

**Government of Pakistan
(Revenue Division)
Federal Board of Revenue**

C.No.1(1) SS(Pro.Taxes-I)/2022

Islamabad, the 20th January, 2022

**Circular No.07 of 2022
(Sales Tax)**

Subject: - Explanation of Important Amendment Introduced in the Sales Tax Act, 1990, through Finance (Supplementary) Act, 2022—Sales Tax on Supply of Prepared Food, Food Stuff and Sweetmeats Supplied by Restaurants, Bakeries, Caterers and Sweetmeats Shops

Upto 15.01.2022, Food, Food Stuff and Sweetmeats supplied by Restaurants, Bakeries, Caterers and Sweetmeats Shops was taxable @ 7.5% under serial No.64 of Eighth Schedule of Sales Tax Act, 1990, with the condition that no input tax shall be adjusted. Through Finance (Supplementary) Act, 2022 serial No.64 of Eighth Schedule of Sales Tax Act, 1990 has been omitted; now these products shall be chargeable to tax @ 17% under the VAT regime.

2. It is further explained that services mentioned under serial No.1 of the Schedule to ICT Service Ordinance, 2001 by Hotels, Motels, Guest Houses, Marriage Halls and Lawns (by whatever name called) including "pandal" and "shamina" services, clubs including race clubs, and caterers shall continue to be chargeable to tax @ 16%.

3. The taxpayers falling in the above category at Para-1 are required to charge Sales tax @ 17% on supply w.e.f 16.01.2022.


(Naila Ashraf Khan)
Second Secretary (Provincial Taxes-I)