

Government of Pakistan
Revenue Division
Federal Board of Revenue
Inland Revenue Policy

Notification
(Sales Tax)

Islamabad, 07th March, 2022

S.R.O. 383 (I)/2022.-- In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to direct that the following further amendment shall be made in the Sales Tax Rules, 2006, namely:—

In the aforesaid Rules, after rule 39G, the following new Chapter and rules thereunder shall be inserted, namely:—

“Chapter V-B

REFUND TO PHARMACEUTICAL SECTOR

39H. Application.—(1) This Chapter shall apply to refund claims for the period commencing from 15th day of January, 2022 onwards, as filed by the registered persons engaged in import or supply of zero rated drugs as registered under the Drugs Act, 1976 (XXXI of 1976), or medicaments as classified under Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except PCT heading 3005.0000.

39I. Extent of payment of refund claim.—The total amount of refund paid against the claims filed and processed under this Chapter shall not exceed the lower of the two amounts, namely, the amount of input tax actually consumed in goods as supplied at zero-rated rate, or the amount as per ceiling, if any, determined by the Board, in terms of percentage of value or amount per unit of the quantity as deemed appropriate.

39J. Filing and processing of refund claims.—The data provided in the monthly national sales tax return shall be treated as data in support of refund claim and no separate electronic data shall be required to be provided. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed, once the return has been submitted along with all prescribed annexures thereof:

Provided that the claimant may submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days. The date of submission of Annex-H shall be considered as the date of filing of refund claim:

Provided further that the period of one hundred and twenty days, as aforesaid, may be extended for a period not exceeding sixty days, by the Commissioner having jurisdiction, for reasons to be recorded in writing on the basis of an application made by the claimant.

39K. Risk management in refund processing.—After submission of refund claim, in the aforesaid manner, the same shall be processed by risk management system (RMS). Based on the parameters in RMS, a refund claim shall be routed to the processing module referred to as fully automated sales tax e-refund pharma (FASTER Pharma). The claims that do not fulfil RMS parameters for processing through FASTER Pharma module shall be routed for processing under Chapter V.

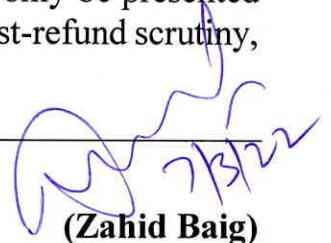
39L. Processing in FASTER PHARMA module.— The claims routed to FASTER Pharma module shall be electronically processed. The data in the refund claim shall be scrutinized and verified by the system and the payable refund amount shall be determined on the basis of RMS quality check of input consumed in supplies. The refund payment order (RPO) of the amount found admissible shall be generated and the same shall be electronically communicated direct to the State Bank of Pakistan, within seventy-two hours of submission of claim, for onward advice to the respective banks for credit into the notified account of the claimant.

39M. Processing in STARR module.— The part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check. After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned IRS field formation for information. RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR module as referred to in Chapter V.

39N. Miscellaneous.—The provisions relating to transmission of bank advice to State Bank post-refund scrutiny, supportive documents, responsibility of claimants and action in respect of inadmissible claims, as specified in Chapter V, shall, *mutatis mutandis*, be applicable to refund claims filed and processed under this Chapter:

Provided, however, that supportive documents shall only be presented by the claimant, if so required by the officer-in-charge of post-refund scrutiny, with the approval of Commissioner concerned.”.

[C.No. 3(6)ST&FE-Policy/2021]



(Zahid Baig)

Second Secretary (ST&FE-Policy)