

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

Islamabad, the 30th September, 2020.

**NOTIFICATION
(SALES TAX)**

S.R.O. 931(I)/2020.— In exercise of the powers conferred under sub-clause (j) of clause (46) of section 2 of the Sales Tax Act, 1990 and section 50 thereof, the Federal Board of Revenue is pleased to direct that in the Sales Tax Rules, 2006, the following further amendment shall be made, namely:—

In the aforesaid Rules, after rule 164, the following new rule shall be inserted, namely:—

“164A. Supply of used vehicles.— (1) Where a registered person is engaged in the business of purchasing and selling used vehicles from general public on which sales tax had already been paid at the time of import or manufacturing, the value of the supply shall be worked out in accordance with the sub-rule (2).

(2) The value of supply shall be worked out in accordance with the following formula, namely:—

A-B

Where—

A is the consideration in money, including all charges and fees but excluding the amount of sales tax charged, received by the registered person from the buyer of the used vehicle; and

B is the consideration in money, including all charges and fees, paid by the registered person to the seller of the used vehicle:

Provided that the whole amount paid or received against the above-mentioned transactions is made through banking channel as required under section 73 of the Act:

Provided further that in case a vehicle is sold at a price lower than its purchase price, the value determined under this sub-rule shall be deemed to be zero.

(3) No input tax credit shall be allowed to the registered person which is attributable to any goods or services acquired for the purposes of selling used vehicles.”.

[C. No. 1/28-STB-II/2020]


(Fakhryia Anjum)
Secretary (ST&FE-Budget-II)