



KHYBER PAKHTUNKHWA

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KHYBER PAKHTUNKHWA REVENUE AUTHORITY

NOTIFICATION

Dated: 31st August, 2015.

No. F-16(4)KPRA/Notification/WH/1383- — In exercise of the powers conferred by section 114 of the Khyber Pakhtunkhwa Finance Act, 2013, (Khyber Pakhtunkhwa Act No.XXI of 2013), hereinafter called as "the Act", the Khyber Pakhtunkhwa Revenue Authority, hereinafter called as "the Authority", with the approval of the Policy Making Council, is pleased to make the following Regulation, namely:-

1. Short title, application and commencement. — (1) This Regulation may be called the Khyber Pakhtunkhwa Sales Tax on Services Special Procedure (Withholding) Regulation, 2015; (2) It shall apply to taxable services as are provided to the following persons, for the purpose of deduction and deposit of sales tax, namely:-

- (a) federal and provincial government, including local and district governments, departments and offices;
- (b) autonomous bodies, special institutions, public sector projects and programs;
- (c) public sector organizations, including public sector corporations, state-owned enterprises and regulatory bodies and authorities;
- (d) organizations, projects which are funded, fully or partially, out of the budget grant of the federal or provincial government;
- (e) companies as defined in sub-section (12) of section 2 of the Act, which are resident of the Province or have a place of business there;
- (f) recipients of service of advertisement, who are registered for the Federal Sales Tax on goods or for Khyber Pakhtunkhwa Sales Tax on Services; and
- (g) persons registered with the Authority receiving taxable services from unregistered persons.

(3) It shall come into force at once.

2. Definitions. —(1) In this regulation, unless there is anything repugnant to the subject or context,—

- (a) "advertisement" means the taxable services of advertisement of tariff heading 98.02 and the sub-heads and descriptions there under;
- (b) "Form" means the form appended to this Regulation;
- (c) "paragraph" means paragraph of this Regulation;
- (d) "Province" means the province of Khyber Pakhtunkhwa;

(e) "service provider" means a person who provides or is engaged in providing service in the course or furtherance of an economic activity;

(f) "withholding agent" includes the persons as specified under sub paragraph (2) of paragraph 1 and also includes their accounting office's which are responsible for authorizing payment against the taxable services received by them; and

(2) Words and expressions used but not defined in this Regulation shall have the same meanings as assigned to them under the Act.

3. Responsibility of a withholding agent. — (1) The withholding agent, intending to receive taxable services, shall indicate in an advertisement, notice, booking order or any other similar document, made or given for this purpose, that sales tax to the extent as provided in this Regulation shall be deducted and withheld from the payment to be made to the service provider and deposited in the Government head of account No.B-02386—Sales Tax on Services, Khyber Pakhtunkhwa, or as notified by the Authority from time to time.

(2) A withholding agent who is not already registered with the Authority as service provider, shall electronically apply for "Sign Up as Withholding Agent" with the Authority in Form-1 (KSTW-01) upon which he shall be allocated a User identification, Password and Personal Identification Number Code for Khyber Pakhtunkhwa sales tax withholding purposes.

(3) In case of deregistration, the registered withholding agent shall electronically apply for deregistration in Form-2 (KSTW-02).

4. Withholding from registered service providers.—A withholding agent, other than a recipient of advertisement services, shall deduct an amount equal to one-fifth of the total sales tax shown in the sales tax invoice issued by a registered service provider and make payment of the balance of the transaction amount to him.

5. Withholding from unregistered service providers.—(1) A withholding agent shall, on receipt of taxable services, other than advertisement services, from an unregistered person, deduct sales tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider and the amount of sales tax for the purpose of this paragraph shall be worked out on the basis of gross value of taxable services.

(2) If a withholding agent receives taxable services from an unregistered person, he shall be responsible to obtain and keep in record:

- (a) a copy of computerised National Identity Card of the unregistered person if he is an individual; and
- (b) a copy of National Tax Number of the unregistered person assigned under the Income Tax Ordinance, 2011 (XLIX of 2001) if it an Association of Persons or a Company.

6. Withholding tax on advertisement services. —A person mentioned in clause (f) of sub-paragraph (2) of paragraph 1 or any other recipient of advertisement services, who receives advertisement services, provided by a person based in Pakistan or abroad, shall deduct the whole

amount of sales tax as mentioned in the invoice issued by the service provider, from the payment due to the service provider. In case the sales tax amount is not indicated on the invoice, the withholding agent shall deduct, from the payment due to the service provider, sales tax at the applicable rate of the value of taxable services.

7. **Procedure.** — (1) Where the services are received by a government department or office specified in clause (a) of sub-paragraph (2) of paragraph 1, the Drawing and Disbursing Officer of the department or office, preparing the bill for the accounting office, shall indicate the amount of sales tax withheld as prescribed above.

(2) The accounting office shall adopt the procedure as indicated below:

(i) in case of services received by a department or office under the Federal Government, the Office of the Accountant General Pakistan Revenue, Sub-office Peshawar, District or Agency Accounts Offices shall account for the amount deducted at source during a month under the Government head of account, "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa". Cheque for the amount shall be prepared by the Accountant General Pakistan Revenue Sub-office in the name of the Director General, by debit to the aforesaid head of account and sent to the Authority by 15th day of the following month;

(ii) in case of services received by the departments and offices under the Government or districts or local governments thereof, the Accountant General Khyber Pakhtunkhwa, the District or Agency Accounts Officers in the Province, as the case may be, shall deduct the amount at source during a month, credit the same to the Government head of account, "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa" and send tax payer-wise report to the Director General by 15th day of the following month;

(iii) in case of services received by the departments and offices under a Provincial Government, other than the Government of Khyber Pakhtunkhwa, or Districts or local governments thereof, the Accountant General of that province or the respective District Accounts Officer, as the case may be, shall account for the amount deducted at source during a month under the Government head of account, "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa". Cheque for the amount will shall be prepared by the respective Accountant General or the District Accounts Officer or the office responsible to make payment as the case may be, in the name of the Director General, by debit to the aforesaid head of account and sent to the Authority by 15th day of the following month;

(iv) where the services are received by the departments falling in purview of Military Accountant General, the Military Accountant General, shall deduct and withheld the amount of tax and the amount so deducted at source during a month shall be transferred to the Government head of account, "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa", and send intimation to the Director General by 15th day of the following month. The amount so deducted at source shall simultaneously be reported by the

(3) The concerned Drawing and Disbursing Officer shall prepare an electronic return in Form-3 (KSTW-03) for each month and forward the same to the Director General by 15th day of the following month.

(4) In case of services received by the persons specified in clauses (b) to (g) of sub-paragraph (2) of paragraph (1), the withholding agents shall pay the withheld amount of sales tax in the Govt. head of account, "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa", against PSID/Challan prepared in Form-4 (KSTW-04), by the following due dates.

(i) In case the withholding agent is registered as a service provider under the Act, by the prescribed due date of the month in which he claims input tax credit/adjustment in Annex-A of his tax return (Form KSTW-03) or the date on which payment is made to the service provider, whichever is earlier:

Provided that where such a withholding agent does not claim input credit for a period of four months succeeding the month in which the tax invoice was issued or is not otherwise entitled to claim input tax credit/adjustment, he shall deposit the withheld amount of tax on the date on which he makes the payment to the service provider or on a date within four months from the date of the invoice, whichever is earlier;

(ii) In case withholding agent is not registered as a service provider under the Act but is registered with FBR under the Sales Tax Act, 1990, by the 15th day of the month in which he claims input tax credit/adjustment in Annex-A of his tax return (Form STR-7), as prescribed by the FBR, or the date on which payment is made to the service provider, whichever is earlier:

Provided that where such a withholding agent does not claim input tax credit/adjustment for a period of four months succeeding the month in which the tax invoice was issued or is not otherwise entitled to claim input tax credit/adjustment, he shall deposit the withheld amount of tax within a period of four months from the date of the tax invoice or the date when he makes a payments to the service provider, whichever is earlier; and

(iii) In case of other withholding agents, not covered by clauses (i) and (ii) of this sub-rule, by the 15th day of the following month in which the tax invoice was issued by the service provider or the date on which payment is made to the service provider, whichever is earlier.


(5) The withholding agent shall pay default surcharge, as prescribed in section 64 of the Act, in case of any delay or default in payment of amount of tax withheld or deducted by him or liable to be withheld or deducted by him and the said amount is not paid in Govt. head of account "B-02386—Sales Tax on Services, Khyber Pakhtunkhwa", by the due date prescribed under these


(6) The withholding agent shall furnish to the officer of Khyber Pakhtunkhwa Revenue Authority all such information or data as may be required by him for carrying out the purposes of these rules.

8. **Responsibility of the registered service provider.**— (1) A registered service provider shall:

- (a) issue sales tax invoice in respect of every taxable service provided or rendered to a withholding agent: and
- (b) file monthly return, as prescribed in the Act and the rules and regulations made there under, and
- (c) be entitled to adjust input tax against the output tax, taking due credit of the sales tax deducted by the withholding agent, in the manner as prescribed in the return.

9. **Application of other provisions.**— All the provisions of the rules, regulations and notifications made or issued under the Act, shall apply to the taxable services, as aforesaid, to the extent that the same are not inconsistent with the provisions of this Regulation.


 Government of Khyber Pakhtunkhwa Khyber Pakhtunkhwa Revenue Authority (KPRA) sign up Form for KPRA Withholding Agents		KSTW-01
Registry	1	Sheet No. <input type="checkbox"/> of <input type="checkbox"/> Token No. <input style="width: 100px;" type="text"/>
	2	Apply <input type="checkbox"/> Sign as KPRA Withholding Agent not holding any KNTN <input type="checkbox"/> Change in particulars <input type="checkbox"/> KNTN <input style="width: 100px;" type="text"/>
	3	Authorization <input type="checkbox"/> KPRA is authorized to obtain my registration/enrollment particulars from FBR and other Provincial Revenue Authorities. This option is applicable only to taxpayers already registered with FBR, and authorizing KPRA Portal to transfer the registration particulars from FBR Portal
	4	Category <input type="checkbox"/> Company <input type="checkbox"/> Individual <input type="checkbox"/> ADP
	5	Name <input style="width: 80%;" type="text"/> Gender <input type="checkbox"/> Male <input type="checkbox"/> Female
	6	CHNIC/PP No. <input style="width: 100%;" type="text"/> (For Individual only, Non-Resident to write Passport (PP) No.)
	7	Address Registration office Address for Company and Mailing/Business Address for Individual & ADP, for all correspondence Office/Shop/House/Flat/Plot No. <input style="width: 200px;" type="text"/> Street/Lane/Plaza/Floor/Village <input style="width: 200px;" type="text"/> Block/Mohalla/Sector/Road/Postal office/etc. <input style="width: 200px;" type="text"/> Area/Town <input style="width: 100px;" type="text"/> City/Taluka (with Zip code) <input style="width: 100px;" type="text"/> District <input style="width: 100px;" type="text"/> Province <input style="width: 100px;" type="text"/>
	8	Principal Service to be received <input style="width: 150px;" type="text"/> Service Code <input style="width: 50px;" type="text"/>
Agent Particulars u/s 90	9	Rep. Type <input type="checkbox"/> Self <input type="checkbox"/> Authorized person u/s 90 in Capicit <input style="width: 100px;" type="text"/>
	10	CHNIC/KNTN <input style="width: 100px;" type="text"/> Name <input style="width: 100px;" type="text"/>
	11	Address Office/Shop/House/Flat/Plot No. <input style="width: 200px;" type="text"/> Street/Lane/Plaza/Floor/Village <input style="width: 200px;" type="text"/> Block/Mohalla/Sector/Road/Postal office/etc. <input style="width: 200px;" type="text"/> Area/Town <input style="width: 100px;" type="text"/> City/Taluka (with Zip code) <input style="width: 100px;" type="text"/> District <input style="width: 100px;" type="text"/> Province <input style="width: 100px;" type="text"/>
	12	Phone Area Code <input style="width: 50px;" type="text"/> Number <input style="width: 100px;" type="text"/> Mobile Area Code <input style="width: 50px;" type="text"/> Number <input style="width: 100px;" type="text"/> Fax Area Code <input style="width: 50px;" type="text"/> Number <input style="width: 100px;" type="text"/>
	13	Email <input style="width: 100%;" type="text"/> (e-mail for all correspondence)
Declaration	14	I, the under signed solemnly declare that the information given above is correct and complete in all respect to the best of my knowledge and belief. It is further declared that any letter of information or notice sent on the email address or the address given in the registry portion will be accepted as served under the law. I also hereby authorize Khyber Pakhtunkhwa Revenue Authority to obtain my registration data from Federal Board of Revenue and other provincial Tax administrations.
		Date <input style="width: 100px;" type="text"/> CNIC/Passport No <input style="width: 100px;" type="text"/> Name of Applicant <input style="width: 100px;" type="text"/> Signature <input style="width: 100px;" type="text"/>
Official Area	15	NTN already allotted by FBR <input style="width: 100px;" type="text"/> User ID allotted by KPRA <input style="width: 100px;" type="text"/>
		Date <input style="width: 100px;" type="text"/> Tax office <input style="width: 100px;" type="text"/> Signature <input style="width: 100px;" type="text"/>



Government of Khyber Pakhtunkhwa
Khyber Pakhtunkhwa Revenue Authority (KPRa)
sign up Form for KPRa Withholding Agents

KSTW-02

Registry	1	KNTN [] [] [] [] [] [] [] [] [] [] [] [] (Sheet No. [] Of []) Acknowledgment No. []											
	2	Category: <input type="checkbox"/> Company <input type="checkbox"/> Individual <input type="checkbox"/> AOP											
	3	Status: <input type="checkbox"/> Resident <input type="checkbox"/> Non Resident											
	4	CNIC No. [] [] [] [] [] [] [] [] [] [] [] [] For individual only											
	5	Reg./Inc. No. _____ For company & registered AOP only Date of incorporation _____											
	6	Name: _____ Trade Name: _____											
	7	Address: Registration office Address for Company and Mailing/Business Address for Individual & AOP, for all correspondence											
		Office/Shop/House/Flat/Plot No.			Street/Lane/Plaza/Floor/Village			Block/Mohalla/Sector/Road/Postal office/etc.					
		Area/Town		City/Taluka (with Zip code)		District		Province					
		E-mail address					Telephone Number						
Reason for De-Registration	<input type="checkbox"/> Ceased to carry on business <input type="checkbox"/> Services (to be received) has become exempt or non-taxable in KPK (Giv details) <input type="checkbox"/> Merger with an other company or firm or business (Attach evidence) <input type="checkbox"/> Transfer or sale of business (Attach evidence) with NTN of the Transferee or the Buyer <input type="checkbox"/> Other (Please describe)												
	I, the undersigned solemnly declares that the information given above is correct and complete in all respects to the best of my knowledge and belief. It is further declared that any letter or information or notice sent to the e-mail / address given in the registry portion, will still be accepted as served under the law. I request for de-registration my name.												
			Date			CNIC/Passport No			Name of Applicant			Signature	



Government of Khyber Pakhtunkhwa
Khyber Pakhtunkhwa Revenue Authority (KPRa)
sign up Form for KPRa Withholding Agents

A: Withholding Agent's Details

Name: _____ Period: _____

Address: _____ KNTN: _____

Category: _____

B: details of sales tax deducted during month

I, _____ Holder of CNIC No. _____ in my capacity as _____ #Certify

Date: _____ Signature: _____


No. Head of Account B-42386-Khyber Pakhtunkhwa Sales Tax on Services

Slr	Description	Amount
	Sale Tax on Services	
	Additional Tax/Surcharge/Others	
	Arrears	
	Penalty	
	Total Amount of Payment	

Amount (in words): _____

(in figures): _____

CPR No: _____

	Government of Khyber Pakhtunkhwa Khyber Pakhtunkhwa Revenue Authority (KPRA) Tax Payment Challan Form for Withholding Agent	KSTW-04					
KNTN/FTR: <input type="text"/> - <input type="text"/>	Tax Period: <input type="text"/>	Month: <input type="text"/> Year: <input type="text"/>					
Name: _____							
Address: _____							
Category: _____							
Total No. Of Service Providers: _____ Total Tax Deducted: _____							
Detail of Taxpayers have been uploaded on e-portal Reference No. _____							
No. Head of Account B-42384-Khyber Pakhtun KPK Sales Tax on Services							
Sr. No.	Description	Amount					
	Sale Tax on Services						
	Additional Tax/Surcharge/Others						
	Arrears						
	Penalty						
	Total Amount of Payment						
Amount (in words): _____							
Mode & Particulars of Payment							
Sr. No.	Type	No.	Amount	Date	Bank	City	Branch
DECLARATION OF DEPOSITOR							
I HEREBY DECLARE THAT THE PARTICULARS MENTIONED IN THIS TAX PAYMENT CHALLAN ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.							
CNIC: _____							
Name: _____							
Date: _____ (DD-MM-YY)							
						Signature of Depositor	
(Bar Code) PSD No. _____							

Sd/-xxx
Director (Operations),
Khyber Pakhtunkhwa Revenue Authority,
Government of Khyber Pakhtunkhwa.