

LECTURE 08 OF SALES TAX ACT 1990

The Sales Tax Act, 1990

"سپلائی کا وقت"

[(44) "time of supply", in relation to,—(Transaction In effect execute)

- (a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply¹ [****];
- (b) a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and
- (c) services, means the time at which the services are rendered or provided;

²[Provided that in respect of sub clause (a),(b) or (c), where any part payment is received, –

- (i) for the supply in a tax period, it shall be accounted for in the return for that tax period; and
- (ii) in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply ;]

(44A) "trust" means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust;

EXAMPLE: Shaukat Khanum Memorial Trust,

(44AA) "unit trust" means any trust under which beneficial interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held;]

³[(45)***] **LAHORE, KARACHI, PESHAWAR, BAHAWALPUR**

(44A) "ٹرسٹ" سے مراد ایک ایسی ذمہ داری جو جائیداد کی ملکیت سے منسلک ہو اور مالک پر عائد ذمہ داری پر اعتماد کیا گیا ہو جسے اس نے قبول کیا

ہو یا جسے مالک نے دوسرے کے فائدے یا باہمی فائدے کے لیے قبول کیا ہو اور اس میں یونٹ ٹرسٹ شامل ہے۔

(44AA) "یونٹ ٹرسٹ" سے مراد کوئی بھی ایسا ٹرسٹ ہے جس کے فوائد یونٹس میں تقسیم کیے جاتے ہیں تاکہ فوائد حاصل کرنے والے کا تعین

آمدنی یا سرمایہ کے لحاظ سے اس ملکیتی یونٹ کی بنیاد پر کیا جاسکے۔

"سپلائی کی مالیت" Sales Tax Act, 1990

(46) "**value of supply**" means:--

- (a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties ⁴[and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax:

Defination: Consideration is a payment made by one party to another in exchange for the transfer of something of value.

The Sales Tax Act, 1990

Provided that –

- (i) in case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market price of the supply excluding the amount of tax; ¹[...]
 - (ii) in case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is lower than the open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax; ²[and]
 - ³[(iii) in case a taxable supply is made to a consumer from general public on **installment basis** on a price inclusive of **mark up or surcharge** rendering it higher than open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax.]
 - (b) in case **of trade discounts**, the discounted price excluding the amount of tax; provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with **the normal business practices**;
 - (c) in case where for any special nature of transaction it is difficult to ascertain the value of a supply, the open market price;
 - (d) in **case of imported goods** ⁴[excluding those as specified in the Third Schedule], the value determined under section 25 ⁵[...] of **the Customs Act**, including the amount of customs-duties and central excise duty levied thereon; ⁶[...]
 - (e) in case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the
-

The Sales Tax Act, 1990

invoice, the value determined by the Valuation Committee comprising representatives of trade and the ¹[Inland Revenue] constituted by the ²[Commissioner] ³[;] ⁴[]

- ⁵[(f) in case of manufacture of goods belonging to another person, the actual consideration received by the manufacturer for the value addition carried out in relation to such goods;]
- ⁶[(g) in case of a taxable supply, with reference to retail tax, the price of taxable goods excluding the amount of retail tax, which a supplier will charge at the time of making taxable supply by him, or such other price as the Board may, by a notification in the official Gazette, specify.]
- ⁷[(h) in case of supply of electricity by an independent power producer ⁸[or WAPDA], the amount received on account of energy purchase price only; and the amount received on account of capacity purchase price, energy purchase price premium, excess bonus, supplemental charges etc. shall not be included in the value of supply; ⁹[***]]
- (i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax; ¹[and]
-

The Sales Tax Act, 1990

¹[(j) in case of registered person who is engaged in purchasing used vehicles from general public on which sales tax had already been paid at the time of import or manufacturing, and which are, later on, sold in the open market after making certain value addition, value of supply will be the difference between sale and purchase price of the said vehicle on the basis of the valuation method prescribed by the Board.]

¹[Provided] that, where the Board deems it necessary it may, by notification in the official Gazette, fix the value of any imported goods or taxable supplies or class of supplies and for that purpose fix different values for different classes or description of same type of imported goods or supplies:

Provided further that where the value at which import or supply is made is higher than the value fixed by the Board, the value of goods shall, unless otherwise directed by the Board, be the value at which the import or supply is made;]

اطلاع دہندہ (Whistleblower).

²[(46A) “*whistleblower*” means whistleblower as defined in section 72D of the Sales Tax Act, 1990;]

(47) “*wholesaler*” ³[includes a dealer and] means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale or of supplying or distributing goods, directly or indirectly, by wholesale for cash or deferred payment or for commission or other valuable consideration or stores such goods belonging to others as an agent for the purpose of sale; and includes ⁴[a person supplying taxable goods to ⁵[a person ⁶[who deducts income tax at source under the Income Tax Ordinance, 2001 (XLIX of 2001)]] ⁷[...]; and

(48) “*zero-rated supply*” means a taxable supply which is charged to tax at the rate of zero per cent under section 4.]

The Sales Tax Act, 1990