

**KHYBER PAKHTUNKHWA REVENUE AUTHORITY**

**NOTIFICATION**

(Khyber Pakhtunkhwa Sales Tax on Services)

*Dated Peshawar, the March <sup>22</sup>, 2018*

No. KPRA/SN/1905-09 In exercise of the powers conferred by section 30(2) read with section 114 of the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), the Khyber Pakhtunkhwa Revenue Authority (KPRA) is pleased to make the following Regulation, namely;

**KHYBER PAKHTUNKHWA SALES TAX ON SERVICES SPECIAL PROCEDURE  
(TRANSPORTATION OR CARRIAGE OF PETROLEUM OILS THROUGH OIL  
TANKERS) REGULATION, 2018**

(KPRA REGULATION No. 01 OF 2018)

1. **Short title, application and commencement.** (1) This Regulation may be called Khyber Pakhtunkhwa Sales Tax Special Procedure (Transportation or Carriage of Petroleum Oils through Oil Tankers) Regulation, 2018;

(2) This Regulation shall apply to such of the service or services of inter-city transportation or carriage of petroleum oils by road which are provided or rendered through oil tankers and are classified under tariff heading 9804.0000 of the First Schedule and chargeable to sales tax under S. No. 55 of the Second Schedule to the Khyber Pakhtunkhwa Finance Act, 2013; and

(3) This Regulation shall apply in relation to such of the service or services as are provided or rendered on or after the first day of January, 2018.

2. **Definitions.**----- (1) In this Regulation, unless there is anything repugnant in the subject or context,-----

- (a) "Act" means the Khyber Pakhtunkhwa Finance Act, 2013;
- (b) "Authority" means the Khyber Pakhtunkhwa Revenue Authority established under section 3 of the Khyber Pakhtunkhwa Finance Act, 2013;
- (c) "Inter-Province service or services" means a service or services originating in or from any place in the Province of Khyber Pakhtunkhwa and terminating at any place in Pakistan, including

Federal Capital Territory, FATA, PATA, AJK and GB, outside the Province of Khyber Pakhtunkhwa;

- (d) "Intra-Province service or services" means a service or services originating in or from any place in the Province of Khyber Pakhtunkhwa and also terminating at any place in the Province of Khyber Pakhtunkhwa;
- (e) "Invoice" means an invoice, bill, bill of lading, consignment note, cash memo, credit memo, advice or any other such transaction-related document containing the particulars mentioned in section 47 of the Khyber Pakhtunkhwa Finance Act, 2013;
- (f) "Non-tariff area", in relation to inter-province service or services, means the State of Azad Jammu and Kashmir, Gilgit Baltistan, Islamabad Capital Territory, FATA, PATA and other similar territories or areas where sales tax on the service or the services of inter-city transportation or carriage of petroleum oils by road through oil tankers has not been levied under the reverse charge mechanism.
- (g) "Petroleum oils" means that petroleum oils including crude oil classified under heading 27.09 and 27.10 of the Pakistan Customs Tariff, as given in the First Schedule to the Customs Act, 1969 (Act No. IV of 1969);
- (h) "Registered person" means a person who is registered with the Authority under section 41 of Khyber Pakhtunkhwa Finance Act, 2013;
- (i) "Sales tax" or "tax" means the Khyber Pakhtunkhwa sales tax as defined in sub-section (52) of section 2 of the Khyber Pakhtunkhwa Finance Act, 2013;
- (j) "Service" or "services" means such of the service or the services of inter-city transportation or carriage of petroleum oils by road through oil tankers, as are classified under tariff heading 9804.0000 of the First Schedule to the Act;
- (k) "Service provider" means a person registered with Authority under the Khyber Pakhtunkhwa Finance Act, 2013, for providing or rendering such of the service or services as are mentioned in clause (j) of this Regulation;
- (l) "Service recipient" means the person, receiving the service or the services, to whom the service provider issues the invoice;



- (m) "This Regulation" means the Khyber Pakhtunkhwa Sales Tax Special Procedure (Transportation or Carriage of Petroleum Oils through Oil Tankers) Regulation, 2018;
  - (n) "Un-registered person" means a person who is liable to be registered under the Khyber Pakhtunkhwa Finance Act, 2013 but is actually not registered and does not hold a Khyber Pakhtunkhwa Sales Tax Registration Number (KNTN);
  - (o) "Withholding agent" means a person as defined in Paragraph 2, except sub-paragraph (f), of the Khyber Pakhtunkhwa Sales Tax Special Procedure (Withholding) Regulation, 2015; and
  - (p) "Withholding Regulation" means the Khyber Pakhtunkhwa Sales Tax Special Procedure (Withholding) Regulation, 2015.
- (2) The words and expressions used in this Regulation but not defined herein shall have the same meaning as assigned to them in the Act.

**3. Rate of tax.**----- The rate of tax on Inter-Province and Intra-Province service or services shall be the rate as applicable vide S. No. 55 of the Second Schedule to the Khyber Pakhtunkhwa Finance Act, 2013.

**4. Tax invoices.**----- The service provider shall issue an invoice in relation to the service or the services provided or rendered by him.

**5. Withholding of tax.**----- The service recipient being Withholding Agent, shall withhold whole of the amount of sales tax, deposit fifty per cent (50%) of the withheld amount in Khyber Pakhtunkhwa Consolidated Fund under the head of account "B-02386" in the manner prescribed in the Khyber Pakhtunkhwa Sales Tax Special Procedure (Withholding ) Regulation, 2015. The balance withheld amount of fifty per cent (50%) shall be deposited in the jurisdiction of the Tax Authority of the respective Province, other than the non-tariff areas, where the services are terminated in the manner as may be prescribed by that Authority.

**6. Returns:** ----- (1) The service provider shall e-file his tax returns, as defined in clause (43) of section 2 of the Khyber Pakhtunkhwa Finance Act, 2013 in the prescribed manner:

Provided that where a service recipient agrees with the service provider to e-file the prescribed return on behalf of the service provider, such a service recipient shall e-file the prescribed return of the service provider.

(2) The service recipient shall e-file his own return in the manner prescribed in the Withholding Regulation and he shall also issue the prescribed Certificate of Deduction/Withholding, to the service provider, besides complying with the other provisions of the Withholding Regulation.

7. **Application of other provisions:**----- All the provisions of the Regulation and notifications made or issued under the Khyber Pakhtunkhwa Finance Act, 2013 shall maintain *mutatis mutandis* apply in relation to the service or services, the service providers, service recipients or withholding agent covered by this Regulation, to the extent that this Regulation is not inconsistent with the provisions of the Khyber Pakhtunkhwa Finance Act, 2013.

  
Director General


Khyber Pakhtunkhwa Revenue Authority

No. KPRA/GN/1905-09

Dated 22-03-2018

Copy to the:

1. Principal Secretary to Chief Minister, Khyber Pakhtunkhwa/ Chairman of the Council;
2. PSO to Chief Secretary to the Government of Khyber Pakhtunkhwa.
3. Secretary Excise, Taxation & Narcotics Control Department, Government of Khyber Pakhtunkhwa.
4. Government Stationary and Printing Department, Peshawar with the request to publish the same in the official gazette.
5. All Officers of the Authority.

  
Director Admin.