

# A BILL

to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh.

**WHEREAS** it is expedient to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh, in the manner hereinafter appearing;

**Preamble.**

It is hereby enacted as follows:-

1. (1) This Act may be called the Sindh Finance Act, 2019.

**Short title and commencement.**

(2) It shall come into force on and from 1<sup>st</sup> day of July, 2019.

2. In the Stamp Act, 1899, in its application to the Province of Sindh, in the Schedule -

**Amendment of Sindh Act No.II of 1899.**

(i) in Article 16 (A)(i)(ii) and 16 (B), for the existing entries there-against in column 2, the following shall respectively be substituted: -

“At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value.”;

(ii) in Article 20, in clause (ii), for the existing entries there-against in column 2, the following shall be substituted: -

“At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value.”;

(iii) in Article 21 -

(a) in clauses (i), (ii) and (iv), for the existing entries there-against in column 2, the following shall be substituted: -

“At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value.”;

(b) for clause (iii), the following shall be substituted:

“(iii)Rent-based lease/license/ agreement	1.5% of the total rent due for the entire period of lease/license/ agreement”;
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(iv) in Article 29, for the existing entries there-against in

column 2, the following shall be substituted: -

“At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value.”;

- (v) in Article 30, in sub-clause (ii) for the words “two percent of the value in accordance with the valuation under Section 27-A & 27-B”, the words “At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value” shall be substituted.

- (vi) after Article 31, following new Article shall be added: -

**“32. Trust**

(i) Where Trust is made in respect of immovable property. At the rate of one percent of value in the valuation table or at the floating rate charged on the actual value.

(ii) Where Trust is made for Mosque, Madressah, Imambargah, Temple, Church or other places of worship. Five Hundred Rupees

(iii) In all other cases. Two percent of the Trust Fund.”;

- (vii) after Article 32, the following shall be added: -

**Explanation.** -For the purpose of the Schedule -

- (i) the term “actual value” means the value recorded in the document;  
(ii) the stamp duty rate shall be 1% for the determination of floating rate; and  
(iii) the floating rate shall be determined as under: -

<b>Floating Rate</b> =Value in the Valuation Table/Actual Value *Stamp duty Rate
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<b>Tax Chargeable</b> =Floating Rate * Actual Value:
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Provided that the floating rate shall only be applicable if actual value is higher than the value determined in the Valuation Table.”.

3. In the Sindh Motor Vehicles Taxation Act, 1958, in section 3, in sub-section (1), in the third proviso, in the Table, in column “**Rate of Tax**”, for the existing figures at serial No. 1 and 2, the following shall be substituted: -

“01.	Rs.150,000/-
02.	Rs.75,000/-.”.

**Amendment of West Pakistan Act No.XXXII of 1958.**

4. In the Sindh Finance Act, 1964, for the Seventh Schedule, the following shall be substituted: -

**Amendment in  
Sindh Act XXIV of  
1964.**

**“SEVENTH SCHEDULE  
(See section 11)**

<b>S.No.</b>	<b>Categories</b>	<b>Rate of Tax per annum</b>
1.	<b>All Persons assessed to Income Tax.-</b> All persons engaged in any professional, trade calling or employment, other than those mentioned hereinafter and assessed to in the preceding financial year.	Rs.500/-
2.	<b>All Limited Companies with Paid up capital and Reserves.-</b> All Limited Companies, Modarbas, Mutual Fund, and any other body corporate with “paid-up capital” or “paid up share capital and reserves” in the preceding year whichever is more. (i) Not exceeding Rs.25 Million.	Rs.20,000/-
	(ii) Exceeding Rs.25 Million but not exceeding Rs.50 Million.	Rs.40,000/-
	(iii) Exceeding Rs.50 Million but not exceeding Rs.75 Million.	Rs.60,000/-
	(iv) Exceeding Rs.75 Million but not exceeding Rs.100 Million.	Rs.80,000/-
	(v) Exceeding Rs.100 Million.	Rs.100,000/-
3.	<b>All Establishments Other than Limited Companies with Annual Turnover:-</b> Holders of import or export license, owners of industries, factories and commercial establishments; contractors engaged in construction work of supplying goods or providing services or labour; all whole sellers and agents, good or services for others as owner or on commission basis, medical and legal practitioners, auditors, video shop and any other persons providing professional services and shops assessed to income tax in the proceeding professional services and shops assessed to turn over. (i) Not exceeding Rs.1 Million.	Rs.1,500/-

	(ii) Exceeding Rs.1 Million but not exceeding Rs.10 Million.	Rs.3,000/-
	(iii) Exceeding Rs.10 Million but not exceeding Rs.100 Million.	Rs.10,000/-
	(iv) Exceeding Rs.100 Million but not exceeding Rs.200 Million.	Rs.15,000/-
	(v) Exceeding Rs.200 Million but not exceeding Rs.500 Million.	Rs.30,000/-
	(vi) Exceeding Rs.500 Million.	Rs.100,000/-
4.	All factories, shops, or establishments, including Video shops, real estate, shops/agencies and car dealer not assessed to income tax in the preceding financial year	Rs.1,000/-
5.	All Petrol Pumps & CNG Stations.	Rs.5000/-

5. In the Sindh Finance Act, 2010, in section 4 –  
 (i) in sub-section (3), for the Table in A, B and C, the following shall be substituted: -

**Amendment of Sindh Act No.II of 2010.**

**A. Residential immovable property (other than flats):**

i.	Where value of immovable property is recorded  For all categories of valuation table; provided that category II and lower categories of valuation table shall be exempted upto 240 sq. yds.	At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
ii.	Where the value of immovable property is not recorded.	Rs.75 per sq.yd of the landed area

**B. Residential flats:**

i.	Where value of immovable property is recorded -  (a) From 1000 sq.ft. areas in category A-I and I of the valuation table;	At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
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	(b) from 1501 sq. ft. and above in all categories of the valuation table	At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
iii.	Where the value of immovable property is not recorded	Rs.10 per sq.ft of the landed area

**C. Commercial and Industrial immovable property:**

i.	Where the value of immovable property is recorded	At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
ii.	Where the value of immovable property is not recorded	Rs.100 per sq.yd. of the landed area.

**Explanation.** -For the purpose of this section -

- (a) the term "actual value" means the value recorded in the document; and
- (b) the capital value tax rate shall be one and half percent for the determination of floating rate;
- (c) the floating rate shall be determined as under: -

<b>Floating Rate</b> =Value in the Valuation Table/Actual Value*Capital Value Tax Rate
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<b>Tax Chargeable</b> =Floating Rate * Actual Value:
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Provided that the floating rate shall only be applicable if actual value is higher than the value determined in the Valuation Table.";

- (ii) in sub-section (4), for the words "registering or attesting", the words "registering, recording or attesting" shall be substituted;
- (iii) for sub-sections (9) and 10, the following shall be substituted:-

"(9) Notwithstanding anything contained in this Act, the Capital Value Tax for all properties to be transferred to and from Real Estate Investment Trust (REITs) shall be charged

at the rate of one and half percent of the value in the valuation table or at the floating rate charged on the actual value.

(10) The Registration Fee for all properties to be transferred to and from Real Estate Investment Trust (REITs) shall be charged at the rate of 0.5% of the value in the valuation table or at the floating rate charged on the actual value.”.

6. In the Sindh Sales Tax on Services Act, 2011 -

**Amendment  
in Sindh Act  
No. XII of  
2011.**

(i) in section 2 -

(a) after clause (13A), the following new clause shall be inserted: -

**“(13B) “Auditor”** means a person appointed as an Auditor of Sindh Revenue Board under section 34;

(b) after clause (19), the following new clause shall be inserted: -

**“(19A) “cab aggregator”** means a person who is an aggregator or operator or intermediary or online marketplace who canvasses or solicits or facilitates passengers for travel by motor vehicles like taxi, cab, car, van, motorcycle and rickshaw, and who connects the passenger or the intending passenger to a driver of any of the aforesaid motor vehicles through telephone, cellular phone, internet, web-based services or GPS or GPRS-based services, electronic or digital means, whether or not he charges or collects any fee, fare, commission, brokerage or other charges or consideration for providing or rendering such services;”;

recording or  
attesting” shall be  
substituted.

(c) in clause (42A), after the words “pattern for”, the word and comma “fabrics” and after the word “like”, the words and the commas “tailoring, stitching,” shall respectively be inserted;

(d) after clause (51A), the following new clause shall be inserted:-

**“(51B) “indoor sports and games center”**, by whatever name called, includes a person who provides or renders the facility of indoor sports or games whether for amusement, recreation or otherwise, for a consideration in its premises;”;

(e) after clause (53), the following new clause shall be inserted:-

**“(53A) “insurance agent”** includes an agent as defined in clause (a) of sub-rule (1) of rule 2 of the

Insurance Rules, 2017 and also includes an insurance broker as defined in clause (xxviii) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);”;

(f) after clause (60A), the following new clause shall be inserted:-

**“(60B) “online marketplace”** means an information technology platform run by e-commerce entity or organization over an electronic network that acts as a facilitator in transactions that occur between a buyer and a seller or between a service provider and service recipient;”;

(g) after clause (72C), the following new clause shall be inserted:-

**“(72CC) “renting of machinery, equipment, appliances and other tangible goods”** means the services provided or rendered, to any person by another person, by renting of machinery, equipment, appliances and other tangible goods including bulldozers, excavators, road rollers and levelers, cranes, construction machinery and equipment, earthmoving machinery and equipment, scaffolding, generators, refrigerators or in relation to such renting.

***Explanation.*** The commodity or equipment leasing and the hire purchase leasing, as classified under tariff heading 9813.3020 and 9813.3030, respectively, and also the rent a car and automobile rental service, as classified under tariff heading 9819.3000, shall be excluded from the purview of this clause;”;

(h) after clause (83), the following new clause shall be inserted: -

**“(83A) “Sindh Sales Tax Officer”** means a person appointed as a Sindh Sales Tax Officer of the Sindh Revenue Board under section 34;”;

(i) after clause (84), the following new clause shall be inserted: -

**“(84A) “site preparation and clearance, excavation and earth moving and demolition services”** means any service provided or rendered, to any person by another person, in relation to site preparation and clearance, excavation and earthmoving and demolition and such other similar activities, including -

(i) drilling, boring and core extraction services for

construction, geophysical, geological and similar purposes but not including the services in relation to mining of minerals, oil or gas; or landfill, leveling, trench digging, rock removal, blasting and similar services; or

- (ii) soil stabilization; or
- (iii) horizontal drilling for passage of cables or drain pipes; or
- (iv) land reclamation work; or
- (v) contaminated top soil stripping work; or demolition or wracking of building, structure or road;”;

(j) after clause (98A), the following new clause shall be inserted: -

**“(98AA) “training services”** means the training services provided or rendered by any person, institute or establishment, by whatever name called, for imparting skill or knowledge or lesson on any subject or field, with or without issuance of a certificate, and includes the services of vocational, professional, technical, commercial or specialized trainings, courses, seminars, workshops and lectures imparted for consideration but does not include the services of coaching or training of sports;”;

(k) after clause (99), the following new clauses shall be added: -

**“(100) “warehouses or depots for storage or cold storages”** means the facility or space provided or rendered or let out on rent or otherwise for the storage, cold storage or warehousing of goods including those in the form of liquids and gases, but not including the storage of food grains and fresh vegetables and fruits not subjected to further processing and also not including the storage in public bonded warehouses as defined in clause (69); and

**“(101) “waste collection, transportation, processing and management services”** means services provided in the matters of collection, processing, transportation, disposal, recycling and management of all kinds of wastes, waste materials and garbage and includes road and street cleaning services, whether manually, mechanically or otherwise.”;

(ii) in section 13, after sub-section (2), the following new sub-section shall be added: -

“(3) Where a person or class of persons is required to

withhold or deduct full or part of the tax on the provision of any taxable service or class of taxable services and either fails to withhold or deduct the tax or, having withheld or deducted the tax, fails to deposit the tax in the Government treasury, such person or class of persons shall be personally liable to pay the amount of tax and the default surcharge thereon in the prescribed manner.”;

(iii) in section 15A, in sub-section (1), in clause (j), after the words “specific rate”, the word “or” shall be inserted;

(iv) in section 26, in sub-section (1)-

(a) in clause (b), the word “and” shall be omitted; and

(b) for clause (c), the following shall be substituted: -

“(c) records of tax invoices and debit and credit notes issued by the person;

(d) records of tax invoices and debit and credit notes received by the person;

(e) records of customs documents (goods declaration under section 30 of the Customs Act, 1969 and its ancillary documents); and

(f) such other records as may be specified by the Board.”;

(v) in section 27, in sub-section (2), for the words “Assistant Commissioner SRB” the words “Auditor SRB or Sindh Sales Tax Officer SRB” shall be substituted;

(vi) in section 28 -

(a) in sub-section (1), for the words “Assistant Commissioner SRB”, wherever occurring, the words “Auditor SRB” shall be substituted; and

(b) in sub-section (2), the full stop at the end shall be replaced by a colon and thereafter the following proviso shall be added: -

“Provided that the officer of the SRB may, with the permission of the Commissioner, conduct the audit in the place of business or the office of the registered person directing him to produce the records and documents in such premises as indicated in the notice.”;

(vii) in section 29, in sub-section (1), in clause (d), for the words “on to case”, the words “on case” shall be substituted;

(viii) in section 34, in sub-section (1), the commas and words “by notification in the official Gazette” and the words “specified in the notification” shall be omitted;

- (ix) in section 43, in the Table, after S.No.2 and the entries relating thereto in columns 1, 2 and 3, the following shall be inserted: -

<p>“2A. Where any person fails or refuses to issue a tax invoice as required in sub-rule (1) of rule 29 of the Sindh Sales Tax on Services Rules, 2011.</p>	<p>Such person shall be liable to pay a penalty of twenty thousand rupees on first default and fifty thousand rupees for each subsequent default. In case of three acts of such default, the business premises shall be liable to be sealed.</p>	<p>General</p>
<p>2B. Where any person either avoids, defies, fails to comply with e-invoicing system or issues invoices outside the e-invoicing system.</p>	<p>Such person shall be liable to pay a penalty of up to one hundred thousand rupees, but not less than twenty-five thousand rupees. In case of three consecutive defaults, the place of business of such person may further be liable to sealing.</p>	<p>54A”;</p>

- (x) in section 52, in sub-section (1), for the words “a Assistant Commissioner SRB”, the words “an Auditor SRB or a Sindh Sales Tax Officer SRB” shall be substituted;
- (xi) in section 54A, in sub-section (3), after the words “invoice” appearing at the end, the words “under the e-invoicing system” shall be added;
- (xii) in section 58, in sub-section (4), for the words “recovery of any”, the words “recovery of the whole or any part of the” and for the word “sixty”, the words “one hundred twenty” shall respectively be substituted;
- (xiii) in section 60 –
- (i) in sub-section (4) –
- (a) in clause (a), for the words “three years experience as Commissioner SRB”, the words

“five years experience as Commissioner (Appeals) SRB” shall be substituted;

(b) in clause (b), after the words “as Commissioner SRB”, the words “including atleast three years experience as Commissioner (Appeals) SRB” shall be added;

(c) in clause (c), for the word “years” appearing at the end, the words “but not below the age of forty-five years.” shall be substituted; and

(ii) in sub-section (14), for the word “appoint”, the commas and words “at the request of the Chairperson, nominate an Officer not below the rank of BS 20 to be” shall be substituted;

(xiv) in section 65A, the words “for inordinate” shall be omitted;

(xv) in section 66, in sub-section (1), in the proviso, the full stop at the end shall be replaced by a colon and thereafter the following second proviso shall be added: -

“Provided further that in cases where assessment of tax has been made under section 23 or where determination of tax not levied or short levied has been adjudged under section 47, action for the recovery of the tax and the default surcharge and penalty relating thereto shall not be made under this section for a period of thirty days from the date of the order of such assessment or determination.”;

(xvi) in section 84, the existing provisions shall be numbered as sub-section (1) and thereafter the following new sub-section shall be added: -

“(2) All notifications and orders issued and notified in exercise of the powers conferred upon Government or with the approval of Government under this Act, before the commencement of the Sindh Finance Act, 2019, shall be deemed to have been validly issued and notified in exercise of those powers and with the approval of Government, as the case may be.”;

(xvii) in the First Schedule, in the Table -

(a) after tariff heading “9806.5000”, in column 1 and the entries relating thereto in column 2, the following shall be added: -

9806.6000	Renting of machinery, equipment, appliances and other tangible goods
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- (b) for the tariff headings "9812.9000" to "9812.9090" in column 1 and the entries relating thereto in column 2, the following shall be substituted, namely:

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9812.7000	Other specified telecommunication services
9812.7100	Audio text services
9812.7200	Teletext services
9812.7300	Trunk radio services
9812.7400	Paging services including voice paging services and radio paging services
9812.7900	Others
9812.8000	Tracking and alarm services
9812.8100	Vehicle tracking and other tracking services
9812.8200	Burglar and security alarm services
9812.8900	Others
9812.9000	Telecommunication services not elsewhere specified

”;

- (c) against tariff heading "9813.4100" in column 1, for the word "Guarantee" in column 2, the words "Guarantee including bank guarantee" shall be substituted;
- (d) against tariff heading "9813.4400" in column 1, after the word "of" in column 2, the words and comma "cheque book," shall be inserted;
- (e) for the tariff headings "9813.4700", "9813.4800", "9813.4900", "9813.4910" and "9813.4990" in column 1 and the entries relating thereto in column 2, the following shall be substituted, namely: -

9813.4700	Commission, including bill discounting commission
9813.4800	Safe deposit lockers and safe vaults
9813.4900	Other services, not elsewhere specified

”;

- (f) after tariff heading "9824.0000" in column 1 and the entries relating thereto in column 2 -

- (i) for the words "General Insurance Agents", the words "Insurance agents" shall be substituted;

(ii) the following tariff headings shall be omitted, namely: -

“	Data Processing and Provision of information, services of Engineers, handling and storage of goods	
	Packaging services	
	Coaching Centres	
	Vocational Centres	
	Film and Drama studios	”;

(g) in the description “Valuation services, including competency and eligibility testing services” in column 2, the following shall be added, namely:-

“	<b>Services provided or rendered by cab aggregator and the services provided or rendered by the owners or drivers of the motor vehicles using the cab aggregator services</b>	
	<b>Warehouses or depots for storage or cold storages</b>	
	<b>Services of mining of minerals and allied and ancillary services in relation thereto</b>	
	<b>Site preparation and clearance, excavation and earth moving and demolition services</b>	
	<b>Waste collection, transportation, processing and management services</b>	
	<b>Vehicle parking and valet services</b>	
	<b>Electric power transmission services</b>	”;

(xviii) in the Second Schedule, in the Table, in Part B -

(a) after tariff heading “9806.4000” in column (1) and the entries relating thereto in columns (2) and (3), the following shall be added, namely: -

“	9806.6000	Renting of machinery, equipment, appliances and other tangible goods	13%	”;
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(b) after tariff heading “9812.6390” in column (1) and the entries relating thereto in columns (2) and (3), for the tariff headings “9812.9000 to 9812.9090” in column (1) and the entries relating thereto in columns (2) and (3), the

following shall be substituted, namely:-

9812.7000	Other specified telecommunication services	19.5%
9812.7100	Audio text services	19.5%
9812.7200	Teletext services	19.5%
9812.7300	Trunk radio services	19.5%
9812.7400	Paging services including voice paging services and radio paging services	19.5%
9812.7900	Others	19.5%
9812.8000	Tracking and alarm services	19.5%
9812.8100	Vehicle tracking and other tracking services	19.5%
9812.8200	Burglar and security alarm services	19.5%
9812.8900	Others	19.5%
9812.9000	Telecommunication services not elsewhere specified	19.5%

- (c) against tariff heading "9813.4100" in column (1), for the word "Guarantee" in column (2), the words "Guarantee including bank guarantee" shall be substituted;
- (d) against tariff heading "9813.4400" in column (1), after the word "of" in column (2), the words and comma "cheque books" shall be inserted;
- (e) for the tariff headings "9813.4700", "9813.4800", "9813.4900", "9813.4910" and "9813.4990" in column (1) and the entries relating thereto in columns (2) and (3), the following shall be substituted, namely: -

9813.4700	Commission, including bill discounting commission	13%
9813.4800	Safe deposit lockers and safe vaults	13%
9813.4900	Other services, not elsewhere specified	13%

- (f) after tariff heading "9821.1000" in column (1) and the entries relating thereto in columns (2) and (3), the following shall be inserted, namely:-

9821.2000	Indoor sports and games center	13%
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";and

(g) after tariff heading "9845.0000" in column (1) and the entries relating thereto in columns (2) and (3), the following shall be added, namely:-

9846.0000	Services provided or rendered by cab aggregator and the services provided or rendered by the owners or drivers of the motor vehicles using the cab aggregator services	13%
9847.0000	Warehouses or depots for storage or cold storages	13%
9848.0000	Training services	13%
9849.0000	Actuarial Services	13%
9850.0000	Services of mining of minerals and allied and ancillary services in relation thereto	13%
9851.0000	Site preparation and clearance, excavation and earth moving and demolition services	13%
9852.0000	Waste collection, transportation, processing and management services	13%
9853.0000	Vehicle parking and valet services	13%
9854.0000	Electric power transmission services	13%
9855.0000	Insurance agents	13%

7. In the Sindh Development and Maintenance of Infrastructure Cess Act, 2017, for the existing Schedule, the following shall be substituted: -

**Amendment of Sindh Act No.XVIII of 2017.**

**"SCHEDULE**

(See Section 2 (k) & 3)

NET WEIGHT OF GOODS	RATE OF CESS ALONGWITH DISTANCE
Upto 1250 Kilograms.	1.20 % of total value of goods as assessed by the Customs Authorities plus 1 Paisa per Kilometer.
Exceeding 1250 Kilograms	1.21 % of total value of goods as assessed by the Customs

but not exceeding 2030 Kilograms.	Authorities plus 1 Paisa per Kilometer.
Exceeding 2030 Kilograms but not exceeding 4060 Kilograms.	1.22 % of total value of goods as assessed by the Customs Authorities plus 1 Paisa per Kilometer.
Exceeding 4060 Kilograms but not exceeding 8120 Kilograms.	1.23 % of total value of goods as assessed by the Customs Authorities plus 1 Paisa per Kilometer.
Exceeding 8120 Kilograms but not exceeding 16000 Kilograms.	1.24 % of total value of goods as assessed by the Customs Authorities plus 1 Paisa per Kilometer.
Exceeding 16000 Kilograms.	1.25 % of total value of goods as assessed by the Customs Authorities plus 1 Paisa per Kilometer.

**Explanation-I:** For the purpose of the Schedule, the "value" means total value of Goods as assessed by the Custom Authorities upon entering in and using the Infrastructure of the Province and "distance" means the distance covered within the Province.

**Explanation-II:** Notwithstanding the provision of section 3, the cess on the goods leaving the Province for outside the country, through air or sea, shall be charged at the rate of zero percent."

### **STATEMENT OF OBJECTS AND REASONS**

In order to rationalize, levy and enhance certain taxes and duties and to amend certain laws in the Province of Sindh, it is expedient to enact a law in the subject matter.

The Bill seeks to achieve the above object.

### **MEMBER-IN-CHARGE**