in the notice.

(2) Where by reason of some collusion, abetment, deliberate attempt, mis-statement, fraud, forgery, false or fake documents-

(a) any tax or charge has not been paid or is, short paid, the person liable to pay such tax shall be served with a notice within five years of relevant tax period, requiring him to show cause for non-payment of such tax; and

(b) Any amount of the tax is refunded which is not due, the person obtaining such refund shall be served with a notice within five years of the receipt of such refund to show cause against the recovery of such refund.

(3) The officer shall, after considering the objections of the person served with a notice under subsections (1) or (2) or if the objections are not received within the stipulated period, determine the amount of the tax or charge payable by him and such person shall pay the amount so determined.

(4) Any order under sub-section (3) shall be made within one hundred and twenty days of issuance of the notice to show cause or within such extended period as the officer may, for reasons to be recorded in writing, fix provided that such extended period shall not ordinarily exceed sixty days.

(5) In computing the period specified in sub-section (4), any period during which the proceedings are adjourned on account of a stay order or proceedings under section 89 or the time taken through adjournments by the petitioner [54][***], shall be excluded.

69. Power to summon persons to give evidence and produce documents.---(1) An officer may summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any audit, inquiry, investigation or proceedings which such officer is making for any of the purposes of this Act and the rules.

(2) Any person summoned under sub-section (1) shall be bound to attend either in person or by an authorized agent, as the officer may direct.

(3) Notwithstanding anything contained in sub-sections (1) and(2), a person who is exempt from personal appearance in a Court under sections 132and 133 of the Code of Civil Procedure 1908 (V of 1908), shall not be required to appear in person.

(4) Any proceedings under this Act or the rules before an officer shall be deemed to be judicial proceedings within the meaning of sections 193 and228 of the Pakistan Penal Code 1860 (XLV of 1860).

70. Power to arrest and prosecute.---(1) An officer authorized by the Authority by notification in the official Gazette in this behalf, who on the basis of material evidence has reasonable cause to believe that any person has committed a tax fraud or any offence warranting prosecution under this Act, may cause arrest of such person.

[53] The word "three" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[54] The words "not exceeding thirty days" deleted vide Khyber Pakhtunkhwa Finance Act, 2021.

(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).

(3) Where the person suspected of tax fraud or any offence warranting prosecution under this Act is a company, every director or officer of that company whom the officer has reason to believe is personally responsible for actions of the company contributing to the tax fraud or any offence warranting prosecution under this Act, shall be liable to arrest provided that such arrest shall not absolve the company from the liabilities of payment of the tax, default surcharge and any penalty imposed or due under this Act.

71. Procedure to be followed on arrest of a person.---(1) When an officer arrests a person under section [55][70], he shall immediately intimate the fact of arrest of that person to the Special Judge who may direct such officer to produce that person at such time and place and on such date as the Special Judge considers expedient.

(2) Notwithstanding anything contained in sub-section (1), any person arrested under this Act shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Magistrate within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the court of the Special Judge or of the Magistrate.

(3) When any person is produced under sub-section (2), before the Special Judge, the Special Judge may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit.

(4) Nothing contained herein shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purpose of this Act.

(5) When such person is produced under sub-section (2) before a Magistrate, such Magistrate may, after authorizing his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before the Special Judge and he shall be so taken or produced.

(6) Nothing in sub-sections (2), (3) and (4), shall preclude the Special Judge or the Magistrate from remanding any such person to the custody of the officer holding an inquiry or investigation against that person if such officer makes a request in writing to that effect, and the Special Judge or the Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order but the total period of such custody shall not exceed fourteen days.

(7) When any person is arrested under this Act, the arresting officer shall record the fact of arrest and other relevant particulars in the register specified in sub-section (11) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty- four hours of his arrest, and he may, after producing such person before the Special Judge or the Magistrate, make a request for his further detention in his custody.

(8) While holding an inquiry under sub-section (7), the officer shall exercise the same powers as are conferred upon or exercisable by an officer incharge of a police station under the Code of Criminal Procedure, 1898 (V of1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.

(9) If the officer, after holding an inquiry, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required,

[55] Figure “60” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.

(10) The Special Judge to whom a report has been made under sub-section(8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

(11) The officer holding an inquiry under this section shall maintain a register to be called register of arrests and detentions in the form prescribed by the Government in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day; and, such register or authenticated copies of its entries shall be produced before the Special Judge, whenever it is directed by the Special Judge.

(12) After completing the inquiry, the officer shall, as early as possible, submit to the Special Judge a complaint in the same form and manner in which the officer incharge of a police station submits a report before a Court.

(13) Any Magistrate of the first class may record any statement or confession during inquiry or investigations under this Act in accordance with the provisions of section 164 of the Code of Criminal Procedure, 1898 (V of 1898).

72. Authorized officers to have access to premises, stocks, accounts and records.---(1) Any officer, authorized in this behalf by the Authority by notification in the official Gazette, shall have free and full access to the business premises, registered office or any other place where any business records or documents required under this Act and the rules are kept or maintained by any registered person or a person liable for registration or whose business activities are covered under this Act and the rules or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the records, data, documents, correspondence, accounts, statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents, including those which are required under any other law maintained in any form or mode and may take into his custody such records, statements, diskettes or documents, in original or copies, in such form as the officer may deem fit against a signed receipt.

(2) The registered person, his agent or any other person specified in sub-section (1), shall answer any question or furnish such information or explanation as may be asked by the authorized officer.

(3)All other Government departments, local bodies, autonomous bodies, corporations or such other institutions shall supply requisite information and render necessary assistance to the authorized officer in the course of inquiry or investigation under this section.

73. Obligation to produce documents and provide information.---(1) Notwithstanding anything contained in this Act or any other law, any person required to maintain any record under this Act and the rules, shall, on demand by an officer, not below the rank of an Assistant Collector, by notice in writing, as and when specified in the notice-

(a) produce for examination, such documents or records which the officer considers necessary or relevant to the audit, inquiry or investigation under this Act;

(b) allow the officer to take extracts from or make copies of such documents or records; and

(c) appear before the officer and answer any question put to him concerning the documents and records relating to the audit, inquiry or investigation referred to in clause (a).

(2) An officer conducting an audit, inquiry or an investigation under this Act and the

rules, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization, which, in the opinion of the officer, is relevant to such audit, inquiry or investigation.

(3) The Authority may require, in writing, any person, department, company or organization, to provide any information or data held by that person, department, company or organization, which, in the opinion of the Authority, is required for purposes of formulation of policy or administering or implementing this Act and the rules.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Authority or the officer under sub-sections (2) or(3), within the time specified in the notice issued by the Authority.

74. Searches under warrants.---(1) Where any officer has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the Magistrate or from the Collector, enter that place and cause a search to be made at any time.

(2) All searches made under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure,1898 (V of 1898).

75. Posting of an officer to business premises.- (1) Subject to such conditions and restrictions as it deems fit to impose, the Authority may post an officer to the premises of a registered person to monitor the provision of services by such registered person.

(2) Notwithstanding anything contained in sub-section (1), if a Collector, on the basis of material evidence, has reasons to believe that a registered person is involved in evasion of the tax or tax fraud, he may, by recording the grounds in writing, post an officer of the Authority to the premises of such registered person to monitor provision of services by such person.

(3) A person to whose premises, an officer of the Authority is posted under this section, shall provide at his own cost, all facilities required to meet the departmental requirements of such posting as determined by the Authority or the Collector.

76. Powers of adjudication.---(1) In respect of cases involving determination of tax liability, assessment of the tax, charging of default surcharge, imposition of penalty and recovery of amount erroneously refunded or any other contravention or violation including tax fraud under this Act or the rules, the jurisdiction and powers of adjudication of the officers shall be as follows:

(a) **Additional Collector:** Cases without any restriction as to the amount of the tax involved or amount erroneously refunded;

(b) **Deputy Collector:** Cases where the amount of the tax involved or the amount erroneously refunded exceeds one million rupees, but does not exceed two and a half million rupees;

(c) **Assistant Collector:** Cases where the amount of the tax involved or the amount erroneously refunded does not exceed one million rupees; and

(d) **Other officers of the Authority:** Such cases, other than those mentioned above, as may be prescribed.

(2) The Collector may adjudicate any case falling in the jurisdiction and powers of any officer subordinate to him and appeal against the order passed by the Collector in such case shall lie to the Appellate Tribunal.

[56][(3) The Authority may regulate the system of adjudication including transfer of cases,

[56] Sub-section (3) substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
(3) The Authority may regulate the system of adjudication including transfer of cases and extension of time limit.

changes in pecuniary limits or extension of time limit within the meaning of section 99 of this Act.]

Explanation: For the purposes of this section, the tax means the principal amount of the tax other than default surcharge and in case where only default surcharge is involved, the amount of default surcharge.

77. Revision by the Collector.---(1) The Collector may, of his own motion or on an application made in writing by a registered person for revision, call for and examine the record of any proceedings under this Act in which an order has been passed by an officer subordinate to him.

(2) If after examining the record under sub-section (1), the Collector is not satisfied with the legality or propriety of any order passed by an officer, the Collector may pass such order as he may think fit.

(3) No order imposing or enhancing any penalty or fine requiring payment of a greater amount of the tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(4) The Collector shall not revise any order under sub-section (2) if-

(a) an appeal under section 80 is pending or the matter has been referred for resolution under section 89;

(b) where an appeal against the order lies under section 79, the time within which such appeal may be made has not expired or the person has not waived of in writing his right of appeal;

(c) in the case of an application made by a person, the application has not been made within ninety days of the date on which such order was served on the person, unless the Collector is satisfied that the person was prevented by sufficient cause from making the application within the time allowed; and

(d) in the case where the Collector has on his own motion called for and examined an order passed by a subordinate officer, more than five years have lapsed from the date of the original order.

(5) No application for revision of an assessment shall be made under sub-section (1) unless the amount of the tax due under the assessment that is not in dispute has been paid by the taxpayer.

78. Revision by the Authority.---(1) The Authority may, of its own motion, call for and examine the record of any departmental proceedings under this Actor the rules for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an officer, other than Collector (Appeal).

(2) If after examining the record under sub-section (1), the Authority is not satisfied with the legality or propriety of any decision or order passed by an officer, it may pass such order as it may think fit.

(3) No order imposing or enhancing any penalty, fine or requiring payment of a greater amount of the tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard. No proceeding under this section shall be initiated in a case where an appeal under section 79 is pending or the matter has been referred for resolution under section 89.

(4) No order shall be made under this section after the expiry of five years from the date of the original decision or order of the subordinate officer referred to in sub-section (1).

CHAPTER IX

APPEALS

79. Appeals.---(1) Any person, other than the Authority or any of its employees, aggrieved by any decision or order passed under section 76 by an officer of the Authority other than Collector may, within thirty days of the date of receipt of such decision or order, prefer an appeal to the Collector (Appeals).

(2) An appeal under sub-section (1) shall-

(a) be in the prescribed form;
(b) be verified in the prescribed manner;
(c) state precisely the grounds upon which the appeal is made;
(d) be accompanied by the fee specified in sub-section (3); and
(e) be lodged with the Collector (Appeals) within the time set out in sub-section (1).

(3) The prescribed fee shall be-

(a) where the appellant is a company, one thousand rupees; or

(c) where the appellant is not a company, five hundred rupees.

(4) The Collector (Appeals) may, upon application in writing by the appellant, admit an appeal after the expiration of the period specified in sub-section (1) if the Collector (Appeals) is satisfied that the appellant was prevented by sufficient cause from lodging the appeal within that period.

80. Procedure in appeal.---(1) The Collector (Appeals) shall give notice of the day fixed for the hearing of the appeal to the appellant and to the [57][authorized officer of the Authority; provided that nothing shall bar the officer, who has adjudicated the case or who has been nominated by the Director General, to represent and defend the case before the Collector (Appeals)].

(2) The Collector (Appeals) may adjourn the hearing of the appeal from time to time.

(3) The Collector (Appeals) may, before the hearing of an appeal, allow the appellant to file any new ground of appeal not specified in the grounds of appeal already filed by the appellant where the Collector (Appeals) is satisfied that the omission of the ground from memorandum of the appeal was not willful or unreasonable.

(4) The Collector (Appeals) may stay the recovery of any tax due by virtue of the decision or order being appealed against and any such order made by the Collector (Appeals) shall remain operative for not more than fifteen days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Collector (Appeals) deems fit but the stay order so confirmed or varied shall remain operative for not more than sixty days, including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

(5) The Collector (Appeals) may, before disposing of an appeal, call for such particulars, documents, records or information as the Collector(Appeals) may require respecting the matters arising in the appeal or cause further inquiry to be made by the officer of the Authority.

81. Decision in appeal.----(1) In disposing of an appeal lodged under section79, the Collector (Appeals) may pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against.

(2) In deciding an appeal, the Collector (Appeals) may make such further inquiry as may be

[57] Words "officer of the Authority against whose order the appeal has been made" substituted vide Khyber Pakhtunkhwa Finance Act, 2021

necessary provided that he shall in no case remand any matter for de novo consideration[58][:

[Provided that a case may be remanded for de-novo consideration, in special circumstances, for reasons and purposes to be recorded by the Collector (Appeals) in writing.]

(3) The Collector (Appeals) shall not increase the amount of any tax payable by the appellant unless the appellant has been given an opportunity of showing cause against such increase.

(4) The Collector (Appeals) shall communicate his order to the appellant and the Authority.

(5) An order passed by the Collector (Appeals) under sub-section (1) shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period, not exceeding sixty days, as the Collector(Appeals) may, for reasons to be recorded in writing, fix.

(6) In computing the aforesaid time period, any period during which the proceedings are adjourned on account of a stay order or proceedings under section89 or the time taken through adjournments by the appellant shall be excluded.

(7) Where the Collector (Appeals) has not made an order under sub-section (1) before the expiration of one hundred and eighty days from the end of the month in which the appeal was lodged, the Collector (Appeals) shall transfer his appeal to the Appellate Tribunal and the Tribunal shall decide the appeal under this Act as if it has been filed against the order of the Collector(Appeals).

(8) While transferring the undecided appeal to the Appellate Tribunal, the Collector (Appeals)shall attach his comprehensive report explaining the circumstances and reasons due to which the appeal could not be decided within time.

(9) For the purpose of sub-section (5), any period during which the hearing of an appeal is adjourned on the request of the appellant shall be excluded in the computation of the period mentioned in the sub-section.

CHAPTER X

APPELLATE TRIBUNAL

82. Appellate Tribunal.---(1) The Appellate Tribunal shall consist of such number of judicial and technical members as the Government may, from time to time, determine.

(2) [59][Government shall appoint, for a term of three years, judicial member of the Appellate Tribunal, who shall be-

(a) a District and Sessions Judge, in consultation with Peshawar High Court, Peshawar; or

(b) any person, who has been District and Sessions Judge for at least three years.]

(3) [60][Government shall appoint, for a term of three years, technical member of the

[58] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

[59] Sub-section (2) of section 82 substituted vide Khyber Pakhtunkhwa Finance Act, 2019.
"(2) The Government shall appoint judicial members of the Appellate Tribunal from amongst the District and Sessions Judges in consultation with Peshawar High Court, Peshawar."

[60] Sub-section (3) of section 82 substituted vide Khyber Pakhtunkhwa Finance Act, 2019:-
(3) A person may be appointed as a technical member of the Appellate Tribunal if he is–
(a) Collector(Appeals) in the Authority or the Federal Board of Revenue having at least two years experience in that capacity; or
(b) a Collector in the Authority or the Federal Board of Revenue, other than the Collector mentioned at(a), having at least three years experience as Collector of the Authority or the Federal Board of Revenue; or
(c) an officer of Excise and Taxation Department of the Government with at least three years service inBS-20 or above; and
(d) less than fifty-seven years of age.

Appellate Tribunal, who is or has been-

(a) a Collector (Appeal) in the Authority;
(b) a Collector in the Authority;
(c) a Collector of Customs in the Federal Board of Revenue;
(d) a Commissioner of Inland Revenue in the Federal Board of Revenue;
(e) a legal practitioner, who is a member of the Pakistan Bar Council of Provincial Bar Council and has minimum of twenty years standing at the High Court level, practicing tax law.]

[61][(3A) A judicial member or a technical member shall not be above seventy years of age.

(3B) The term of office of a judicial member or technical member, as the case may be may be extended for another term of three years, subject to his satisfactory performance:

Provided that such term shall not be extended for a third term in any case.]

(4) The Government shall designate the senior most judicial member of the Appellate Tribunal as its Chairperson.

83. Conduct of business by Appellate Tribunal.---(1) The Appellate Tribunal may exercise its powers and discharge its functions in the prescribed manner in such Benches as the Chairperson may constitute from amongst the members of the Appellate Tribunal.

(2) Subject to the provisions of section 84, the Appellate Tribunal shall have the power to regulate its own procedure, and the procedure of the Benches of the Appellate Tribunal in all matters relating to the discharge of its functions including the places at which the Benches shall hold their sittings.

84. Appeal to the Appellate Tribunal.---(1) Where the taxpayer or the officer not below the rank of Additional Collector objects to any order passed by the Collector (Appeals), including an order under sub-section (4) of section 79 [62][and order passed by the Collector or Authority under any of the provisions of this Act], the taxpayer or the officer may appeal to the Appellate Tribunal against such order[63][:

Provided that unless otherwise directed by the Director General in any specific case or class of cases, only an authorized officer of the Authority shall appear to defend or plead the case in the Appellate Tribunal.]

(2) An appeal under sub-section (1) shall be-

(a) in the prescribed form;

(b) verified in the prescribed manner;

(c) accompanied, except in case of an appeal preferred by an officer, by the fee specified in sub-section (3); and

(d) preferred to the Appellate Tribunal within sixty days of the date of receipt of the order of the Collector (Appeals) by the tax payer or the officer.

(3) The fee for an appeal shall be three thousand rupees.

(4) The Appellate Tribunal may, upon application in writing, admit an appeal after the expiration of the period specified in clause (d) of sub-section (2) if it is satisfied that the person appealing was prevented by sufficient cause from filing the appeal within that period.

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[61] Sub-section (3A) and (3B) of section 82 inserted vide Khyber Pakhtunkhwa Finance Act, 2019
[62] The words inserted by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)
[63] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

85. Disposal of appeals by the Appellate Tribunal.---(1) The Appellate Tribunal may, before disposing of an appeal, call for such particulars, documents, records or information as it may require in respect of the matters arising from the appeal or cause further inquiry to be made by any officer of the Authority.

(2) The Appellate Tribunal shall afford an opportunity of being heard to the parties to the appeal and, in case of default by any of the parties on the date of hearing, the Tribunal may, if it deems fit, dismiss the appeal in default, or may proceed ex-parte to decide the appeal on the basis of the available record but the Appellate Tribunal shall decide the appeal within six months from the date of filing of the appeal.

(3) The Appellate Tribunal may stay the recovery of any tax due by virtue of the decision or order being appealed against and any such order made by the Appellate Tribunal shall remain operative for no more than thirty days during which period a notice shall be issued to the respondent and after hearing the parties, the order staying recovery may be confirmed, varied or vacated as the Appellate Tribunal deems fit but the stay order so confirmed or varied shall remain operative for not more than six months including any period for which the recovery may have been stayed prior to the confirmation or variation of the stay order.

(4) In deciding the appeal, the Appellate Tribunal may, without prejudice to the powers specified in sub-section (2), make an order to-

(a) affirm, modify or annul the order being appealed against; or
(b) remand the case to the officer or the Collector (Appeals) for making such inquiry or taking such action as the Tribunal may direct.

(5) The Appellate Tribunal shall communicate its order to the taxpayer and the Collector.

(6) Save as provided in any other law, the decision of the Appellate Tribunal on an appeal shall be final.

86. Reference to the High Court.–(1) A reference to the High Court shall lie only if a question of law is involved in a case.

(2) Any person or the Authority may, within sixty days from the date of communication of the final order of the Appellate Tribunal, prefer a reference in the prescribed form alongwith a statement of the facts of the case and the question of law involved in the case.

(3) The High Court may dismiss a reference *inlimine* if it is satisfied that the reference does not contain any question of law for determination.

(4) The reference under this section shall be heard by a Bench of at least two Judges of the High Court and the provisions of section 98 of the Code of Civil Procedure 1908 *(Act No. V of 1908)* shall, as far as possible, apply to such reference.

(5) The High Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.

(6) Notwithstanding that a reference has been filed in the High Court, the tax shall be paid in accordance with the order of the Appellate Tribunal.

(7) If the tax liability is reduced by the High Court and the Authority decides to seek leave to appeal to the Supreme Court, the Authority may, within thirty days of the receipt of the judgment of the Court, apply to the High Court to postpone the refund until the decision by the Supreme Court.

(8) Section 5 of the Limitation Act 1908 *(IXof1908)* shall apply to a reference under sub- section (1).

(9) A court fee of rupees one thousand shall be affixed on a reference under this section except when it is filed by the Authority.

CHAPTER XI

RECOVERY OF ARREARS

87. Recovery of arrears of tax.---(1) Subject to sub-section (2), where any amount of the tax is due from any person, an Officer of the Authority not below the rank of assistant Collector may-

(a) deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of the Authority;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax is recoverable to pay to such officer the amount specified in the notice;

(c) require by a notice in writing any bank to attach that person's bank accounts and remit in money there from;

(d) place embargo on any business premises of such person till such amount is paid or received;

(e) seal the person's business premises till such time as the amount of the tax is paid or recovered in full;

(f) attach and sell or sell without attachment any movable or immovable property of the person from whom the tax is due; and

(g) recover such amount by attachment and sale of any movable or immovable property of the guarantor, person, company, bank or financial institution where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument[64][:

Provided that the officer may, in consequence of any notice, issued under any of the above clauses, recover the due amount of tax, in the manner prescribed under the rules or otherwise as deemed appropriate to make recovery of such amount directly from the person, who is holding or is otherwise in custody of any money, whether owned by or payable to the defaulter.]

(2) If any arrears of tax, default surcharge, penalty or any other amount which is payable by any person cannot be recovered in any manner whatsoever, the Authority or the Collector, if so authorized by the Authority, may, for reasons to be recorded in writing, write off the arrears or amount in the prescribed manner.

88. Deposit of the tax demand while appeal is pending.---Where in any appeal, the decision or order appealed against relates to any tax demanded under this Act, the person who has filed the appeal shall, pending the appeal, deposit the amount of the tax admitted by the tax payer based on the return filed under section52 or as may be determined by the Collector (Appeals) or the Appellate Tribunal where such return has not been filed.

89. Alternative dispute resolution.---(1) Notwithstanding any other provisions of this Act or the rules, any registered person aggrieved in connection with any dispute pertaining to-

(a) the liability of the tax against the registered person;
(b) the extent of waiver of default surcharge and penalty; and
(c) relaxation of any procedural or technical irregularities and condonation of any prescribed limitation of time; and
(d) any other specific relief required to resolve the dispute, may apply to the Authority for the appointment of a committee for the resolution of any dispute, to be mentioned in detail in the application.

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[64] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

(2) Notwithstanding anything contained in sub-section (1), the Authority shall not accept an application under sub-section (1) where criminal proceedings have been initiated or where the Authority is of the opinion that the interpretation of a question of law having a larger impact on revenue or on a number of similar cases is involved.

(3) The Authority may, after examination of the application of a registered person, appoint a committee of not less than three persons within thirty days of receipt of such application, consisting of an officer of the Authority not below the rank of an Additional Collector and nominees from a notified panel to be notified by the Authority from time to time consisting of chartered or cost accountants, advocates, representatives of trade bodies or associations, retired officers of the rank of not less than BS-20, retired judges, or any other reputable taxpayers, for the resolution of the dispute.

(4) The committee constituted under sub-section (3) shall examine the issue and may, if it deems fit, conduct an inquiry, seek expert opinions, direct any officer of the Authority or any other person to conduct an audit and shall make recommendations to the Authority within ninety days of its constitution in respect of the dispute.

(5) If the committee fails to make recommendations within the said period, the Authority may dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days and even if after the expiry of that period the dispute is not resolved, the matter shall be taken up before the appropriate forum provided under this Act for decision.

(6) The Authority may, on the recommendation of the committee, pass such order, as it may deem appropriate within forty-five days of the receipt of the recommendations of the committee.

(7) The registered person may make payment of the tax as determined by the Authority in its order under sub-section (6), and such order of the Authority shall be submitted before the forum, Appellate Tribunal or the Court where the matter is pending adjudication for consideration of orders as deemed appropriate.

AGENTS, REPRESENTATIVES AND E-INTERMEDIARIES

90. Agent.---(1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression 'agent' in respect of a registered person, means-

(a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income, financial gains or benefits, funds, money or property on behalf, or for the benefit of, the individual;

(b) where the person is a company other than a Trust, a Provincial Government, or local authority in Pakistan, a director or a manager or secretary or accountant or any similar officer of the company;

(c) where the person is a Trust declared by a duly executed instrument in writing, whether testamentary or otherwise, any trustee of the trust;

(d) where the person is Federal Government, a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Federal, Provincial Government or the local authority;

(e) where the person is an association of persons, a director or a manager or secretary or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;

(f) where the person is a public international organization, or a foreign government or political sub-division of a foreign government, any individual responsible for accounting for the receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political subdivision of the government;

(2) Where Court of Wards, Administrator General, Official Trustee, or any receiver or manager appointed by, or under any order of a Court receives or is entitled to receive income on behalf, or for the benefit of any person, such Court of Wards, Administrator General, Official Trustee, receiver or manager shall be the agent of the person for the purpose of this Act.

(3) Notwithstanding anything contained in this section, any registered person may expressly or impliedly authorize another person to be his agent for all or any of the purposes this Act.

91. Liability and obligations of agents.---(1) Every agent of a person shall be responsible for performing any duties or obligations imposed by or under this Act and the rules, on such person, including the payment of the tax.

(2) Subject to sub-section (5), the tax that by virtue of sub-section (1), is payable by an agent of a registered person shall be recoverable from the agent only to the extent of assets of the registered person that are in the possession or under the control of the agent.

(3) Every agent of a registered person who pays any tax owing to the registered person shall be entitled to recover the amount so paid from the registered person or to retain the amount so paid out of any moneys of the registered person that are in the agent's possession or under the agent's control.

(4) Any agent, or any person who apprehends that he may be assessed as an agent, may retain out of any money payable by him to the person on whose behalf he is liable to pay the tax a sum equal to his estimated liability under this Act, and in the event of disagreement between the principal and such an agent or a person as to the amount to be so retained, such an agent or person may obtain from the Collector a certificate in manners specified by the Authority, stating the amount to be so retained pending final determination of the tax liability and the certificate so obtained shall be his conclusive authority for retaining that amount.

(5) Every agent shall be personally liable for the payment of any tax recoverable from the registered person if, while the amount remains unpaid, the agent-

(a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable; or

(b) disposes of or parts with any moneys or funds belonging to the registered person that is in possession of the agent or which comes to the agent after the tax is payable, if such tax could legally have been paid from or out of such moneys or funds.

(6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person which the agent of the person has failed to perform.

(7) A registered person shall be responsible for any and all acts done by his agent.

92. Appearance by authorized representative.---A registered person required to appear before the Appellate Tribunal or an officer in connection with any proceedings under this Act may, in writing, authorize any person having such qualification as may be prescribed by the Authority, to represent him or appear on his behalf.

93. E-intermediaries to be appointed.---(1) Subject to such conditions, limitations and restrictions as the Authority may specify, the Authority may, by a notification in the official Gazette, notify a person as e-intermediary to electronically file returns and other electronic documents under this Act and the rules, on behalf of a registered person.

(2) A registered person may authorize in writing an e-intermediary to electronically file returns or any other documents on his behalf as specified in sub-section (1).

(3) The return or such other documents filed by an e-intermediary on behalf of a

registered person shall be deemed to have been filed by that registered person.

(4) Where this Act requires anything to be done by a registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, such thing shall be deemed to have been done with the knowledge and consent of the registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.

(5) Where an e-intermediary, authorized by a registered person under sub- section (2) to act on his behalf, knowingly or willfully submits false or incorrect information or document or declaration with an intent to avoid payment of the tax due or any part thereof, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid as a result of such incorrect or false information or document or declaration, without prejudice to any other action that may be taken against him or the registered person under the relevant provisions of the law.

(6) The Authority may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e-intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions and restrictions as specified in such rules.

Part IV

Infrastructure Development Cess

94. Levy of cess for special maintenance and development of infrastructure.---(1) Notwithstanding anything contained in [65][this Act o any other law or rules, for the time being in force] or judgment, order or decree of any Court, there shall be levied and collected by the [66][] [67][Authority], a cess for special maintenance and development of infrastructure for smooth and safer movement of goods entering or leaving the Province from or for outside country, through land, air or sea at the rates and in the manner as may be prescribed.

Explanation : For the purpose of this section, the word "infrastructure" includes roads, streets, bridges, culverts, lights on passage, beaches, public parks, place of public recreation and convince, eating places, landscape, forests, fisheries, delta conservation, lakes breeding places of aquatic life, wildlife and its sanctuaries, public schools, vocational and technical training centers and projects, libraries, museums and similar institutions controlled and financed y the Province, control of traffic for smooth flow and after movement of goods, public order, police force, patrol for safety of goods, stands for loading and unloading of goods, parking places, markets, water supply, hospitals and dispensaries and development, improvement, maintenance and protection of such matters.

(2) The proceeds of the cess shall be deposited in the Provincial Consolidated fund and to be utilized by the Provincial Government for general maintenance and development of infrastructure and other activities ancillary thereto in such manner as may be prescribed.

[68][(3) the Government may, by notification in official Gazette, exempt any goods from levy of the Cess under this section, subject to such conditions, limitation or restrictions as it may specify in the said notification:

Provided that all such notifications issued during a financial year shall be laid before the Provincial Assembly at the time of presenting finance bill;]

PART V

[65] Substituted for the words and comma "any law, rules" by the Khyber Pakhtunkhwa Finance (Amendment) Act, 2014.(Assented by the Governor Khyber Pakhtunkhwa on 27th March, 2014)
[66] Substituted for the words "Authority" by "Excise and Taxation Department of Government" by the Khyber Pakhtunkhwa Finance (Amendment) Act, 2014. (Assented by the Governor Khyber Pakhtunkhwa on 27th March, 2014)
[67] Words "Excise and Taxation Department of Government" substituted vide Khyber Pakhtunkhwa Finance Act, 2019
[68] Sub-section (3)added by the Khyber Pakhtunkhwa Finance Act, 2015(XXIII of 2015) (Assented on 25th June, 2015)

Chapter – I GENERAL ADMINISTRATION

95. Computerized system.---(1) The Authority may prescribe the use or cause to use of a computerized system for carrying out the purposes of this Act and the rules including the receipt of applications for registration, returns and such other declarations or information required to be provided under this Act and the rules from such date and for such registered persons or class of persons as the Authority may, by notification in the official Gazette, specify.

(2) The Authority may regulate the conduct and transaction of business in relation to the submission of returns or other information to the Authority by the persons required to transmit or receive any information through the computerized system, including matters such as the grant of authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.

(3) Unless otherwise provided, the information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.

(4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim or be provided any access to such information.

96. Service of orders and decisions.---(1) Subject to this Act, any notice, order or requisition required to be served on an individual for the purposes of this Act shall be treated as properly served on the individual if-

(a) personally served on the individual or, in the case of an individual under a legal disability, the agent of the individual;

(b) sent by registered post or courier service to the individual's usual or last known address in Pakistan; or

(c) served on the individual in the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (V of 1908).

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than an individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on the person if-

(a) personally served on the agent of the person;

(b) sent by registered post or courier service to the person's registered office or address for service of notices under this Act in Pakistan or where the person does not have such office or address, the notice is sent by registered post to any office or place of business of the person in Pakistan; or

(c) served in the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (V of 1908).

(3) Where an association of persons is dissolved, any notice, order or requisition required to be served under this Act, on the association or a member of the association, may be served on any person who was the principal officer or a member of the association immediately before such dissolution.

(4) Where a business stands discontinued, any notice, order or requisition required to be served under this Act, on the person discontinuing the business, may be served on the person personally or on any individual who was the person's agent at the time of discontinuance.

(5) The validity of any notice issued under this Act or the validity of any service of a notice shall not be called into question after the notice has been complied with, in any manner.

(6) Any registered person may indicate, in the manner prescribed by the Authority, that he wishes to electronically receive all or specific communications, including notifications, orders, assessments and requisitions from the Authority, the Appellate Tribunal or any officer of the Authority.

(7) The Authority may, by notification in the official Gazette, direct that all or specific communications, including notifications, orders, assessments and requisitions from the Authority, the Appellate Tribunal or any officer to a specific registered person or class of registered persons shall be made electronically.

(8) For purposes of sub-sections (6) and (7), a registered person shall be considered to have received the electronic communication within seventy two hours of the sending of the electronic communication by the Authority, Appellate Tribunal or the officer of the Authority.

(9) For purposes of sub-sections (6), (7) and (8), an electronic communication includes a communication sent by email.

97. Issuance of duplicate of the tax documents.---An officer of the Authority not below the rank of the Assistant Collector may, on payment of one hundred rupees, issue an attested copy of any document filed by a registered person with the Authority.

98. Computation of limitation period.---In computing the period of limitation prescribed for any appeal or application under this Act, the day on which the order complained of was served and, if the concerned person was not furnished with a copy of the order, the time requisite for obtaining a copy of such order shall be excluded.

99. Condonation of time-limit.---(1) Where any time or period has been specified under any of the provisions of this Act or the rules within which any act or thing, including submission of an application, filing of a return or payment of tax, is to be done, the Authority may permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate.

(2) The Authority shall not condone a time limitation which results in increase of any tax payable, [69][***] unless the tax payer has been given a reasonable opportunity of being heard.

(3) The Authority may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any Collector or an officer of the Authority to exercise the powers under [70][this section] in any case or class of cases[71][:

Provided that where a Collector or any other officer has been empowered to grant condonation under this section, he shall not be competent to grant condonation in any case falling in the jurisdiction of any officer with designation or rank higher than the Collector or such officer.

Explanation: Condonation of time limit under this section may be granted by the Authority either for the purposes of general application, in respect of any person or class of persons, with regard to any case or class of cases or to any officer or official or class of officers or officials of the Authority, performing functions or exercising powers under any of the provisions of this Act and rules or regulations made thereunder.]

100. Correction of clerical errors.---(1) Any clerical or arithmetical error in any assessment, adjudication order or decision may, at any time, be corrected by the officer of the Authority who made the assessment or adjudication or passed such order or decision by his successor in office, through an order made under this section.

(2) Before any correction is made under sub-section (1), a notice shall be given to the registered person likely to be affected by such correction.

101. Deposit of Taxes collected.---Subject to the provisions contained in the fiscal law, collections whereof is assigned to the Authority, the Authority shall deposit all the proceeds

[69] Words "penalty or default surcharge levied" deleted vide Khyber Pakhtunkhwa Finance Act, 2021.
[70] Words "sub section (2)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[71] Proviso and Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

from the tax, so collected, in the Provincial Consolidated Fund or the Public Account, as the case may be.

102. Research and Development.—-The Authority may, conduct or cause to be conducted such studies researches and surveys as it may deem necessary to broaden the tax-base, widen tax coverage under any fiscal law, facilitate tax payer and to assess the feasibility of any fiscal effort of the Government.

103. Annual report.---(1) The Authority shall, within three months of the close of a financial year, submit to the Government an annual report.

(2) The report shall consist of–

(a) the statement of accounts;

(b) a comprehensive statement of the work, activities, target achievement and performance of the Authority during the preceding financial year; and

(c) such other matters as may be prescribed and as the Authority may consider appropriate.

(3) The Government shall, within two months of receiving the report from the Authority, give notice for laying there port in the Provincial Assembly of the Khyber Pakhtunkhwa, and shall lay the report before the Assembly in its first available session.

(4) The Government may also require the Authority to submit monthly reports in the prescribed form in respect of recovery targets and matter incidental thereto.

104. Officers of the Authority to follow orders.---(1) All officers of the Authority and other persons employed in the administration of this Act and the rules shall observe and follow the orders, instructions and directions of the Authority.

(2) No such orders, instructions or directions shall be given so as to of their judicial or quasi-judicial functions

105. Representation.-—(1) Any person aggrieved by any action or decision taken for the enforcement of the any fiscal law other than the sales tax on services r by any act of maladministration, corruption and misconduct by any employee of the Authority or by any unnecessary delay or hardship caused due to any administrative process may file a representation to the Director General.

(2) The Director General or any other officer designated by the Director General shall, after affording an opportunity of hearing to the parties, make such order as may be necessary in the interest of justice and inform the applicant accordingly.

CHAPTER II

MISCELLANEOUS

106. Directions from the Government.---Government may, from time to time, give such general or specific directions to the Authority, as may be necessary for the efficient performance of its functions and achieving the objectives of the Act and the Authority shall implement such directions.

107. Delegation by the Government.---(1) Government may delegate any of its powers to the Authority on such terms and conditions as the Government may determine.

(2) Government may, by notification, assign or delegate to the Authority any powers or functions under any fiscal law.

108. Delegation by the Authority.---The Authority may, with the concurrence of the Council, delegate any of its functions and powers to any of it employees or any department, agency or employee of the Government.

109. Power to issue orders, instructions and directions.---The Authority may issue such orders, instructions and directions, not inconsistent with this Act and the rules, to all officers of the Authority, as it may deem necessary to implement, administer or enforce the provisions of this Act and the rules.

110. Assistance to the Authority.---All departments, agencies, organizations, entities, formations and bodies of the Federal or Provincial Governments shall, on request, be under obligation to extend necessary and due cooperation and assistance to the Authority in the performance of its functions under this Act, rules or regulations.

111. Bar of suits, prosecution and other legal proceedings.---(1) No suit shall be brought in any civil court to set aside or modify any order passed, any assessment made, any tax levied, any penalty or default surcharge imposed or collection of any tax made under this Act.

(2) No suit, prosecution or other legal proceeding shall lie against the Government, Authority, its officers or against any public servant in respect of any order passed in good faith under this Act.

[72][(2A) Under no circumstances, any authority having power to hear appeals under this Act, shall order any cost or fine, on any ground, whatsoever, against the Authority or any of its officers or officials.]

(3) Notwithstanding anything contained in any other law, no investigation or inquiry shall be undertaken or initiated by any government agency against any officer or official for anything done in his official capacity under this Act, except with the permission of the [73][Policy Making Council].

112. Act to override other laws.---The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law.

113. Power to make rules.---(1) Government may, by notification in the official Gazette, make rules for carrying out the purposes of the provisions of this Act.

(2) The rules made under this Act shall be collected, arranged and published along with general orders and departmental instructions, directions, notifications and rulings, if any, at appropriate intervals and sold to the public at a reasonable price.

[74][114. Power to make Regulation.--- Except where any specific provision is provided under this Act which requires the approval of the Council, the Authority may, make regulations or specify procedures, not inconsistent with the rules, to give effect to the purposes of this Act.]

115. Removal of difficulties.---(1) Government may pass such orders for removing any difficulty or for bringing the provisions of this Act into effective operation and may direct that the provisions of this Act shall, during such period as may be specified in the order, have effect subject to such adaptations whether by way of modification or addition or omission as it may deem to be necessary or expedient.

(2) The power under this section shall not be exercised after the expiry of five years from the commencement of this Act.

116. Continuance in Force.---(1) All orders made, proceeding taken and acts done by the Federal Board of Revenue which were in force and in effect before the commencement of this

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[72] Sub-section (2A) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[73] Word "Authority" substituted vide Khyber Pakhtunkhwa Finance Act, 2019.
[74] Section 114 substituted by the Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016). At the time of substitution, Section 114 was as under:-
"***114. Power to make Regulation.---The Authority with the approval of Council may, make regulation or specify procedures, not inconsistent with the rules, to give effect to the purposes of this Act and matters ancillary thereto.***"

Act, shall continue in force unless modified pursuant to any provision of this Act or the rules and regulations made hereunder.

(2) All existing rules, regulations, procedure, notification, statutory rules and orders including statutory regulatory orders and orders in effect or adopted in by the Federal Board of Revenue shall continue to be in force unless they are inconsistent with any provision of this Act and shall to continue to be in force until rescinded, altered, revised or amended by the competent authority under the provision of this Act or rules made here under.

(3) Subject to the provision to this Act, reference to Federal Board of Revenue, wherever occurring in any law or the rules, regulations orders statutory rules including statutory regulatory orders or notifications etc, for the time being in force in respect of Sales Tax on Services shall be read is reference to the Authority.

117. Repeal and savings.---(1) The Khyber Pakhtunkhwa Sales Tax Ordinance, 2000 (Ord. III of 2000) is hereby repealed.

(2) Any proceeding under the repealed Ordinance pending on the date notified under sub- section (3) of section 1 before any authority, forum or any court by way of adjudication, assessment, appeal, reference, revision or prosecution shall be continued and disposed of as if this Act has not come into force.

(3) Where the Government or the Authority takes any action, makes any decision or orders, issues any instructions, directions, clarifications or notifications in pursuance of or in exercise of powers conferred by any provision of any law in respect of any matter relating to the tax and allied issues covered under this Act or the rules, such actions, decisions, orders, instructions, directions, clarifications rules, regulation and notifications shall be deemed to have been validly issued to serve the purposes of this Act and the rules.

(4) Where so directed by the Government, any tax payable but not paid under the Khyber Pakhtunkhwa Sales Tax Ordinance, 2000 (Ord. III of 2000) may be recovered under this Act, but without prejudice to any action already taken for the recovery of the amount under the said Ordinance.

[75]FIRST SCHEDULE

(Classification and Description of Services)

(see clause (47) of section 2)

Classification	Description
(1)	(2)
9801.0000	**Services provided by hotels, restaurants, marriage halls, lawns, clubs and caterers, suppliers of prepared eatables and drinkables, pandals and shamianas, messes, hostels and similar undertakings including allied, auxiliary or ancillary services thereto.**
9801.1000	Hotels and similar establishments
9801.2000	Restaurants and similar undertakings or businesses
9801.3000	Marriage halls, lawns, pandals, shamianas
9801.4000	Clubs
9801.5000	Caterers and other persons supplying prepared eatables and drinkables
9801.6000	Motels, guest houses, lodges and farm houses
9801.7000	Messes and hostels
9801.8000	Similar other services or service providers
9801.9000	Services allied, auxiliary or ancillary thereto
9802.0000	**Advertisements and advertisement services**
9802.1000	T.V. including cable T.V networks
9802.2000	Radio
9802.3000	Closed Circuit T.V.
9802.4000	Newspapers, periodicals, magazines and similar other publications
9802.5000	Website and internet
9802.6000	Poles or similar structures
9802.7000	Bill boards, electronic bill boards, hoarding boards, signboards and similar other medium of advertisement display
9802.8000	Lease or renting of space whether on constructed or erected structure or otherwise, for the purposes of advertisements
9802.9000	Other similar services or other advertisement services
9803.0000	**Cinematographic production, photographic services and broadcasting services**
9803.1000	Film making or film production including drama production whether in serials or otherwise
9803.2000	TV production
9803.3000	Radio production
9803.4000	Broadcasting services
9803.5000	Photographic services (services of photography or photographers)
9803.9000	Other similar, allied, ancillary or auxiliary services
9804.0000	**Services provided as facilities for travel or transportation (including carriage) of persons**
9804.1000	Sea or river (ships, vessels, ferries, trawlers, launches, barrages, boats or similar power-operated structures)
9804.2000	Air (aircrafts, airplanes, helicopters, airships, air-balloons and other flying structures, apparatus or machines)
9804.3000	Railways (train) including tramways
9804.4000	Road (buses, coaches, coasters, wagons, jeeps, cars, taxies and other motor or motor-bike-operated four or three wheel vehicles primarily meant for passenger transport
9804.5000	Chairlifts or similar directly or indirectly power-operated moving structures
9804.9000	Other traveling or transportation services
9805.0000	**Services provided for carriage or transportation of goods**
9805.1000	Sea or river (ships, vessels, oil tankers, ferries, trawlers, launches, barrages, boats or similar power-operated structures)
9805.2000	Air (airplanes, helicopters, airships, air-balloons and other flying structures, apparatus or machines)

[75] First Schedule substituted vide Finance Act, 2019. Previous Schedule is appearing at the end of the document.

9805.3000	Railways (train) including tramways
9805.4000	Road (vehicles whether or not containerized like trucks, trailers, trawlers, oil tankers, loaders, pick-ups, trollies and other power of motor bike-operated four or three wheel vehicles primarily meant for loading and carriage of goods
9805.5000	Bucket-lifts or similar directly or indirectly power-operated moving structures
9805.6000	Conduit, pipeline, conveyor and similar cargo transmission networks or arrangements for transportation of goods whether liquid or otherwise
9805.9000	Other services for carriage or transportation of goods whether liquid or otherwise
9806.0000	**Services provided by persons authorized to transact business on behalf of others as agent or otherwise**
9806.1000	Shipping agents, ship chandlers, stevedores and ship handling or management service providers
9806.2000	Freight forwarding agents and cargo forwarding or moving business
9806.3000	Customs or custom house agents
9806.4000	Travel agents, tour operators and recruiting agents
9806.5000	Advertising agents and advertisement intermediaries
9806.6000	Share transfer agents and general insurance agents
9806.7000	Sponsorship services
9806.8000	Business management or business support services
9806.9000	Other similar services
9807.0000	**Services provided in matters of sale, purchase, rent or hire**
9807.1000	Property dealers, property agents and realtors
9807.2000	Car and other automobile dealers (whether old or new)
9807.3000	Dealers of electrical or electronic equipment's, appliances or other goods (whether old or new)
9807.4000	Dealers of other second hand goods
9807.9000	Other similar or allied services
9808.0000	**Services (including dyeing) provided by laundries (launderers), dry cleaners or similar other businesses whether independently or otherwise**
9808.1000	Launderers and dry cleaners operating independently
9808.2000	Launderers and dry cleaners operating in conjunction with other business providing services
9808.3000	Laundering or dry cleaning services by other businesses (including those performed for industrial purposes)
9808.4000	Dyers of cloth or clothes including industrial dyers (e.g. dyers of textiles or textile materials)
9808.9000	Other similar or allied services
9809.0000	**Courier services including speeding, fast, quick or urgent mail or cargo services provided either by courier companies or by other businesses or entities whether as a sole activity or in conjunction or along with other business activity or activities**
9809.1000	Courier services (including parcels) by dedicated businesses
9809.2000	Urgent delivery cargo services as an exclusive business activity
9809.3000	Courier or urgent delivery cargo services performed by other businesses like passenger transport companies or entities
9809.9000	Other similar, allied or ancillary services
9810.0000	**Services provided by persons engaged in contractual execution of works of furnishing supplies (excluding transactions involving contractual supply of goods only without any component of service)**
9810.1000	Work contractors other than construction or maintenance work
9810.2000	Maintenance work services whether or not involving furnishing of supplies (excluding supplies of goods only)
9810.9000	Other similar services
9811.0000	**Services, by whatever name called, provided whether independently or otherwise for personal care, personal beautification and cosmetic uplift by beauty parlors, beauty clinics, slimming clinics and similar other businesses operating separately or otherwise**

9811.1000	Ladies' beauty parlors or beauty clinics including ladies' saloons whether working independently or as part of other businesses
9811.2000	Cosmetic treatment or cosmetic surgery centers or clinics whether operating as stand-alone or as part of other businesses
9811.3000	Slimming or other health clinics or clubs providing, inter alia, personal beautification services whether working independently or otherwise
9811.4000	Gents' beauty parlors or saloons including barbour shops providing single or multiple services for personal care or beautification
9811.9000	Other similar services
9812.0000	**Packing or packaging services including allied and ancillary services**
9812.1000	Packing or packaging of industrial goods or products for industrial or commercial purposes
9812.2000	Packing or packaging of old or used office or household goods
9812.9000	Other similar, allied or ancillary services
9813.0000	**Telecommunication and similar, allied or ancillary services**
9813.1000	Telephone services (including fixed line, wireless, cellular, wireless local loop, video, pre-paid, post-paid, pay phone cards and voice mail etc.)
9813.1010	Messaging services (including Short Message Service (SMS), Multimedia Message Service (MMS) and messaging through other digital applications etc.)
9813.1020	Installation, provision, shifting, changing, conversion and restoration of telephone connections (including conversion of NWD connection to non NWD or vice versa) and similar other services
9813.2000	Bandwidth services (including copper-line/fiber-optic/co-axial cable/microwave/satellite-based, IP services, teleconferencing, 3G/4G/5G/LTE or similar other services)
9813.3000	Telegraph and other services relating thereto
9813.4000	Telefax including store and forward fax and similar other services
9813.4010	Internet services including e-mail, dial-up and other allied services
9813.4020	Broadband services for DSL connection (including copper-line/fiber-optic/co-axial cable/wireless/satellite-based, internet/e-mail/data/SMS/MMS services on WLL or cellular mobile networks) and similar other services
9813.4030	Data communication network services (DCNS including copper-line/co-axial, cable/fiber-optic/wireless/radio/satellite-based, services relating to value added data, virtual private network (VPN) and digital signature) and similar other services
9813.5000	Long distance international (LDI) services
9813.6000	Local loop or other similar services
9813.7000	Audio text services (including tele-text, trunk radio, paging or similar other services
9813.8000	Voice paging services (including radio paging, vehicle or other object (whether or otherwise) tracking and burglar alarm etc.) and other similar services
9813.9000	Other similar, allied or ancillary services
9814.0000	**Services provided by banks or banking companies, insurance companies, cooperative and foreign exchange companies or dealers (including similar institutions or entities)**
9814.1000	Banks or banking companies, cooperative or similar institutions or entities (their all services including bank guarantee, brokerage, letter of credit, pay order or demand draft, bill of exchange, transfer of money in any manner, bill discounting, lockers and safe vaults, credit/debit cards, foreign exchange dealings, ATMs, issue-banking, provision of loans business or investment financing or advances, leasing or re-leasing whether financial, equipment/commodity related, musharakah financing etc.)
9814.2000	Insurance companies (their all services including goods / fire / theft / marine / travel / life / health / industrial / business-related / movable of immovable property insurance and other insurance and reinsurance services)
9814.3000	Services of cooperatives and cooperative societies (including producer cooperatives, worker cooperatives, consumer cooperative, credit unions, retail or purchasing cooperatives, social cooperatives, industrial service cooperatives, manufacturing cooperatives, marketing cooperatives, cooperative farming societies, housing cooperatives and credit cooperatives etc.)
9814.4000	Service of foreign exchange companies, dealers and money changers of similar business
9814.9000	Other similar banking, insurance, cooperative or money exchange services

9815.0000	**Services provided by architects, civil engineers, construction consultants, construction contractors, town or real estate or property promoters, developers or planners including interior decorators or allied or ancillary professions**
9815.1000	Architects and civil engineers or town promoters, developers, planners
9815.2000	Town, real estate or property promoters, developers or planners
9815.3000	Construction contractors including contractors of allied work such as electrical or gas fittings, plumbing, water boring, wood work, plastering, flooring, steel work, paint and other finishing work
9815.4000	Landscape or land development designers including land surveyors
9815.9000	Other similar, allied or ancillary services
9816.0000	**Services provided by practitioners, professionals, consultants and advisers (by whatever name called) in their respective fields or disciplines**
9816.1000	Medical, dental or allied health fields or disciplines including para-medics and specialized technicians
9816.2000	Veterinary and allied sciences including pet care
9816.3000	Law and allied fields or disciplines
9816.4000	Financial, accountancy, cost accountancy, tax management, or tax affairs and similar other fields or disciplines
9816.5000	Human resource management or development
9816.6000	Business planning, business management, business reforms, business communication including hospitality administration and similar other fields or disciplines
9816.9000	Other similar services
9817.0000	**Services provided by laboratories engaged in lab work like examination, analysis, testing, verification, experimentation, innovation and product development etc., in relevant domains of knowledge**
9817.1000	Scientific including medical, health or healthcare labs
9817.2000	Mechanical including engineering labs
9817.3000	Chemical including materials or goods testing labs
9817.4000	Electrical or electronic labs
9817.5000	Forensic labs
9817.6000	Petro-chemical labs
9817.9000	Other similar labs
9818.0000	**Services provided by specialized agencies**
9818.1000	Security agencies including security alarm services
9818.2000	Credit rating or similar evaluation agencies
9818.3000	Market research on market survey agencies
9818.4000	Private detective or intelligence service providing agencies
9818.5000	Project including business project planning or preparation agencies
9818.9000	Other similar agencies
9819.0000	**Services provided by specified persons or businesses**
9819.1000	Stockbrokers, future brokers and commodity brokers
9819.1100	Underwriters
9819.1200	Indenters and similar other commission agents
9819.1400	Packers and movers not falling under classification heading 9812.0000
9819.1500	Distribution agents
9819.2000	Money exchangers not falling under classification heading 9814.0000
9819.3000	Rent-a-car and automobile rental services
9819.4000	Surveyors other than those falling under classification heading 9815.0000
9819.5000	Designers other than those falling under classification heading 9815.0000
9819.6000	Outdoor photographer and videographers including studio services other than those falling under classification heading 9803.0000
9819.7000	Video tape, sound record, program producers and production services other than those falling under classification heading 9803.0000

9819.8000	Art painters including services provided by art galleries (excluding sale of their own pre-made---not made to order---art products
9819.9000	Cable TV operators including private radio channel operators
9819.9100	Auctioneers other than those who pay tax as custom agents
9819.9200	Public relations services other than those who pay tax as practitioner, professional, consultant or advisor of business communication
9819.9300	Technical testing and analysis services other than those classifiable under heading 9817.0000
9819.9400	Service provided by a register to an issue
9819.9500	Services relating to processing for registration or protection of copy rights or other IPRS
9819.9900	Other similar services
9820.0000	**Services provided by specialized workshops or undertakings**
9820.1000	Auto-workshops whether or not providing other allied or extended services
9820.2000	Workshops for industrial, construction, earth moving or other similar, heavy duty or special purpose machinery
9820.3000	Workshops for electric or electronic equipments or appliances including computer hardware
9820.4000	Car washing or similar service stations
9820.9000	Other similar workshops or businesses
9821.0000	**Services provided in specified fields not clubbed with other (taxable) services classified elsewhere in this SCHEDULE**
9821.1000	Healthcare centers, health clubs, gyms or physical fitness centers
9821.2000	Indoor sports and games centers
9821.3000	Baby care centers
9821.4000	Body massage centers
9821.5000	Pedicure centers
9821.9000	Other similar services
9822.0000	**Services provided for specified purposes**
9822.1000	Fumigation or decontamination of commercial, industrial or residential buildings, warehouses, godowns, storage houses or storage places, parks, gardens and other buildings or places including business places
9822.2000	Maintenance or cleaning services in respect of buildings or other places whether or not wholly or partly constructed including places having only civil infrastructure
9822.3000	Janitorial services
9822.4000	Dredging or desilting services
9822.5000	Salvage or similar other recovery services
9822.9000	Other similar services
9823.0000	**Franchise services either on giving or on receiving ends including royalties or similar financial benefits arising out of intellectual property rights or other factors of business goodwill**
9824.0000	**Brokerage (whether traditional, discount, commodity or other category) services (other than stock or security brokers)**
9825.0000	**Exhibition, convention or carnival services including renting of purpose-specific property or space for such events**
9826.0000	**Services of computer software engineers including provisioning of information, data feeding, data processing, data cleaning, data storage, data transfer or data management etc.**
9827.0000	**Services relating to handling, storage or ware housing of goods whether or not movement or transport of such goods is undertaken or conducted by the same service provider**
9828.0000	**Services of fashion designers not engaged in designing, manufacturing and selling their own products or goods through their regular paid employees**
9829.0000	**Services of internet café including businesses providing facilities for playing computer games as a separate activity of in conjunction or along with such café services**

9830.0000	**Airport services (including passenger facilitation, car parking, cargo handling, aviation support services, flight kitchen supplies, renting of special purpose machinery, equipment, vehicles, portrege, quarantine and other fumigation or vaccination, janitorial services, jet or other fuel supply services etc.)**
9831.0000	**Forward contract services whether for property, commodity or other purposes**
9832.0000	**Coaching, training, vocational or tuition centers (whether or not called academies)**
9833.0000	**Tracking services**
9834.0000	**Quality control services (ISO certification authority)**
9835.0000	**Debt collection agencies**
9836.0000	**Amusement parks services**
9837.0000	**Call centers**
9838.0000	**Films and drama studios including mobile stage shows or cinemas**
9839.0000	**Entertainment services including services provided for planning, arranging of managing sports activities, games or matches etc.**
9840.0000	**Services provided in respect of manufacturing or processing on toll or charges basis (out of main or major input owned by others)**
9841.0000	**Container terminal, container handling or container storage services regardless whether the containers are empty or stuffed with cargo**
9842.0000	**Manpower recruitment including recruitment for overseas jobs and labour supply services regardless the labour charges are given by the service provider or the service recipient**
9843.0000	**Dryport services including operation of a dry port and other services provided at or in respect of dry port such as inward/outward/transportation/movement of goods, cargo handling, cargo storage or warehousing, loading/unloading of cargo, booking or discharge of cargo etc.**
9844.0000	**Public bonded warehouse services**
9845.0000	**Services provided in respect of exploration or mining of minerals, oil and gas including surveys and other activities related or allied thereto**
9846.0000	**Event management services whether covering all or any of the processes like planning, budgeting, scheduling, site selection, acquiring necessary permits, coordinating transportation and parking, arranging for speakers or entertainers, arranging décor, event security, catering or any other allied or connected task**
9847.0000	**Electric power and gas transmission (including wheeling) or distribution services**
9848.0000	**Valuation or assessment services including competency and eligibility testing services**
9849.0000	**Transportation, carriage, haulage or transmission of cargo whether dry, liquid or otherwise**

9850.0000	**Digital or IT-based services in whatever form or manner or under whatever arrangement including but not limited to web design and development, mobile app development, server management, page-speed optimization UX/UI optimization, PPC marketing, blogging, Google AdWords Facebook advertising, Instagram advertising, custom software development, assessment and roadmap development, software maintenance and support services, supply of any other software or software product or products through any medium and online digital marking services such as search engine optimization (SEO), social media marketing, content marketing, affiliate marketing, influencer marketing, email marketing, viral marketing services etc.**
9851.0000	**Ride-hailing or ride-hail services like Uber, Careem, Biker and Lyft etc. regardless of the mode, manner or dynamics of the business system involved in such services.**
9852.0000	**Online Market Place (OMP) including online platform or portal services by whatever name called.**
9853.0000	**Services relating to or in respect of the installation, erection, commissioning or other permanent structure-affixed/linked/tied placement (whether full or in part) of any industrial, mechanical or electrical plant, machinery or equipment (excluding installation of domestic equipment etc. for residential use)**
9854.0000	**Services relating to or involving collection, provision, organization, digitization, processing, analysis, safety, preservation, sharing, verification, validation, decontamination or any other treatment of data including granting access to data for the purpose of information-gathering, information-verification, information-authentication or similar other purposes.**
9855.0000	**Visa processing or via acquisition services including advisory or consultancy services for foreign education or migration provided by persons in their private business or professional capacity.**

76SECOND SCHEDULE

(see sub-section (1) of section 19 read with sub-section (1) of section 26)

S #	Description of Services	Heading	Rate of Tax
1	Services provided or rendered by hotels, motels, guest houses, resorts, accommodation-and/or-food service providing farm-houses, motorway-or-highway-side accommodation-and/or-food provisioning/food servicing or food supply facilities, restaurants (including food service supply chains), food including ice-cream parlors, marriage or wedding halls, marques, lawns, clubs and caterers, suppliers of prepared eatables and drinkables, pandals and shamianas, clubs including such clubs as, though run on mutuality basis, are operated in commercial mode, manner or style, messes, hostels and similar entities, enterprises or undertakings including all such services, facilities, utilities, entertainments, comforts, enjoyments or amusements etc., as are allied, auxiliary or ancillary thereto. **<u>Exemptions and reduced tax rates:</u>** (i) Full exemption shall be available to the services of hostels exclusively meant for providing accommodation and allied facilities to students. (ii) The rate of tax in case of services (whole range of services including accommodation, food supplies and laundry services etc.) provided or rendered by all other categories of hostels shall be five percent (5%) without any input tax adjustment. [77][(iii) services provided or rendered by [78][local non-corporate stand-alone hotels or chains of such hotels] (including guest houses[79][, clubs] and lodges etc.) and restaurants shall be charged to tax at the rate of Eight Percent (8%) without input tax adjustment; provided that where in any case of such restaurant, the Restaurant Invoice Management System (RIMS) is installed and working properly on regular basis, the rate of tax shall be further reduced to Five Percent (5%) without any input tax adjustment. **Provided** that in case of traditional type restaurants usually called as dhaba or conventional hut-type or similar other road or street side non-air-conditioned restaurants, usually serving limited range of pre-cooked or pre-prepared food items with informal seating environment (located or operating anywhere in the tariff areas of the Province), the tax shall be charged and paid at the rate of One Percent (1%)] (iv) in case of traditional accommodation facilities like sarrayae or inns or open air overnight bed provisioning	9801.0000 9801.1000 9801.2000 9801.3000 9801.4000 9801.5000 9801.6000 9801.7000 9801.8000 9801.9000	Fifteen percent (15%)

[76] Second Schedule substituted vide Finance Act, 2019. Previous Schedule is appearing at the end of the document.
[77] Sub-clause (iii) and proviso substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020:-

> "(iii) in case of restaurants excluding those operating in corporate sector, or as franchise of multinationals, or chains of restaurant businesses, or have registered business or brand names, the rate of tax shall be eight percent (8%) without any input tax adjustment:
>
> Provided that in case of traditional type restaurants usually called as dhaba or conventional hut-type or similar other road/street side non-air-conditioned restaurants usually serving limited range of pre-cooked or pre-prepared food items with informal seating environment, the rate of tax shall be two percent (2%) without any input tax adjustment."

[78] Words "non-corporate local chains of hotels" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[79] Inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

	services generally located or available around or in the vicinity of railway stations, bus or wagon stands (stations), the rate of tax shall be [80][one percent (1%)] without any input tax adjustment if the charges for overnight stay do not exceed rupees three hundred per bed. (v) In case of marriage or wedding halls including pandals and shamiana and similar other businesses including food services provided therein, the rate of tax shall be eight percent (8%) without any input tax adjustment. (vi) in case of caterers whether stand-alone or otherwise, the rate of tax shall be ten percent (10%) without any input tax adjustment. [81][(vii) In case of non-corporate sector hospitality businesses, including hotels, guest houses, rest houses, lodges, restaurants, and other similar accommodations and food serving businesses, located in the tourist spots of Galiyat and Kaghan Valleys, the tax shall be charged and paid at the rate of Five Percent (5%), without any input tax adjustment, subject to the compliance to all such conditions and procedures, as may be prescribed by the Authority, in this behalf.] **Explanation:** it is clarified for the removal of any doubt that the services of this entry include "take away" or home or door-step delivery" transactions of the restaurants or other categories or types of food serving outlets either as part of their overall services or as an exclusive activity.		
2	Services provided or rendered by beauty parlors, beauty clinics, healthcare centers, cosmetic or plastic surgery centers/clinics, hair transplant centers or clinics, health clubs, gyms (including yoga centers with or without yoga teaching classes' system or arrangements), physical fitness centers, massage centers, pedicure/manicure centers, swimming pools and similar other establishments, undertakings, enterprises or entities etc. **Exemption:** Full exemption on: ---cosmetic treatment of burns or burned body parts and, ---conventional or traditional barber shops provided they do not render any high end beautician or cosmetic services.	9811.0000 9811.1000 9811.2000 9811.3000 9811.4000 9811.9000 9821.1000 9821.4000 9821.5000	[82][Five percent (5%) without any input tax adjustment]

[80] Words "two percent (2%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

[81] Item (vii) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

[82] Words "Eight percent (8%) without input tax adjustment" substituted vide vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

3	Services provided or rendered by stand-alone or other launderers any dry cleaners including carpet or sofa set or similar furniture item cleaners or washers: **Exemption:** Full exemption to small size traditional style stand-alone launderers and drycleaners operating without any branded or registered business name and without the involvement or use of any electrical or mechanical apparatus equipment or machinery for washing or cleaning purposes. **Reduced rate of tax:** [83][Services provided or rendered by medium sized stand alone or other launderers and dry cleaners including carpet or sofa set or similar furniture items cleaners or washers shall be chargeable to tax at the rate of two percent (2%) without any input tax adjustment.] **Explanation:** No benefit of exemption or reduced rate of tax shall be available or admissible to the laundries and dry-cleaning or other similar businesses operating under chain-business-system with or without any business brand name or operating as a part of businesses providing hotel or other accommodation services and in all such cases, the rate of tax shall be fifteen percent (15%).	9808.0000 9808.1000 9808.2000 9808.3000 9808.4000 9808.9000	Fifteen percent (15%)
4	Telecommunication and similar, allied or ancillary services including: a) Telephone services (including fixed line, wireless, cellular, wireless local loop, video, pre-paid, post-paid, pay phone cards and voice mail etc. b) Messaging services (including Short Message Service (SMS), Multimedia Message Service (MMS) and messaging through other digital applications etc.) c) Installation, provision, shifting, changing, conversion and restoration of telephone connections (including conversion of NWD connection to non NWD or vice versa) and similar other services d) Bandwidth services (including copper-line/fiber-optic/co-axial cable/microwave/satellite-based, IP services, teleconferencing, 3G/4G/5G/LTE or similar other services) e) Telegraph and other services relating thereto f) Telefax including store and forward fax and similar other services; internet services including e-mail, dial-up and other allied services; (g) Broadband services for DSL connection (including copper-line/fiber-optic/co-axial cable/wireless/satellite-based, internet/e-mail/data/SMS/MMS services on WLL or cellular mobile networks) and similar other services h) Data communication network services (DCNS including copper-line/co-axial, cable/fiber-optic/wireless/radio/satellite-based, services relating to value added data, virtual private network (VPN) and digital signature) and similar other services	9813.0000 9813.1000 9813.1010 9813.1020 9813.2000 9813.3000 9813.4000 9813.4010 9813.4020 9813.4030 9813.5000 9813.6000 9813.7000 9813.8000 9813.9000	Nineteen-and-a-half-percent (19.5%)

[83] Text substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020:-
"the medium sized stand-alone launderers and dry cleaners shall be liable to tax at the rate of eight percent (8%) without input tax adjustment:"

	i) Long distance international (LDI) services j) Local loop or other similar services; Audio text services (including tele-text, trunk-audio, paging or similar other services); k) Voice paging services (including radio paging, vehicle or other object (whether or otherwise) tracking and burglar alarm etc.) and other similar services; l) Rental either full, partial or on sharing basis of space, place or any other facility or arrangement on towers or other structures or installations of any purposes; m) internet-based cable TV services whether as a single service or otherwise; and n) All other similar, allied, ancillary or auxiliary services. **Explanation:** In case of incoming international calls, charges received by telecom service providers abroad shall be taxed on tax fraction formula basis only to the extent to which such charges are shared or received by such domestic service providers treating the charges so shared or received as tax-inclusive.		
5	Services provided or rendered by persons authorized to transact or deal with business in any manner on behalf of others such as customs agents, shipping agents (including import/export cargo freight forwarders), stockbrokers, share transfer agents, business support or business or asset management agents, tour operators, travel agents, recruiting/recruitment agents, labor or manpower supply services, insurance agents, commission agents, distribution agents and similar other persons engaged in the business transaction work or activity against commission or similar charges. **Explanation:** (i) The persons falling in this category do not generally have any investment or investment-related interest in the business though they may have their own infrastructure or other resources to carry out such work or activity. (ii) the persons covered in this category shall pay tax to the Authority in all such cases where their clients, customers or buyers are located in the province of Khyber Pakhtunkhwa regardless of the location of such person's business or office elsewhere and regardless whether or not documentation or other related formalities of their transactions with such clients, customers or buyers is done or are carried out in the said province or elsewhere. **Exemption:** Full exemption in case of performance of Hajj and Umrah **Reduced Rate of Tax:** [84][] [85][] [86][Except the services falling under the categories of labour or manpower supplies including recruitment for overseas jobs or employment and such services of this entry, as are provided by corporate sector entities, all other services of this entry shall be charged at the rate of Eight Percent (8%), without any input tax adjustment;	9806.0000 9806.1000 9806.2000 9806.3000 9806.4000 9806.6000 9806.7000 9806.8000 9806.9000 9819.1000 9819.1500 [87][9842.0000]	Fifteen percent (15%)

[84] Renumbered vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020.
[85] Sub-item (ii) inserted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[86] Substituted vide Khyber Pakhtunkhwa Finance Act, 2021:-

(i)All services of this entry other than business support services and labor or manpower supply services shall be charged to tax at the rate of Eight Percent (8%) without any input tax adjustment.

(ii) Business support services and labor or manpower supply services shall be charged to tax at the rate of five percent (5%) without any input tax adjustment.

[87] HCT heading inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

	provided that business support services other than those provided by corporate entities shall be charged to tax at the rate of five percent (5%).]		
6	Advertisements on T.V including Cable T.V networks, radio, CC T.V., newspapers, periodicals, magazines and similar other publications, website and internet, poles or similar structure, bill boards, electronic bill boards, hoarding boards, sign boards and other similar medium of advertisement display, lease or renting of space whether on constructed or erected structure or otherwise for the purposes of displaying advertisements in any manner and other advertisement services including services provided or rendered by advertising agents. **Explanation:** (i) in case of renting or leasing of space for advertisements' purposes by government or public-sector or para-public sector development, housing or other authorities, departments or institutions, the whole amount of tax due shall be withheld or deducted and paid directly to the Authority by such authorities, departments or institutions. (ii) in case of advertisements relayed, telecasted or print-media-circulated in more than one provincial jurisdictions, tax shall be paid to the Authority on apportionment basis keeping in view the population ratio of the province of Khyber Pakhtunkhwa in the aggregate population of all such jurisdictions. **Exemption:** Full exemption on such advertisements carrying or conveying public service messages as are funded by the government or financed under foreign grants-in-aid agreements signed with the government. **Reduced Rate of Tax:** In case of advertisements on or through print media of all types and forms, tax shall be charged at the rate of [88][One Percent (1%)] without any input tax adjustment.	9802.0000 9802.1000 9802.2000 9802.3000 9802.4000 9802.5000 9802.6000 9802.7000 9802.8000 9802.9000 9806.5000	Ten Percent (10%) without any input tax adjustment
7	Courier services including speedy, fast, quick or urgent mail, parcel or cargo services provided either by courier companies or by other businesses, undertakings or entities whether as a sole activity or in conjunction or along with other business activity or activities including: a) Courier services (including parcels) by dedicated businesses; b) Urgent delivery cargo or parcel services as an exclusive business activity; c) Courier or urgent delivery cargo or parcel services performed by other businesses or entities like airlines, railways, postal service entities, road passenger transport companies or entities; and d) Other similar, allied or ancillary or auxiliary services.	9809.0000 9809.1000 9809.2000 9809.3000 9809.9000	Fifteen percent (15%)

[88] Words "five percent (5%)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

8	Services provided or rendered in matters of sale, purchase, rent or hire (other than rent-a-car) under any kind or type of arrangements with the client or the principal: a) Property dealers, property agents and realtors b) Car and other automobile dealers (whether old or new) c) Dealers of electrical or electronic equipment's, appliances or other goods (whether old or new) d) Dealers of plant and machinery including construction machinery and similar capital goods. e) Dealers of other second hand goods f) Renting services in respect of plant, machinery including construction machinery and other equipments etc. **Reduced Rate of Tax:** [89][All services covered in this entry except services [90][(whole range) rendered or provided by corporate sector dealers and] authorized mobile (all categories of automobiles) dealers shall be chargeable to tax at the rate of two percent (2%) without any input tax adjustment] **Explanation:** For the purpose of this entry, the expression "dealer" included only such persons who do their business only on commission or on percentage charges basis without owing the goods being sold through them.	9807.0000 9807.1000 9807.2000 9807.3000 9807.9000	Fifteen percent (15%)
9	Services provided by specialized workshops or undertakings: a) Auto-workshops whether or not providing other allied or extended services b) Workshops for industrial, construction, earth moving or other similar, heavy duty or special purpose machinery c) Workshops for heavy or light duty electric, electrical or electronic machinery (such as transformers, generators, turbines, motors, pumps, rotators, power accumulators, transmission networks or systems etc.) equipments or appliances etc., including computer hardware and allied equipments or appliances etc. d) services provided in respect of the repair or maintenance of aircrafts, helicopters and other flying objects. e) car washing (including compounding and polishing etc.) or similar service stations. f) Other workshops or workshop-type businesses.	9820.0000 9820.1000 9820.2000 9820.3000 9820.4000 9820.9000	[91][(i) Five percent (5%) without any input tax adjustment in case of industrial workshops, (ii) Two percent (2%) without any input tax adjustment in case of all other categories or types of workshops, (iii) [92][One Percent (1%)] without any input tax adjustment in case of stand-alone car wash (car wash station) services], and

[89] Substituted vide vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020:-
"Tax shall be charged at the rate of Five Percent (5%) without any input tax adjustment in case of property dealers, property agents and realtors, dealers of second hand goods of all categories including second hand automobiles and all renting services covered in this entry."

[90] Words "(whole range) of" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

[91] Substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020:-
"Five Percent (5%) without any input tax adjustment in all cases except industrial workshops and authorized automobile dealers' workshops where the tax shall be charged at the rate of Ten Percent (10%) without input tax adjustment."

[92] Words "Two percent (2%)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

			(iv) Ten percent (10%) without any input tax adjustment in case of authorized automobile dealers' workshops (whole range of their workshop services including car wash etc.).]
10	Franchise services either on giving or on receiving ends including royalties or similar financial benefits arising out of intellectual property rights or other factors of business goodwill, market standing, popularity, image or reputation etc. **Exemption:** [93][Full Exemption on or in respect of franchises relating to the services in the fields of health and education]	9823.0000 9819.9500	[94][Fifteen Percent (15%)]
11	Services provided or rendered by specialized agencies: a) Security agencies including their activities relating but not limited to providing cash or precious articles' transportation or movement security, tracking services and security alarm services. b) Credit rating or similar evaluation or revaluation agencies c) Project including business project planning or preparation agencies d) Market research on market survey agencies e) Private detective or intelligence service providing agencies f) Other similar agencies	9818.0000 9818.1000 9818.2000 9818.3000 9818.4000 9818.5000 9818.9000	Ten Percent (10%) without any input tax adjustment

[93] Words "Full exemption to education-related or education-specific franchise services." Substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[94] Words "Ten Percent (10%) without any input tax adjustment" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

12	Services provided or rendered in respect of manufacturing or processing on toll of charges basis (out of main or major input owned by others) **Explanation:** (i) The terms, expressions or concepts "industrial vending, contract or third party manufacturing, contract production, contract processing, contract milling, contract machining, contract conversion, contract printing for any industrial or allied purposes are covered in and liable to tax under this entry. (ii) The expression "processing" includes processes involving specialized working (whether initial, intermediary or finishing), washing, cleaning, coloring (dyeing), printing, packing or packaging etc., for industrial or allied purposes. (iii) The exclusive services of printing or publication of written material or products performed on contract basis by businesses like printing presses or printing/publication houses shall also be covered in and taxed under this entry. **Exemption:** Full exemption on text books printed on contract printing basis meant for free distribution to the students by or through the government.	9840.0000	Five Percent (5%) without any input tax adjustment
13	Services provided by persons engaged in contractual execution or performance of works (including [95][but not limited to] repair, maintenance, renovation, upgradation[96][, cleaning, fumigation and decontamination services] or janitorial works) or furnishing supplies (excluding transactions involving contractual supply of goods only without any component of service relating to such goods).	9810.0000 9810.1000 9810.2000 9810.9000 [97][9822.1000 9822.2000 9822.3000]	[98][Fifteen Percent (15%) without any input tax adjustment]

[95] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[96] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[97] New Heading inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[98] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

14	Services provided by construction contractors, architects, civil engineers, land or property surveyors, construction consultants, designing and supervision consulatants. Town or real estate or property promoters, developers or planners including interior decorators or allied or ancillary professions: a) Construction services rendered or provided in respect of the construction of structures, buildings, roads, bridges, underpasses or flyovers (and other civil works), electro-mechanical works, turn-key projects and similar other works involving construction activity. b) Architects and civil engineers or town promoters, developers, planners c) Town, real estate or property promoters, developers or planners d) Services of contractors of allied work such as electrical, mechanical, or gas fittings, plumbing, water boring, wood work, plastering, flooring, steel work, paint and other finishing work or works. e) interior decorators f) Landscaping or land development designers including land surveyors g) Other similar, allied or ancillary services. **Exemption:** Full exemption on (i) The construction work in respect of development of industrial estates/zones, consular buildings and construction works under international tenders based on and funded from foreign grants-in-aid agreements or arrangements.	9815.0000 9815.1000 9815.2000 9815.3000 9815.4000 9815.5000 9815.9000	[99][[100][Five Percent (5%) except Government funded construction projects including ADP/PSDP-funded projects and construction of hydropower projects on which the rate of tax shall be Two Percent (2%)] without any input tax adjustment]
	(ii) Residential construction and allied works in respect of the Prime Minister's Naya Pakistan Housing Scheme. (iii) The projects initiated or undertaken under government's annual development [101][programme] (ADP) provided either such projects have been initiated or completed on or before 30th June, [102][2021] or payments whether full or in part, in respect thereof have been made on or before the said date (the ongoing projects in respect of which agreements or contracts were signed before the said date, shall be entitled to this exemption regardless of the schedule of payments relating thereto. [103][(iv) Such portion or portions of the construction work of the projects of Public Sector Development Programme (PSDP), as were undertaken and completed before 30th June, 2021, regardless of the dates of their approval or initiation; provided that no such exemption shall be claimed or available on such portion or portions of the work of such project or projects as has/have not been completed before 30th June, 2021. (v) Construction services, including allied works, provided or rendered in respect of low-cost housing projects and schemes of the Provincial Housing Authority of Khyber Pakhtunkhwa. **Condition:** The exemption allowed under this part shall not be construed or interpreted in any manner to claim or take any refund, waiver, dispension or relief of tax already deposited, paid, paid or recovered (including already withheld or		

[99] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I, dated July 31, 2020.
[100] Words "Two percent (2%)" substituted vide vide Khyber Pakhtunkhwa Finance Act, 2021.
[101] Word "plan" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[102] Figure "2019" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[103] Clause (iv), (v), Condition and Explanation inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

	deducted but not deposited or paid) on or before 30th June, 2021 on any ground whatsoever. **Explanation:** For the purpose of this item, the expression “initiated” shall, under no circumstances, be construed to commence prior to the date of actual signing of the agreements for Government sector construction projects.] **Specific Rate of Tax:** (i) In case of land development, tax shall be charged at the rate of rupees one hundred (Rs.100 only) per square yard of the total (aggregate or gross) developed land without any segregation, fragmentation, segmentation, splitting or slicing with reference to the factual or intended use whether immediate or subsequent and no input tax shall be admissible in this regard. (ii) In case of commercial construction of residential buildings, flats or apartments, commercial plazas, malls, towers or complexes etc., the rate of tax shall be rupees fifty (Rs.50 only) per square foot of the covered area without any input tax adjustment. [104][***] [105][**Clarification:** For the purpose of removal of any doubt, it is clarified that for the purpose of this serial number: (i) construction services shall also cover all construction and allied services as are financed and funded either under Annual Development Program (ADP) or under Public Sector Development Program (PSDP) and (ii) self-construction of residential houses for personal use shall not be liable to tax.] [106][(iii) Construction services shall include construction works of power (including hydropower) generation projects. (iv) Where fixed rates of rupee one hundred per square yard, or as the case may be, rupees fifty per square foot are applicable in case of land development and commercial construction as per description specified above, tax shall not be charged in respect of the areas allocated, fixed or used exclusively for schools, medical dispensaries, mosques, graveyards, parks, public toilets, corridors (inside passages of buildings) and stairs provided that these facilities are meant for common use of the public at large without the involvement of any commercial aspect including intention or purpose for sale, leasing or renting.]		

[104] Words omitted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I, dated July 31, 2020.:-
Reduced Rate of Tax: In case of projects (other than those covered under exemption in this entry) funded under the government's ADP budget, tax shall be charged at the rate of two percent (2%) without any input tax adjustment.
Explanation: Where the construction or other work covered under this entry, also includes the supply of construction materials by the contractor, the standard rate output tax shall be worked out on the whole contract value and tax shall be payable after availing all admissible input tax adjustments and in all other cases, tax shall be payable only on the basis of component of service charges with such input tax adjustment as may be admissible.

[105] Clarification substituted vide Notification No. BO(Res-III)FD-2-2/2019-20/Vol-I, dated July 31, 2020:-
“**Clarification:** For the purpose of removal of any doubt, it is clarified that self-construction of residential houses for personal use shall not be liable to tax.”

[106] Clause (iii) and (iv) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

15	Digital or IT-based services in whatever form or manner under whatever arrangement including but not limited to: ---web design and development, ---mobile app development, ---server management, ---page-speed optimization, UX/UI optimization, ---PPC marketing, blogging, ---Google AdWords, Facebook Advertising, Instagram advertising, ---custom software development, assessment and roadmap development, software maintenance and support services, supply or sale of any other software or software product or products through any medium, ---online digital marketing services such as search engine optimization (SEO) ---social media marketing, content marketing, affiliate marketing, influencer marketing, email marketing, viral marketing services, etc. **Explanation:** This entry does not cover such persons who are engaged in providing or rendering services relating to software or IT-based system development or management or similar other such fields in their individual capacity and are eligible to pay tax at reduced rate under item (g) of entry No. 19.	9850.0000	[107][Two percent (2%) without any input tax adjustment]
16	Services relating to works or projects in respect of exploration and production (E&P) or mining of minerals, oil and gas including licensing, renting or re-rentering, leasing or re-leasing, surveys, geo-map development, equipment mobility, product evaluation, product marketing and other services or activities related or allied thereto. **Explanation:** In case of oil, gas and mining sector or industry, tax shall be charged on both the fee (by whatever name called) paid for the purposes of lease or license including renewal thereof and on the royalty: **Provided** that where such fee or royalty is received by the government department or authority, the tax shall be paid on receipt basis directly by such department or authority. [108][**Reduced Rate of Tax:** The rate of tax on the leases (including re-leasing by the lessees) and licenses (including sub-contracting or license usage permissions by license holder) granted or fees and royalties, received by Government Departments, or as the case may be, by the lessees or the licensees, shall be Two Percent (2%) without any input tax adjustment; provided that no tax shall be demanded in case of the charges for such leases, licenses, fees or royalties etc., received upto 30th June, 2021, if tax thereon has not been already withheld, paid or recovered (no refund or waiver of any such tax amount shall be admissible under any circumstances).]	9845.0000	Fifteen percent (15%)

[107] Words "Five Percent (5%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

[108] "Reduced Rate of Tax" inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

17	Airport services (including passenger facilitation, car parking, cargo handling, cargo warehousing or storage, aviation support services, flight kitchen supplies, renting of special purpose machinery, equipment, vehicles, portrege, quarantine and other fumigation or vaccination, janitorial services, air craft cleansing services, aircraft maintenance services, jet or other fuel supply services etc.) **Explanation:** The fee, taxes or similar other charges received by Civil Aviation Authority as a regulatory body for or in respect of its official functions shall not be charged to tax even though such functions appear to be of the nature or character of services.	9830.0000	[109][Ten percent (10%) without any input tax adjustment]
18	Dry port services including operation of a dry port and other services provided at or in respect of dry port such as inward / outward / transportation / movement of goods, cargo handling, cargo storage or warehousing, loading/unloading of cargo, booking or discharge of cargo, services relating to inspections, certification or similar or other type of services-related activities in respect of cargo etc.	9843.0000	[110][Ten percent (10%) without any input tax adjustment]
19	Services provided or rendered by practitioners, professionals, consultants and advisers (by whatever name called) in their respective fields or disciplines: a) Medical, dental or allied health fields or disciplines including para-medics and specialized technicians of medical fields. b) Human resource management or development (including training services) c) Veterinary and allied sciences including pet care d) Law and allied fields or disciplines. e) Financial, accountancy, cost accountancy, audit, tax management, or tax affairs and similar other fields or disciplines. f) Business planning, business management, business reforms, business communication including hospitality administration and similar other fields or disciplines. g) Software of IT-based system development or management or similar other such fields. h) Similar services in other fields, disciplines or regimes. **Reduced Rate of Tax:** In case of practitioners, professionals, consultants or advisors of medical (including dental) and legal professions or fields, the rate of tax shall be two percent (2%) without any input tax adjustment and in cases where regular compliance is made and continued to be so made, no tax demand for the period prior to the effectivity date of this entry, shall be raised or enforced.	9816.0000 9816.1000 9816.2000 9816.3000 9816.4000 9816.5000 9816.6000 9816.9000 [111][9826.0000]	Five Percent (5%) without any input tax adjustment [112][Provided that the above reduced rate shall not be applicable to corporate entities and to such other entities as are operating in collaboration or as subsidiary or branch of foreign services providing entities and all such entities shall pay tax at the rate of Fifteen Percent (15%) and avail admissible input tax adjustment.]

[109] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[110] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[111] HCT heading inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[112] Proviso inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

20	Cinematographic production, photographic services, recording services and telecasting or broadcasting services including: a) Film making or film production including drama production whether in serials or otherwise. b) Telecasting or broadcasting services (other than TV cable operators). c) Video tape and recording services, sound recording services. TV/Radio production house services. d) Photographic services (services of photography or photographers) e) Other similar, allied, ancillary or auxiliary services. Exemption: Full exemption on telecasting or broadcasting services of and by government-owned TV or Radio stations or channels (this exemption shall not be construed to cover any other service or services including advertisements taxable under this Schedule).	9803.0000 9803.1000 9803.2000 9803.3000 9803.4000 9803.5000 9803.9000	[113][[114][One Percent (1%)] without any input tax adjustment]
21	Event management services whether covering all or any of the processes like planning, budgeting, scheduling, site selection, acquiring necessary permits, coordinating transportation and parking, arranging for speakers or entertainers, arranging décor, event security, catering, picturing, video filming, musical enjoyments or any other allied or connected task	9846.0000	[115][Eight percent (8%) without any input tax adjustment]
22	Exhibition, convention or carnival services and allied services including renting of purpose-specific property or space for such events	9825.0000	[116][Eight Percent (8%) without any input tax adjustment]
23	Cable TV operators other than those providing internet-based TV services whether composite, multiple, bundled or otherwise which are chargeable to tax under telecommunication services	9819.9000	Two Percent (2%) without any input tax adjustment
24	Services of fashion designers not engaged in designing, manufacturing and selling their own products or goods through their regular paid employees	9828.0000	Five Percent (5%)
25	Services provided or rendered by call centers (by whatever name called) engaged in mediating business, trade or sale/purchase transactions between the sellers and buyer whether located inside or outside the country.	9837.0000	[117][Two percent (2%) without any input tax adjustment]

[113] Words "Ten Percent (10%) without any input tax adjustment" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[114] Figure "Two percent (2%)" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[115] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[116] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[117] Words "Five Percent (5%) without any input tax adjustment" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

26	Services provided or rendered by banks or banking companies, insurance companies, cooperative and foreign exchange companies or dealers (including similar institutions or entities besides microfinance institutions): a) Banks or banking companies, cooperative or similar institutions or entities (their all services including bank guarantee, brokerage, letter of credit, pay order or demand draft, bill of exchange, transfer of money in any manner, bill discounting, lockers and safe vaults, credit/debit cards, foreign exchange dealings, ATMs, issue-banking, bank assurance, provision of loans business or investment financing or advances, leasing or re-leasing whether financial, equipment/commodity related, musharakah financing etc.) b) Insurance companies (their all services including goods / fire / theft / marine / travel / life / health / industrial / business-related / movable of immovable property insurance and other insurance and reinsurance services) c) Services of cooperatives and cooperative societies (including producer cooperatives, work cooperatives, consumer cooperative, credit unions, retail or purchasing cooperatives, social cooperatives, industrial service cooperatives, manufacturing cooperatives, marketing cooperatives, cooperative farming societies, housing cooperatives and credit cooperatives etc.) d) Service of foreign exchange companies, dealers and money changers of similar businesses. e) Other similar banking, insurance, cooperative or money exchange services. [118][(f) Services of payment system operator or of payment system provider as have always been or are rendered or provided in any manner or mode.] [119][**Reduced Rate of Tax:** In case of health insurance services and services in respect of Government sponsored Sehat Card Plus program, the tax shall be charged at the rate of One Percent (1%) without any input tax adjustment.]	9814.0000 9814.1000 9814.2000 9814.3000 9814.4000 9814.9000	Fifteen percent (15%)
27	Storage and warehousing services including public bounded warehouses, cold storages and yards or places used for storage of empty or loaded containers on rental or charges basis. [120][**Reduced Rate of Tax:** The tax on cold storage services (including other forms of warehousing of agriculture produce) regardless of their corporate or non-corporate status shall be charged at the rate of One Percent (1%) without any input tax adjustment.]	9844.0000	[121][Ten percent (10%) without any input tax adjustment]
28	Container terminal services including services of storage and warehousing of container either imported or meant for export including transshipment or transit.	9841.0000	[122][Ten percent (10%) without any input tax adjustment]

[118] Sub-clause (f) inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[119] Heading "Exemptions" substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
"**Exemption:** Full exemption on life and health insurance"
[120] "Reduce Rate of Tax" inserted vide Khyber Pakhtunkhwa Finance Act, 2021.
[121] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[122] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

29	Services provided or rendered by persons exclusively, solely or principally engaged in (inland) inter-city transportation or carriage of goods (whether dry or liquid, packed, packaged or otherwise) by road or through pipeline or conduit or through any other modern or advance technology-based conveyance system. **Explanation:** The services provided or rendered by packers and movers engaged in transportation of goods (whether intra-or-inter-city) either with or without prior packing shall be covered in and taxed under this entry.	9805.0000 9805.4000 9805.5000 9805.6000 9805.9000 9812.0000 9812.1000 9812.2000 9812.9000	Fifteen percent (15%)
30	Services provided by laboratories, scientific laboratories, mechanical laboratories, chemical laboratories, electrical or electronic laboratories, pathological laboratories, Forensic laboratories, medical diagnostic laboratories including technical services relating to X-rays, CT scan, M.R. Imaging (MRI), ultrasound, echo etc. or other such laboratories. **Exemption:** Full exemption on: i. The laboratories sponsored, controlled and managed either by the government or its autonomous bodies. ii. The lab or other medical tests carried out against a valid medical prescription issued by a competent medical practitioner aimed at medical diagnosis or medical examination of a disease in any patient for medical treatment purposes.	9817.0000 9817.1000 9817.2000 9817.3000 9817.4000 9817.5000 9817.6000 9817.9000	[123][Five percent (5%) without any input tax adjustment]
31	Visa processing or visa acquisition services including advisory or consultancy services for foreign education or migration provided by persons in their private business or professional capacity. **Explanation:** Where any person providing services under this entry is also helping or serving his client for the issuance or renewal of the client's passport, the actual amount of fee charged by the government for the issuance or renewal of the passport shall not be included in the value of services for the purposes of assessment of tax.	9855.0000	Fifteen percent (15%)
32	Valuation or assessment services including competency and eligibility testing services and services involving written tests with or without interviews for job or work recruitment or selection for any other purposes. **Explanation:** For the purpose of this entry, valuation or assessment includes revaluation, reassessment or repetition thereof.	9848.0000	[124][Five Percent (5%) without any input tax adjustment]
33	Services provided for inland carriage of goods by air, railways or otherwise against freight or carriage charges[125][: Provided that the following services of Pakistan Railways whether falling under this Serial No. or elsewhere in this Schedule, shall be liable to tax at the rate of two percent (2%) without any input adjustment:	9805.2000 9805.3000	Fifteen percent (15%)

[123] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[124] Words "Fifteen percent (15%)" substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[125] Proviso inserted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020

	(i) courier services in relation to the speedy, fast, quick or urgent mail, parcel or cargo services provided; and, (ii) services provided for inland carriage of goods against freight or carriage charges.]		
34	Services provided or rendered by under writers including sponsorship services	9819.1100	[126][[127][One Percent (1%)] without any input tax adjustment]
35	Services provided or rendered by indenters and similar intermediaries	9819.1200	[128][Two percent (2%) without any input tax adjustment]
36	Services provided or rendered by auctioneers.	9819.9100	[129][[130][One Percent (1%)] without any input tax adjustment]
37	Dredging or desilting services including cleaning of canals, water channels/tunnels/lines or reservoirs, pools, fish ponds, lakes or dams in any manner	9822.4000	Fifteen percent (15%)
38	Services relating to or involving collection, provision, organization, digitization, processing, analysis, safety, preservation, sharing, verification, validation, decontamination or any other treatment of data including granting access to data for the purposes of information-gathering, information-verification, information-authentication or similar other purposes.	9854.0000	Fifteen percent (15%)
39	Services provided or rendered in respect of quality assurance, quality control, quality inspection (including pre-inspection), quality verification or certification including verification or certification of quality or standards under ISO regime	9834.0000	[131][[132][One Percent (1%)] without any input tax adjustment]
40	Rent-a-car or rent-a-cab services. **Explanation:** The persons engaged in providing or rendering services of rent a car or cab shall pay tax regardless of the category of the vehicle or logistics used in respect of such services.	9819.3000	Five Percent (5%)
41	Ride-hailing or ride-hail services like Uber, Careem, Biker and Lyft etc. regardless of the mode, manner or dynamics of the business system involved in such services. **Saving:** In cases where regular tax compliance from the effectivity date of this entry is made and continued to be so made, no tax demand shall be raised or enforced for the period prior to such date.	9851.0000	Two Percent (2%) without any input tax adjustment

[126] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[127] Figure “Two percent (2%)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[128] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[129] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[130] Figure “Two percent (2%)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[131] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[132] Figure “Two percent (2%)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

42	Online Market Place (OMP) including online platform or portal services by whatever name called (other than ride-hailing or ride-hail services)	9852.0000	[133][Two percent (2%) without any input tax adjustment]
43	Services relating to or in respect of (continuous, interconnected, networked or otherwise) infrastructural-system-based transmission (wheeling) or distribution of electric power (electricity) or gas by companies including subsidiary companies of power generating companies (or persons) other than companies (persons) who directly transmit or distribute their own generated/produced electricity or their own recovered / produced gas. **Explanation:** The companies (persons) required to pay tax only on the gross component/amount of their transmission or distribution charges (by whatever name called).	9847.0000	Fifteen percent (15%)
44	Services relating to or in respect of the installation, erection, commissioning or other permanent structure-affixed/linked/tied placement (whether full or in part) of any industrial, mechanical or electrical plant, machinery or equipment (excluding installation of domestic equipment etc. for residential use). **Explanation:** The factors like new, reconditioned, repaired, overhauled or old status of the equipments or carrying out any work/process or works/processes related thereto, shall not affect the levy of tax under this heading. **Saving:** Separate/New insertion of this entry shall under no circumstances affect the tax liabilities already discharged or yet to be discharged under the category or class of services of contractual execution of works under the substituted Schedule.	9853.0000	[134][[135][One Percent (1%)] without any input tax adjustment]
45	Amusement and entertainment services including cinema (all categories), amusement parks, modelling shows, music concerts etc.	9836.0000 9839.0000	Five Percent (5%) without input tax adjustment
46	Inspection and survey (including re-inspection and re-survey) services not specifically covered in any other entry of this Schedule	9819.4000	Fifteen percent (15%)
47	All allied, ancillary, auxiliary, related, substitutive, comparable or matchable services not specifically, directly or indirectly mentioned anywhere in this Schedule but fall in or are linked in any manner to the category or categories of services covered in any of the class or classes of services mentioned or included in the Schedule provided that no argument as to variation in description shall be relevant or permissible for the application of this entry [136][regardless whether such allied and other services are provided by the same person (service provider) whose services are falling under other serial number or numbers or by any other person (service provider) to such same person or to any other person.].		Rate of Tax as per closest respective entry or entries.

[133] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[134] Words “Fifteen percent (15%)” substituted vide Notification No. BO(Res-III)FD/2-2/2019-20/Vol-I dated August 05, 2020
[135] Figure “Two percent (2%)” substituted vide Khyber Pakhtunkhwa Finance Act, 2021.
[136] Words inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

PRINCIPLES OF APPLICATION AND INTERPRETATION: For the purposes of application and interpretation of the SECOND SCHEDULE and all allied matters, the following principles shall be binding and followed as an integral part thereof:

1. The FIRST SCHEDULE contains description of minimum services and hence there may be a case or cases where any service or class of services is not mentioned in the FIRST SCHEDULE but mentioned or covered in the SECOND SCHEDULE, tax shall be payable on every such service or class of services in terms of the Second Schedule and no pretext or argument about any claim for their non-taxability shall be permissible or allowed.

2. Each serialized entry in the SECOND SCHEDULE primarily reflects and covers distinct class of services, which means the scope or coverage of tax runs through or alongside the lines of the classes of services. Thus the specific service descriptions in any class of services do not mean that description of the service is exhaustive. The services mentioned in SECOND SCHEDULE, by whatever name called, shall remain taxable even if it is not cited as such under the class of services covered in the SECOND SCHEDULE, such service shall be taxable as one of the services of the relevant class of service.

3. No input tax adjustment shall be admissible in respect of services where exemption or reduced rate of tax has been applied or allowed in the SECOND SCHEDULE. The recipient of such service shall, [137][whether as a service provider or otherwise] also not be entitled to adjust the input tax paid on reduced rate against output tax payable on the service or services provided or rendered by him at immediate next stage of supply chain.

4. Where services provided by a person are chargeable to a rate of tax entitled to input tax adjustment, the input tax adjustment shall be admissible in respect of the tax paid on the inputs (otherwise taxed on higher rate) only to the extent not exceeding standard rate of the tax regime to which the input relates.

5. Where by virtue of interpretation or otherwise, any service can be considered to be classified or is otherwise found to be classifiable with matching or equal accuracy under two or more entries of the SECOND SCHEDULE, such service shall be classified and taxed under or with reference to the entry appearing later in number regardless the rate of tax is lower or higher.

6. Where a person is engaged in performing more than one taxable services under his same business name and some of the services are entitled to reduced rate or rates of tax while others are liable to tax at standard rate, such person shall be entitled to avail two rates of tax provided that no input tax adjustment shall be admissible or allowed to the extend of turnover chargeable to lower rate of tax.

7. Due to changes in science and technology, the jargon or nomenclature of market economics is changing faster than adjustments which may be made in the legal instruments. But for the purposes of taxability under the SECOND SCHEDULE, if any service is liable to tax with reference to a particular description mentioned in the SECOND SCHEDULE, the service shall continue to be taxable regardless of any sudden, unexpected or unanticipated change in its market name or appellation for any reason, whatsoever.

8. Where a person is providing or rendering under the same business name two or more services and all such services are liable to tax at the same rate, he may use only one entry of the SECOND SCHEDULE covering the major portion of his business turnover, for the purposes of tax assessments and tax declarations.

9. Where a character, nature, dynamic or purpose of any service exactly or substantially resembles any service taxable under the SECOND SCHEDULE and such service can be used as a perfect or close substitute of the scheduled service, such service shall be considered and liable to under the SECOND SCHEDULE.

10. Classification of services either given in the FIRST SCHEDULE or the SECOND SCHEDULE are just for reference and accounting purposes. They have no bearing on the taxability of any service. The taxability of a service shall be determined with reference to its description either mentioned separately or included in the class of services under the SECOND SCHEDULE read with these principles of application and interpretation.

[137] Words "if he is a taxable service provider," substituted vide Khyber Pakhtunkhwa Finance Act, 2021.

11. Non-mentioning of a classification heading of any service in the SECOND SCHEDULE shall not in any manner effect the taxability of such services in the said SCHEDULE.

12. Where in the SECOND SCHEDULE, a description of the main or principle services has been mentioned, it shall included all allied, ancillary, auxiliary, related or connected services whether provided or rendered in the form of facility or utility as a part of the main contract or transaction and shall be considered as a part an parcel of the main or principle service and its value shall be invariably included in the valuation and assessment of tax of such main or principle service.

13. Where under any entry, any service or services have been specifically excluded, such service or services shall not be classified under such entry for the purpose of tax assessment or otherwise.

14. Nowhere in any entry "inclusion" of any service or services shall, unless the context otherwise specifically requires be construed as exclusion of other service or services otherwise falling in or under such entry either by virtue of class of services or otherwise.

15. Where any service is provided or rendered solely against commission or commission charges, tax assessment shall be made on the basis of the gross amount received or to be received on account of such commission or commission charges.

16. In case where tax is to be calculated on the basis of fraction, the following formula shall be used:

(a/100+a) x Value of Service

Note: "a" is the applicable rate of tax.

17. Where during providing of any services by a person who is providing his services by virtue of his professional credentials, procures any durable and repeat-use goods (not the consumable materials) purely on behalf of and for his client out of the funds provided or to be provided by the client and titled of such goods is on acquisition and continues to be in the name of the client, value of such goods shall not be included in the value of services despite their being meant for use or having been used in the providing of services by such person.

18. [138][Where a registered person is providing services at a reduced rate of tax either under the Second Schedule or otherwise as provided elsewhere in this Act or in any notification issued thereunder and any of his buyers from corporate sector requests such registered person to provide services to him on standard rate, the registered person may provide services to his such buyer on standard rate provided that adjustment of relevant input tax, as and if admissible under standard rate regime, in case of such services shall be proportionately and exclusively confined to the value of such services.

19. Where in compliance to any commitment of the Federal Government or Government of Khyber Pakhtunkhwa either under any international convention, protocol, treaty or agreement, or under any agreement or arrangement for foreign grant-in-aid assistance including free technical assistance to the Province of Khyber Pakhtunkhwa or elsewhere in the country, an exemption from tax is required, the Authority shall issue notification or as the case may be, order for such exemption after taking concurrence from the Finance Department of Government on such conditions, restrictions or limitations as the Authority may deem appropriate to recommend or impose.

20. Unless otherwise specified elsewhere in the Second Schedule or under any notification issued under this Act, the corporate sector entities providing or rendering services liable to reduced rates of tax against serial numbers 9, 10, 11, 13, 17, 18, 21, 22, 27, 28 (other than public sector entities providing services covered therein), 39 and 44 of the said Schedule shall not pay tax at any such reduced rate. Such entities shall mandatorily pay tax at standard rate of 15% and all benefits of the admissible input tax adjustment shall be available to them.

21. Subject to Para 20, the services provided by or relating to dealers of agriculture machinery

[138] Para 18 to 21 inserted vide Khyber Pakhtunkhwa Finance Act, 2021.

and equipments, commission agents of agriculture produce, agriculture specific market research, human resource development or management in agricultural fields, and exhibitions of agricultural products or products usable exclusively in agriculture sector shall be charged to tax only at the rate of two percent (2%) without any input tax adjustment.]

LEGISLATIVE HISTORY

FIRST SCHEDULE

(Classification of Services) (see sub-section (47) of section 2)

Classification	**Description**
(1)	**(2)**
9801.01	**Services provided by hotels, restaurants, marriage halls, lawns, clubs and caterers.**
9801.1000	Services provided by hotels
9801.2000	Services provided by restaurants
9801.3000	Services provided by marriage halls and lawns
9801.4000	Services provided by clubs
9801.5000	Services provided by caterers, suppliers of food and drinks
9801.6000	Ancillary services provided by hotels, restaurants, marriage halls, lawns, caterers
9801.7000	Services provided by messes and hostels
9801.9000	Others
98.02	**Advertisements**
9802.1000	Advertisements on T.V.
9802.2000	Advertisements on radio
9802.3000	Advertisements on closed circuit T.V.
9802.4000	Advertisements in newspapers and periodicals
9802.5000	Advertisements on cable T.V. network
[1][9802.6000	Advertisements on poles
9802.7000	Advertisements on bill boards [5][including electronic billboards]
9802.8000	Sale of Space for Advertisement services]
[6][9802.8100	Advertisement through e-media and other web-based sources.]
9802.9000	Others
[2][9802.9010	TV, Radio & Production Services
9802.9020	Broadcasting Services]
98.03	**Facilities for travel**
9803.1000	Travel by air of passengers within the territorial jurisdiction of Pakistan

9803.1100	Travel by air of passengers embarking on international journey from Pakistan
9803.2000	Domestic travel by train
9803.2100	International travel by train
[3][9803.3000	Facilities for travel by road]
[4][9803.4000	Ride Hailing services]
9803.9000	Others

1. Classification Nos.9802.6000, 9802.7000, & 9802.8000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).
2. Classification Nos.9802.9010, 9802.9020 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).
3. Entry No.9803.3000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016).
4. Entry No.9803.4000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2017 (IX of 2017)
5. Inserted vide Khyber Pakhtunkhwa Finance (Amendment) Act, 2018 dated 1st November, 2018
6. Entry No. 9802.8100 Inserted vide Khyber Pakhtunkhwa Finance (Amendment) Act, 2018 dated 1st November, 2018

98.04	**Services provided for inland carriage of goods.**
9804.1000	Carriage of goods by air
9804.2000	Carriage of goods by train
[1][9804.3000	Cargo services by road]
9804.9000	Other
98.05	**Services provided by persons authorized to transact business on behalf of others.**
9805.1000	Shipping agents
9805.2000	Stevedores
9805.2100	Ship Management Service
9805.3000	Freight forwarding agents
9805.4000	Customs agents
9805.5000	Travel agents
9805.5100	Tour operators
9805.6000	Recruiting agents
9805.7000	Advertising agents
9805.8000	Ship chandlers
9805.9000	Share transfer agent
9805.9100	Sponsorship services
9805.9200	Business support services
9805.9090	Other
98.06	**Services provided in matters of hire.**
9806.1000	Purchase or sale of moveable or immovable goods or property
9806.2000	Property dealers
9806.3000	Car/Automobile dealers
9806.9000	Dealers of second hand goods other than automobiles other
9807.0000	Services provided by property developers and promoters.
9808.0000	Courier services
9809.0000	Services provided by persons engaged in contractual execution of work or furnishing
	supplies.
9810.0000	Services provided for personal care by beauty parlors/clinics, slimming clinics and
	others.
9811.0000	Services provided by laundries, dry cleaners.
98.12	**Telecommunication services.**
9812.1000	Telephone services
9812.1100	Fixed line voice telephone service
9812.1200	Wireless telephone
9812.1210	Cellular telephone
9812.1220	Wireless Local Loop telephone
9812.1300	Video telephone
9812.1400	Payphone cards
9812.1500	Prepaid calling cards
9812.1600	Voice mail service

[1]. Entry No.9804.3000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016).

9812.1700	Messaging service
9812.1710	Short Message service(SMS)
9812.1720	Multimedia message service (MMS)
9812.1910	Shifting of telephone connection
9812.1920	Installation of telephone extension
9812.1930	Provision of telephone extension
9812.1940	Changing of telephone connection
9812.1950	Conversion of NWD connection to non NWD or vice versa
9812.1960	Cost of telephone set
9812.1970	Restoration of telephone connection
9812.1990	Others
9812.2000	Bandwidth services
9812.2100	Copper line based
9812.2200	Fiber-optic based
9812.2300	Co-axial cable based
9812.2400	Microwave based
9812.2500	Satellite based
[1][9812.2600	Voice over I.P Services
9812.2700	Teleconferencing Services
9812.2800	3G/4G LTE services]
9812.2900	Others
9812.4000	Telegraph
9812.5000	Telefax
9812.5010	Store and forward fax services
9812.5090	Others
9812.6000	Internet services
9812.6100	Internet services including email services
9812.6110	Dial-up internet services
9812.6120	Broadband services for DSL connection
9812.6121	Copper line based
9812.6122	Fiber-optic based
9812.6123	Co-axial cable based
9812.6124	Wireless based
9812.6125	Satellite based
9812.6129	Others
9812.6130	Internet/email/Data/SMS/MMS services on WLL networks
9812.6140	Internet/email/Data/SMS/MMS services on cellular mobile networks
9812.6190	Others
9812.6200	Data Communication Network services (DCNS)
9812.6210	Copper Line based
9812.6220	Co-axial cable based
9812.6230	Fibre-optic based
9812.6240	Wireless/Radio based
9812.6250	Satellite based
9812.6290	Others
9812.6300	Value added data services
9812.6100	Virtual private Network services (VPN)
9812.6200	Digital Signature service
9812.6390	Others

1. Entries Nos.9812.2600, 9812.2700 & 9812.2800 added by the Khyber Pakhtunkhwa Finance Act, 2015 (XXIII of 2015) (Assented on 25th June, 2015).

9812.9000	Audio text services
9812.9100	Tele-text services
9812.9200	Trunk radio services
9812.9300	Paging services
9812.9400	Voice paging services
9812.9410	Radio paging services
9812.9490	Vehicle tracking services
9812.9500	Burglar alarm services
9812.9090	Others
98.13	**Services provided by banking companies, insurance companies, cooperative financing societies modarbas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing in any such services.**
9813.1000	Services provided in respect of insurance to a policy holder by an insurer, including a reinsure.
9813.1100	Goods Insurance
9813.1200	Fire Insurance
9813.1300	Theft Insurance
9813.1400	Marine Insurance
9813.1500	Life Insurance
9813.1600	Other Insurance
9813.2000	Services provided in respect of advances and loans
9813.3000	Services provided in respect of leasing
9813.3010	Financial leasing
9813.3020	Commodity or equipment leasing
9813.3030	Hire-purchase leasing
9813.3090	Other
9813.3900	Services provided in respect of musharika financing
9813.4000	Services provided by banking companies in relation to:
9813.4100	Guarantee
9813.4200	Brokerage
9813.4300	Letter of credit
9813.4400	Issuance of pay order and demand draft
9813.4500	Bill of exchange
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer
9813.4700	Bank guarantee
9813.4800	Bill discounting commission
9813.4900	Safe deposit lockers
9813.4910	Safe vaults
9813.5000	Issuance, processing and operation of credit and debit cards
9813.6000	Commission and brokerage of foreign exchange dealings
9813.7000	Automated Teller Machine operations, maintenance and management
9813.8000	Service provided as banker to an issue
9813.8100	Other
9813.9000	Service provided by a foreign exchange dealer or exchange company or money changer
98.14	**Services provided by architects, town planners, contractors, property developers or promoters, interior decorators.**
9814.1000	Architects or town planners
9814.2000	[1][*********] [4][Contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works (including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works.]
9814.3000	Property developers or promoters
9814.4000	Landscape designers

9814.9000	Other
98.15	**Services provided by professionals and consultants etc.**
9815.1000	Medical practitioners and consultants
9815.2000	Legal practitioners and consultants
9815.3000	Accountants and auditors
9815.4000	Management consultants
9815.5000	Technical, scientific, engineering consultants
9815.6000	Software or IT based system development consultants
[2][9815.7000	Cosmetic and Plastic Surgery Services]
[3][9815.8000	Visa processing services including advisory or consultancy services for foreign education or for migration]
9815.9000	Other consultants
9816.0000	**Services provided by pathological laboratories.**

1. Description "Contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works (including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works." Substituted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014)

2. Classification No. 9815.7000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).

3. Entry 9815.8000 inserted by the Khyber Pakhtunkhwa Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)Ent

4. Description "Contracting services rendered by the contractors of buildings, electro-mechanical works, turn-key projects and similar other works, excluding individual house construction contracts.] substituted vide Khyber Pakhtunkhwa Finance (Amendment) Act, 2018 dated 1st November, 2018

98.17	**Services provided by medical diagnostic laboratories including X-Rays, CT Scan, M.R. Imaging etc.**
9817.1000	Scientific laboratories
9817.2000	Mechanical laboratories
9817.3000	Chemical laboratories
9817.4000	Electrical or electronic laboratories
9817.9000	Other such laboratories
98.18	**Services provided by specialized agencies.**
9818.1000	Security agency
9818.2000	Credit rating agency
9818.3000	Market research agency
9819.3000	Rent a car
9819.4000	Prize bond dealers
9819.5000	Surveyors
9819.6000	Designers
9819.7000	Outdoor photographer
9819.8000	Art painter
[1][9819.8700	Video Tape and Production Services.]
9819.9000	Cable TV operators
9819.9100	Auctioneers
9819.9200	Public relations services
9819.9300	Management consultants
9819.9400	Technical testing and analysis service
9819.9500	Service provided by a registrar to an issue
[2][9819.9600	Copy Right Services.
9819.98000	Sound Record Services.]
9819.9090	[3][Others, including services provided or rendered by port operators, airports ground service providers and terminal operators
98.20	**Services provided by specialized workshops or undertakings**
9820.1000	Auto-workshops
9820.2000	Workshops for industrial machinery construction and earth-moving machinery or other special purpose machinery etc.
9820.3000	Workshops for electric or electronic equipments or appliances etc including computer hardware
9820.4000	Car washing or similar service stations
1[9820.5000	Services provided by motor vehicle workshops, mechanic shops, air conditioning fitting service and cleaning centers.]
9820.9000	Other workshops
98.21	Services provided in specified fields.
9821.1000	Healthcare center, gyms or physical fitness center etc.
9821.2000	Indoor sports and games center
9821.3000	Baby care center
9821.4000	Body massage center
9821.5000	Pedicure center
98.22	**Services provided for specified purposes.**
9822.1000	Fumigation services

1. Classification No. 9819.8700 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).

2. Classification Nos. 9819.9600 & 9819.9800 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).

3. Description against entry No. 9819.9090 "Other" substituted vide Khyber Pakhtunkhwa Finance (Amendment) Act, 2018 dated 1st November, 2018

9822.2000	Maintenance or cleaning services
9822.3000	Janitorial services
9822.4000	Dredging or desilting services
9822.9000	Other similar services
9823.0000	Franchise services
9824.0000	Construction services
9825.0000	Consultancy services
9826.0000	Management services including fund and asset management services
9827.0000	Market research agencies
9828.0000	Program producers
9829.0000	Brokerage (other than stock) and indenting services
9830.0000	Race Clubs
9831.0000	General insurance agents
9832.0000	Exhibition or convention services
9833.0000	Data processing and provision of information, services of engineers, handling and storage of goods
9834.0000	Fashion designers
9835.0000	Cable operators
9836.0000	Internet café
9837.0000	Pandal and shamiana service
9838.0000	Airport services
9839.0000	Intellectual property services
9840.0000	Forward contract services
9841.0000	Packaging services
9842.0000	Services provided in matters of hire
9843.0000	Purchase or sale of moveable or immovable goods or property
9844.0000	Property dealers and realtors
9845.0000	Automobile dealers
9846.0000	Dealers of second hand goods other than automobiles
9847.0000	Cosmetic and plastic surgery
9848.0000	Beauty parlor and beauty clinics
9849.0000	HR consultants
9850.0000	Corporate law consultants
9851.0000	Tax consultants
9852.0000	Human resources & personnel development services
9853.0000	Coaching centers

1. Classification No. 9820.5000 and description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).

9854.0000	Vocational centers
9855.0000	Actuarial services
9856.0000	Training services
9857.0000	Tracking services
9858.0000	Security alarm services
9859.0000	Human resource development
9860.0000	Building maintenance and service provider
9861.0000	Quality control services (ISO certification authority)
9862.0000	Services provided by motels, guest houses and farm houses
9863.0000	Debt collection agencies
9864.0000	Amusement parks
9865.0000	Call centers
9866.0000	Film and drama studios including mobile stage shows or cinemas
9867.0000	Entertainment services
9868.0000	Services provided in respect of manufacturing or processing on toll basis.
[1][9869.0000	Container terminal services.
9870.0000	Manpower recruitment and Labour supply services
9871.0000	Port operating Services.
9872.0000	Public Bonded Warehouse.
9873.0000	Services provided in respect of mining of minerals, oil and gas including related
9874.0000	surveys and allied activities. Event management Services.]
[2][9875.0000	Electric power transmission or distribution services]
[3][9876.0000	Valuation services including competency and eligibility Testing services]
[4][9877.0000	Printing, embossing and carving services]

1. Classification Nos. 9869.0000, 9870.0000, 9871.0000, 9872.0000, 9873.0000 & 9874.0000 and Description inserted by the Khyber Pakhtunkhwa Finance Act, 2014 (XXV of 2014) (Assented on 29th June, 2014).
2. Entry 9875.0000 added by the Khyber Pakhtunkhwa Finance Act, 2015 (XXIII of2015) (Assented on 25th June, 2015)
3. Entry 9876.0000 inserted by the Khyber Pakhtunkhwa Finance Act, 2016 (IX of 2016) (Assented on 28th June, 2016)
4. Entry 9877.0000 inserted by the Khyber Pakhtunkhwa Finance (Amendment) Act, 2018 dated 1st November, 2018

SCHEDULE II

See Section 19

S#	Description of Services	Rate of Tax
1.	[1][Services provided or rendered by hotels, restaurants marriage halls, pandals and shamiana services, lawns, caterers, motels, guest houses, by whatever name called, including any other services ancillary thereto.]	Fifteen Percent (15%)
2.	Services provided or rendered for personal care by beauty parlors, beauty clinics, [2][health care centres, health clubs, gyms, physical fitness centres, body massage centres and pedicure centres.]	Fifteen Percent (15%)
3.	Services provided and rendered by laundries and dry cleaners.	Fifteen Percent (15%)
4.	1. Telecommunication Services- 2. Telephone services. 3. Fixed line voice telephone service. 4. Wireless telephone. 5. Cellular telephone. 6. Wireless local loop telephone. 7. Video telephone. 8. Payphone cards. 9. Pre-paid calling cards. 10. Voice mail service. 11. Short Message Service(SMS) Messaging service. 12 Multimedia Message Service (MMS) 13. Bandwidth services [used for voice and video telecommunication services] a. Copper line based. b. Fiber-optic based. c. Co-axial cable based. d. Microwave based. e. Satellite based. 14. Voice over I.P. Services. 15. Teleconferencing services. [3][15-A 3G/4G LTE services] 16. Telegraph. 17. Telex 18. Telefax 19. Store and forward tax services. 20. Audio text services. 21. Teletext services. 22. Trunk radio services.	Nineteen-and-a half Percent (19.5%)

1. Entry substituted by Notification No.SO(Tax)/E&T/2-7/2014/1443, dated August 04, 2014.At the time of substitution entry was as under:-

   "Services provided or rendered by hotels, marriage halls, lawns, clubs and caterers and services ancillary thereto."
2. substituted for the words "sliming clinics" by No.SO(Tax)/E&T/2-7/2014/1443, dated August 04, 2014.
3. S.No 15-A inserted by Notification No.SO(Tax)/E&T/2-7/2015/550-70, dated February 04, 2016.
4. Substituted for the words, brackets and figure "Sixteen percent (16%)" in column No.3, against serial No. 1 to 3, 5 and 7 to 11 by Notification No.SO(Tax)/E&T/2-7/2014/1443, dated August 04, 2014.

23. Internet services.
24. Paging services.
25. Voice paging services.
26. Radio paging services.
27. Vehicle tracking services.
28. Burglar alarm services.
29. Shifting of Telephone connection
30. Installation of telephone extension
31. Provision of telephone extension
32. Changing of telephone connection
33. Conversion of NWD connection to non NWD or vice versa
34. Cost of Telephone Set
35. Restoration of telephone connection
36. Internet services including e-mail services
37. Dial-up internet services
38. Broadband services for DSL Connection
39. Copper Line based
40. Fiber-optic based
41. Co-axial cable based
42. Wireless based
43. Satellite based
44. Internet/e-mail/data/SMS/MMS Services WLL networks
45. Internet/e-mail/SMS/MMS services on cellular mobile networks
46. Data Communication network services (DCNS)
47. Copper Line Based
48. Fiber-optic based
49. Wireless/Radio based
50. Satellite based
51. Value added data services
52. Virtual private network service (VPN)
53. Digital Signature Service
54. Audioext services
55. Teletext services
56. Trunk radio services
57. Long Distance International

[1][**Explanation**.---Where a registered person is providing telecom services in respect of international calls and is sharing charges with persons operating in foreign jurisdictions, the charges received by the registered person shall be treated as tax-inclusive value and tax shall be worked out and paid by such registered person on the basis of tax fraction formula, that is, the tax shall be calculated by multiplying the amount of charges with tax rate and dividing the resultant by tax rate plus hundred.”]

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1. Explanation substituted by Notification No. SO(TAX)E&T/2-7/2015, dated 4th February, 2016. At that time substituted Explanation was as under:-

“**Explanation...** The telecom companies shall pay the tax on international calls, subject to sharing of charges only to the extent of their pecuniary share of charges of transmission and delivery of such calls in the Khyber Pakhtunkhwa. Pecuniary share shall mean the charges borne by end consumer in the Khyber Pakhtunkhwa. Such charges shall be payable on the international leased lines or band width services used by;

(i) Software exporting firms registered with the Pakistan Software Export Board; and
(ii) Data and internet services provider licensed by the Pakistan Telecommunication Authority.”]

“(Substituted Explanation inserted by Notification No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014)”

	58. Local Loop 59. Others	
5.	Services provided or rendered by persons authorized to transact business on behalf of others:- i. Customs agents; ii. Ship chandlers; iii. Stevedores; and iv. Ship management service.	Fifteen Percent (15%)
[1][6.	Advertisement on TV and Radio ,	Fifteen Percent (15%)
[2][6A.	Advertisement on newspapers, periodicals and magazines; both excluding advertisements,- (i) if sponsored by a Government Agency; and (ii) Financed out of funds provided under grant-in-aid agreement; and conveying public service messages.	[3][Five percent (5%)] Without any input adjustment
7.	[4][Advertisement on hoarding boards, pole signs and sign boards and on close Circuit TV, Cable TV, Websites or Internet.]	Fifteen Percent (15%)
8.	Courier services.	Fifteen Percent (15%)
9.	Services provided or rendered in respect of Sixteen percent insurance to a policy holder by an insurer, (16%) including a re-insurer:- i. Goods insurance. ii. Fire insurance iii. Theft insurance. iv. Marine insurance. Other insurance.	Fifteen Percent (15%)
10.	[5][Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing in any such services, in relation to guarantee, brokerage, letter of credit, issuance of pay order and demand draft, interbank clearing by central bank, bill of exchange, transfer of money including telegraphic transfer, mail transfer and electronic transfer, bank guarantee, bill discounting commission, safe deposit lockers, safe vaults, issuance, processing and operation of credit and debit cards,	Fifteen Percent (15%)

1. S. No. 6 substituted by Notification No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014, at the time of substitution S.No. 6 was as under:-

"6.	Advertisement on TV and Radio, newspapers, periodicals and Magazines excluding advertisements. (i) if sponsored by a Government Agency (ii) financed out of funds provided under grant-in-aid agreement; and Conveyingpublic service messages.	Sixteen Percent (16%)

2. S.No.6A added by Notification No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014.
3. At S.No. 6-A, substituted for the words, brackets and figures "Fifteen Percent (15%)" by Notification No. SO(TAX)E&T/2-7/2015, dated 4th February, 2016.
4. Entry at S.No. 7 substituted by Notification No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014. At the time of substitution Entry was as under:-

   "Advertisement on close Circuit TV or Cable TV."
5. Entry at S.No. 10 substituted by Notification No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014. At the time of substitution Entry was as under:-

   "Services provided by banking companies or non-banking financial institutions including but not limited to all non-interest based services provided or rendered against a consideration in form of a fee or commission or charges."

	commission and brokerage of foreign exchange dealings, automated teller machine operations, maintenance and management services, provided as banker to an issue, including the services provided or rendered by non- banking finance companies, companies and other financial institutions, financial leasing, commodity or equipment leasing, hire purchaser leasing and any other services provided by such companies or institutions or not specified elsewhere.]	
11.	Services provided or rendered by the stockbrokers.	Fifteen Percent (15%)
[1][12.	Services provided or rendered by specialized agencies, Security agency, Market research agency, other such agencies.	Ten percent (10%) Without any input adjustment
13.	Services provided by shipping agents	Fifteen Percent (15%)
14.	Services provided or rendered by freight forwarding agents.	Fifteen Percent (15%)
15.	Services provided by tour operators, other than Hajj and Umrah.	Fifteen Percent (15%)
16.	Manpower recruitment and labour supply services.	Fifteen Percent (15%)
17.	Services provided by advertising agents.	Fifteen Percent (15%)
18.	Services provided by share transfer agents.	Fifteen Percent (15%)
19.	Services provided by business support services.	Ten percent (10%) Without any input adjustment
20.	Services provided by property dealers, real estate agents, real estate planners, by whatever name called.	Fifteen Percent (15%)
21.	Services provided by car or automobile dealers, bargain centers, by whatever name called	Fifteen Percent (15%)
22.	Rent-a-car services	Fifteen Percent (15%)
23.	Services provided by workshops for industrial construction and earth-moving or other special purpose machinery.	Fifteen Percent (15%)
24.	Franchise Services	Ten percent (10%) Without any input adjustment
25.	Services provided in respect of manufacturing or processing on toll basis.	Ten percent (10%) Without any input adjustment
26.	Services provided by persons engaged in contractual execution of work or furnishing supplies.	Fifteen Percent (15%)
27.	Services provided by architects, town planners, property developers or promoters and interior decorators.	Fifteen Percent (15%)
28.	Management consultancy services including fund and asset management service	Fifteen Percent (15%)
29.	Services provided by technical, scientific & engineering consultants	Fifteen Percent (15%)
30.	Airport services	Fifteen Percent (15%)
[2][30-A	Construction services.	Five percent (5%) Without any input adjustment]
31.	(i) Contracting services rendered or provided by the contractors of buildings, electro- mechanical works, turn- key projects and similar other works , excluding construction projects having value not exceeding Rs.50	Fifteen percent (15%)

1. S. Nos 12 to 48 added by No. SO(Tax)/E&T/2-7/2014, dated 4th August, 2014.
2. S. No. 30-A inserted by Notification No. SO(TAX)E&T/2-7/2015, dated 4th February, 2016.

	Million, construction of industrial estates and zones, consular buildings and construction works under international tenders based on foreign grants. (ii) Services provided by land and property developers or promoters for development of land, purchased or leased, for conversion into residential or commercial plots; and (iii) Construction of residential or commercial units, excluding residential commercial projects where the covered area does not exceed 10000 square feet for houses and	 @Rs. 100/- per square yard for land development @Rs. 50/- per square yard for land development
32.	Port operating services	Fifteen percent (15%)
33.	Tracking services and security alarm services.	Ten percent (10%) Without any input adjustment
34.	Services provided by motor vehicle workshops, mechanic shops, air conditioning fitting service and cleaning centers.	Ten percent (10%) Without any input adjustment
35.	Services provided in respect of mining of minerals, exploration of oil & gas including related surveys and allied activities.	Fifteen percent (15%)
36.	Sponsorship services.	Fifteen percent (15%)
37.	[1][Services provided by laboratories, scientific laboratories, mechanical laboratories, chemical laboratories, electrical or electronics laboratories, pathological laboratories, medical diagnostic laboratories including X-rays, CT Scan, M.R. Imaging, ultrasound, echo etc or other such laboratories.]	Fifteen percent (15%)
38.	Event management, exhibition services, services by event photographers, videographer and other persons related to such events.	Fifteen percent (15%)
39.	Public bonded warehouses.	Fifteen percent (15%)
40.	Container Terminal Services.	Fifteen percent (15%)
41.	Copy Right Services	Fifteen percent (15%)
42.	Cosmetic & Plastic Surgery Services	Fifteen percent (15%)
43.	Sale of Space for Advertisement Services	Fifteen percent (15%)
44.	Video Tape & Production Services	Fifteen percent (15%)
45.	Sound Record Services	Fifteen percent (15%)
46.	TV, Radio & Production, house Services	Fifteen percent (15%)
47.	Services provided by clubs	Fifteen percent (15%)
48.	Broadcasting services	Fifteen percent (15%)]
[2][49.	Electric power transmission or distribution services.	Fifteen percent (15%)
50.	Cable TV operators	Ten percent (10%) without any input adjustment
51.	Health care centre, gym, swimming pools or physical fitness centre, body massage centers, pedicure centers etc	Fifteen percent (15%)
52.	Maintenance or cleaning services	Fifteen percent (15%)
53.	Service provided or rendered by fashion designer	Fifteen percent (15%)
54	Service provided or rendered by call centres	Fifteen percent (15%)
55	Service provided or rendered by persons engaged in inter city transportation or carriage of goods by road or through pipeline or conduit	Fifteen percent (15%)
56	Medical Practitioners and Consultants	Fifteen percent (15%)
57	Services provided by laboratories, Scientific laboratories, Mechanical laboratories, Chemical laboratories, Electrical or	Fifteen percent (15%)]

1. Entry at S.No. 57 substituted by Notification No. SO(TAX)E,T&NC/2-7/2017/2503-19, dated 22nd March, 2017. At the time of substitution Entry was as under:-

   "Services provided by laboratories, Scientific laboratories, Mechanical laboratories, Chemical laboratories, Electrical or electronic laboratories, Other such laboratories, Other than services relating to pathological or diagnostic tests exclusively for medical treatment purposes."

2. S. Nos. 49 to 57 added by Notification No. SO(TAX)E&T/2-7/2015, dated 4th February, 2016.

	electronic laboratories, Other such laboratories, Other than services relating to pathological or diagnostic tests exclusively for medical treatment purposes.	
[1][58.	Facilities for travel by road.	Fifteen percent (15%)
59.	Cargo services by road.	Fifteen percent (15%)
60.	Visa processing services including advisory or consultancy services for foreign education or migration.	Fifteen percent (15%)
61.	Valuation services including competency and eligibility testing services	Fifteen percent (15%)
62.	Services provided by messes and Hostels	Fifteen percent (15%)
63.	Services provided for inland carriage of goods including i. Carriage of goods by air ii. Carriage of goods by train iii. Others	Fifteen percent (15%)
64.	Travel agents	Fifteen percent (15%)
65.	Service provided in matters of hire	Fifteen percent (15%)
66.	Services provided in respect of advances and loans	Fifteen percent (15%)
67.	Credit rating agency	Fifteen percent (15%)
68.	Under writers	Fifteen percent (15%)
69.	Indenters	Fifteen percent (15%)
70.	Commission agents	Fifteen percent (15%)
71.	Packers and movers	Fifteen percent (15%)
72.	Service provided by a foreign exchange dealer or exchange company or money changer	Fifteen percent (15%)
73.	Prize bond dealers	Fifteen percent (15%)
74.	Surveyors	Fifteen percent (15%)
75.	Outdoor photographer	Fifteen percent (15%)
76.	Art painter	Fifteen percent (15%)
77.	Auctioneers	Fifteen percent (15%)
78.	Technical testing and analysis service	Fifteen percent (15%)
79.	Workshop for electric and electronic equipments or appliances including computer hardware	Fifteen percent (15%)
80.	Dredging or desilting services	Fifteen percent (15%)
81.	Data processing and provision of information, services of engineers, handling and storage of goods	Fifteen percent (15%)
82.	Intellectual property services	Fifteen percent (15%)
83.	Packaging services	Fifteen percent (15%)
84.	HR consultant	Fifteen percent (15%)
85.	Training services	Fifteen percent (15%)
86.	Quality control services (ISO certification authority)	Fifteen percent (15%)
87.	Amusement parks	Fifteen percent (15%)
88.	Entertainment services	Fifteen percent (15%)
89.	Purchase or sale of movable or immovable goods or property	Fifteen percent (15%)
90.	Dealers of second hand goods other than automobiles	Fifteen percent (15%)]

1. S. Nos. 58 to 89 added by Notification No. SO(TAX)E,T&NC/2-7/2017/2503-19, dated 22nd March, 2017.