

GOVERNMENT OF PAKISTAN
FEDERAL BOARD OF REVENUE
(INLAND REVENUE POLICY)

C.No.3(6)ST-L&P/2016/138559-R

Islamabad, the 02nd November, 2016.

SALES TAX GENERAL ORDER NO. 130 OF 2016

Subject: PROCESSING OF APPLICATIONS OF EXEMPTION UNDER SR. NO. 48 OF TABLE-I OF SIXTH SCHEDULE TO THE SALES TAX ACT, 1990.

Under Serial No. 48 of Table-I of the Sixth Schedule to the Sales Tax Act, 1990, exemption is available to the following:


“Sr. 48 Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the Board; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement.”

02. In order to streamline the issues pertaining to grant of exemption to goods imported or supplied under grants-in-aid, procedure for issuance of “Authorization for Exempt Supply” has been prescribed under Chapter VIII-A of the Sales Tax Rules, 2006 inserted through SRO 494(I)/2015 dated 30th June, 2015 which interalia stipulates that the entitled organization or agency desirous of making exempt imports or taking exempt supplies from a registered person shall make application to the officer of Inland Revenue having jurisdiction, accompanied with documents detailed in the Rules.

03. Therefore, in exercise of powers conferred under section 55 to the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to direct all Chief Commissioners of Inland Revenue to nominate one dedicated officer in every RTO/LTU, not below the rank


of an Assistant Commissioner IR/ Deputy Commissioner IR, as a focal person to dispose of such applications received from Economic Affairs Division (EAD) pertaining to entitled organizations/agencies falling under the jurisdiction of respective RTO/ LTU. After satisfying that the intended purchases by the organization or agency are bona-fide and qualify for exemption under the subject-referred provision of law, the designated focal person may issue an "Authorization for Exempt Supply". All such applications must be disposed of within 15 days of receipt thereof in the RTO/LTU.

04. Through this Sales Tax General Order, Economic Affairs Division is also requested that bona-fide applications, complete in all respects, in respect of organizations or agencies, from now onwards may be sent directly to the Chief Commissioner Inland Revenue (RTO/LTU) having jurisdiction for obtaining "Authorization for Exempt Supplies" under grants-in-aid.


(Zahid Baig)
Second Secretary
(ST & FE-Policy)

Copy to:-

- (i) Secretary Economic Affairs Division, Government of Pakistan, Islamabad.
- (ii) All Chief Commissioners IR, RTOs/LTUs.
- (iii) The Secretary (Law, Procedure & Exemptions), FBR for record.
- ✓ (iv) Web-Master for placing the STGO on Board's website.


(Zahid Baig)
Second Secretary
(ST & FE-Policy)