

**SINDH ACT NO.XVII OF 2014  
THE SINDH FINANCE ACT, 2014**

**C O N T E N T S**

**Preamble**

**Sections**

1. Short title and commencement.
2. Amendment of Sindh Finance Act XIII of 2010.
3. Amendment of Stamp Act No.II of 1899.
4. Amendment of Sindh Act No.XII of 2011.

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

[8<sup>th</sup> July, 2014]

**An Act** to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh;

**WHEREAS** it is expedient to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh, in the manner hereinafter appearing;

**Preamble.**

It is hereby enacted as follows :-

1. (1) This Act may be called the Sindh Finance Act, 2014.

**Short title and commencement.**

(2) It shall come into force on and from 1<sup>st</sup> day of July, 2014.

2. In the Sindh Finance Act, 2010, in section 4 –

**Amendment of Sindh Finance Act XIII of 2010.**

(i) in sub-section (2), after clause (i), the following clauses shall be added:-

“(j) “Market Value” means the fair value of the property to be determined by the authority notified by the Board of Revenue Sindh in consultation with Finance Department; provided that such market value shall not be below the value specified in Valuation Table;

(k) “Real Estate Investment Trust” means the Real Estate Investment Trust registered with the Security Exchange Commission of Pakistan;

(l) “Valuation Table” means the Valuation Table notified under section 27-A of the Stamp Act, 1899 (Act No.II of 1899).”;

(ii) in sub-section (3), in column 2 of item No. A (i) , B (i), C (i), for the word “recorded” the words “recorded or according to Valuation Table whichever is higher” shall be substituted;

(iii) after sub-section (8), the following new sub-sections shall be added:-

“(9) Notwithstanding anything contained in this Act, the Capital Value Tax for all properties to be transferred **to and from** Real Estate Investment Trust shall be charged one percent of the market value of the property.

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(10) The Registration Fee for all properties to be transferred **to and from** Real Estate Investment Trust shall be charged 0.5% of the market value of the property.”;

3. In the Stamp Act, 1899, in its application to the Province of Sindh, in the Schedule - **Amendment of Stamp Act No.II of 1899.**

(a) in Article 2, in column 2, for the word “Twenty” the word “Fifty” shall be substituted;

(b) in Article 3, in clauses (a), (b), (c) and (d), in column 2, for the words “Two, Two, one and One” the words “Five, Five, Five and Two” shall be substituted, respectively;

(c) For Article 4, the following shall be substituted:-

**4. Allotment Order or Transfer of Allotment Order,** issued by a developer, builder, co-operative society, housing society or housing authority, or any other body or organization providing before lease -

**A-In respect of open plots –**

(i) Residential Plots -

(a) up to 399 Sq.yds	<b>Ten</b> rupees per Sq.yd.
(b) 400 Sq.yds or above	Thirty rupees per Sq.yd.

(ii) **Commercial** plots      Forty rupees per Sq.yd.

(iii) Industrial plots      Twenty rupees per Sq.yd

**B-In respect of built-up property -**

(i) Residential house      Ten rupees per Sq.ft.

(ii) Residential flat      Five rupees per Sq.ft.

(iii) Commercial Offices / Premises      Fifteen rupees per Sq.ft.

(iv) Industrial units/ factories      Fifteen rupees per Sq.ft.

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

- (d) in Article 6, in column 2, for the word "Fifty" the words "One hundred" shall be substituted;
- (e) in Article 9, for the entry in column 2, the following shall be substituted:-
- "Three hundred rupees"
- (f) in Article 10, in clause (A), in column 2, for the word "Two" the word "Five" shall be substituted;
- (g) in Article 15, in clause (a), in column 1, after the words "engineering consultancy", the words "or any other services" shall be inserted.
- (h) in Article 17, in column 2, for the word "Two" the word "Five" shall be substituted;
- (i) in Article 20, for the entries in columns 1 and 2, the following shall be substituted:-

**Gift instrument of**, not being settlement (No.30)  
or will or transfer (No.31)

- |  |   |
|--|---|
| (i) executed between spouse, father, mother, son, daughter, grandparents, grandchildren, brother and sister. | <b>one fifth of the duty leviable on Conveyance (No.16-A(iii)).</b> |
| (ii) other than above  | <b>the same duty leviable on Conveyance (No.16-A (iii)).</b>        |
- (j) in Article 21, for clause (i), the following shall be substituted:-
- |   |  |
|---|--|
| “(i) where the lease relates to open plots, flats, shops, offices, town houses and bungalows together with the right in the divided share or otherwise of the plot where the value thereof determined in accordance with the valuation table. | <b>One percent as per valuation table”</b> |
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**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

- (k) in Article 21, in clause (ii) in column 1, after the words “in respect of” the words “open or” shall be inserted and in column 2, for the word “three”, the word “two” shall be substituted;
- (l) in Article 22, in column 2, for the words “one hundred”, “two hundred” and “five hundred”, the words “two hundred”, “four hundred” and “one thousand” shall be substituted, respectively;
- (m) in Article 29, in column 2 for the figure “1”, the figure “2” shall be substituted;
- (n) in Article 30, in clause (ii), in column 2, after the words “under section 27-A and 27-B”, the words “or five percent of the value of moveable property settled” shall be added.

4. In the Sindh Sales Tax on Services Act, 2011 –

**Amendment of  
Sindh Act No.XII  
of 2011.**

(i) in section 2 –

**(a)** after clause (20), the following clauses shall be inserted, namely:-

“(20A) **“call centre”** means an establishment providing or rendering the services of receiving or transmitting requests by telephone, facsimile, live support software, social media and e-mail, whether for the product support or business support of any person or for information inquiries from consumers or for telemarketing, soliciting of donations and subscriptions, debt collection, market research or other similar services;

(20B) **“car or automobile dealer”**, by whatever name called, means a person who is engaged in providing or rendering the services in relation to sale, purchase, transfer, leasing, marketing or booking of cars and automobiles, whether imported or locally assembled or locally manufactured, including new, old and used cars or automobiles;

(20C) **“car or automobile washing or similar service station”** means a service station or a service centre or an establishment providing or rendering the services in relation to maintenance

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

of cars or automobiles, including the services of inspecting, detailing, washing, cleaning, polishing, waxing, oil coating, lubricating, tuning, changing of oils, filters and plugs, denting, painting, repairing and other similar services;”;

**(b)** after clause (39), the following clause shall be inserted, namely:-

“(39A) **“exchange”** has the same meaning as in clause (da) of sub-section (1) of section 2 of the Securities and Exchange Ordinance 1969 (Ordinance No. XVII of 1969);”;

**(c)** after clause (42), the following clause shall be inserted, namely:-

“(42A) **“fashion designer”** means a person providing or rendering the services of fashion designing including the economic activities relating to conceptualizing, outlining and creating designs and preparing designs and patterns for costumes, apparels, garments, clothing, accessories, jewellery, foot wears or any other services incidental or ancillary to such fashion designing;”;

**(d)** after clause (47), the following clauses shall be inserted, namely:-

“(47A) **“fumigation services”** means the services provided or rendered by a person in relation to pest control and insect control and includes the services of disinfecting and sterilizing of premises, buildings, factories and complexes, including commercial complexes, shopping complexes, office complexes, apartment or residential complexes, multiplexes, exhibition centres, residential units, commercial units, offices and commercial goods, but does not include the public health fumigation services provided or rendered by the Federal Government, Provincial Government, Local Government or Cantonment Board and the services in relation to agriculture, horticulture, animal husbandry and dairy farming;

(47B) **“fund and asset management services”** includes the services provided or rendered in relation to asset management, portfolio management and all kinds of fund management;”;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(e) after clause (54), the following clause shall be inserted, namely:-

“(54A) **“interior decorator”** means a person providing or rendering, directly or indirectly, any advice, consultancy, technical assistance or, in any other manner, the services related to planning, design or beautification, embellishment, oration, decoration or furnishing any interior or exterior space, whether man-made or otherwise, and includes a landscape designer;”;

(f) after clause (55), the following clauses shall be inserted, namely:-

“(55A) **“labour and manpower supply services”** includes the services provided or rendered by a person to another person, for a consideration, for use of the services of a person or an individual, employed, hired or supplied by him;

(55B) **“laundries and dry cleaners”** means a person providing or rendering, to any person, the services of washing, pressing, stain removing, darning or dry cleaning of any kind of textile or fur or leather materials like apparels, clothes, garments, floor coverings, curtains, draperies, linens, bed-wears, and their accessories;”;

(g) after clause (56), the following clause shall be inserted, namely:-

“(56A) **“maintenance or cleaning services”** means the services provided or rendered in relation to repair, maintenance and cleaning, including specialized cleaning services such as disinfecting, exterminating or sterilizing, of –

- (i) office equipment, office buildings, commercial or industrial building and premises thereof;
- (ii) commercial complexes including multiplexes, shopping complexes, office complexes, exhibition centres, apartment or residential complexes; and
- (iii) factories and the plants or machinery or equipment of such factories and, elevators, escalators, tanks or reservoirs of such factories or of office or commercial or industrial buildings or commercial complexes,

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

but does not include such services in relation to agriculture, horticulture, animal husbandry, and dairy farming;”;

**(h)** after clause (67), the following clauses shall be inserted, namely:-

“(67A) “**production house**” means a person or an establishment producing a programme or providing or rendering various services, facilities, utilities or advantages in relation to production of programmes;

(67B) “**programme**” means any audio or visual matter, live or recorded, intended to be disseminated by transmission of electro-magnetic waves through space or through cables to be received by general public either directly or indirectly through the medium of cables, telecommunication or relay stations;

(67C) “**programme producer**” means a person who produces a programme on behalf of, or for use by, another person;

(67D) “**property dealer**”, by whatever name called, means a person who is engaged in providing or rendering the services, directly or indirectly and in any manner, in relation to sale, purchase, leasing, renting, supervision, maintenance, marketing, acquisition or management of real estate, and includes a realtor, a real estate agent, a real estate broker, a real estate consultant;”;

**(i)** after clause (69), the following clauses shall be inserted, namely:-

“(69A) “**real estate**” means the land and includes

—

- (i) all attachments above and below the land;
- (ii) all things that form a natural part of the land;
- (iii) all things that are developed or installed, including buildings and site improvements; and

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

- (iv) all permanent building attachments such as plumbing, heating and cooling systems, electrical wiring and built-in items such as elevators and allied equipment, and all rights and interests therein, whether the interest is freehold or leasehold, and whether the purpose or use thereof is residential, commercial or industrial;

(69B) “**recruiting agent**”, by whatever name called, includes recruiting consultants or consultancy and means a person engaged in providing or rendering any service, directly or indirectly, to any person in any manner, for the recruitment of manpower, temporarily or otherwise.

**Explanation.**— For the purpose of this clause, “recruitment” includes inviting of applications for recruitment, receipt of applications from candidates, pre-interview or pre-recruitment screening of applications and applicants, shortlisting of applicants, interview of candidates, verification of credentials and antecedents of the candidates, verification of authenticity of the documents submitted by the candidates;

(69C) “**registrar to an issue**” means a person providing or rendering the services in relation to issue of securities, including collection of application forms from investors, keeping a record of applications and money received from investors or paid to seller of securities, assisting in determining the basis of allotment of securities, finalizing the list of persons entitled to allotment of securities and processing and dispatching of allotment letters, refund orders or certificates and other related documents;”;

- (j) after clause (72), the following clause shall be inserted, namely:-

“(72A) “**rent-a-car and automobile rental service**” means the services provided or rendered by a person engaged, whether directly or indirectly, in the economic activity of renting cars, cabs, vans or any other passenger motor vehicle;”;

- (k) after clause (77), the following clause shall be inserted, namely:-

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

“(77A) **“securities”** has the meaning as assigned to it in clauses (d) and (l) of sub-section (1) of section 2 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969);”;

- (l) after clause (79), the following clause shall be inserted, namely:-

“(79A) **“share transfer agent”** means a person who maintains the record of holders of securities, and deals with all matters connected with the transfer or redemption of securities or activities incidental thereto;”;

- (m) in clause (94), for sub-clause (e), the following shall be substituted:-

“(e) failing to pay an amount of tax collected under section 16, and failing to pay the amount of tax withheld under the provisions of sub-section (2) of section 13 or the rules made thereunder; or

(f) under-stating or under-paying the tax liability or over-stating the entitlement of tax credit or adjustment or claiming or obtaining in-admissible tax credit, refund or adjustment; or

(g) not filing the prescribed tax return or the prescribed statement for four consecutive months or more;”;

- (n) after clause (96), the following clauses shall be inserted, namely:-

“(96A) **“technical, scientific and engineering consultants”** means a person providing or rendering the technical, scientific and engineering service, advice, consultancy, assistance or supervision, in any manner, either directly or indirectly, to any person, in one or more disciplines of technology, science and engineering and includes a person known as a consulting engineer or professional engineer for the purpose of the Pakistan Engineering Council Act, 1975 (Act No. V of 1976) or known as a structural engineer for the purpose of the Sindh Building Control Ordinance, 1979 (Sindh Ordinance No. V of 1979);

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(96B) **“technical testing and analysis”** means a service provided or rendered in relation to physical, chemical, biological or any other scientific testing or analysis of goods or material or information technology software or any immovable property, and includes listing and analysis undertaken for clinical testing of drugs, pharmaceuticals and formulations, but does not include any testing or analysis service provided in relation to human beings or animals;” and

(o) after clause (98), the following clauses shall be inserted, namely:-

“(98A) **“tour operator”** means a person engaged in providing or rendering the services of planning, scheduling, organizing or arranging tours or package tours (which may include arrangements for accommodation, sightseeing, tourism or other similar services in Pakistan or abroad) by any mode of transport, and includes a person engaged in the business or economic activity of operating tours.

**Explanation.**— for the purpose of this clause, the expression “tour” does not include a journey organized or arranged for use by an educational institution, other than a commercial, training or coaching centre, for imparting skill or knowledge or lessons on any subject or field;

(98B) **“transportation or carriage of goods”** includes the services provided or rendered by a goods transport agency and means the services of transportation of goods by road or through pipeline or conduit, including the services of cargo handling like loading, unloading, packing, unpacking, stacking and storage of goods by the person providing or rendering the services of transportation and carriage of goods;”

- (ii) in section 3, in sub-section (4), the words “with the approval of the Government and” shall be omitted;
- (iii) in section 4, in sub-section (1), the words “continuously or regularly” shall be omitted;
- (iv) in section 9, in sub-section (3), for the words “the Board, with the approval of Government”, the word “Board” shall be substituted;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(v) in section 15 –

(a) after the words and comma “Board may,”, the words and comma “by notification in the Official Gazette, and” shall be inserted; and

(b) the words “and with the approval of the Government” shall be omitted;

(vi) in section 17, for sub-section (1), the following shall be substituted:-

“(1) The tax in respect of a taxable service provided or rendered during a tax period shall be paid by a person by the due date prescribed for payment of tax.”;

(vii) section 23, in sub-section (4), the words “not exceeding thirty days” shall be omitted;

(viii) in section 26 -

(a) in sub-section (1), after the word “Urdu”, the words “or Sindhi” shall be inserted; and

(b) in sub-section (5) -

(i) after the figures and comma “1984, “ the words and comma “or under any other law for the time being in force,” shall be added; and

(ii) for the words “be required to submit a copy of the annual audited account”, the words “submit a printed copy of the annual audited accounts, to the Assistant Commissioner, within 60 days from the date of audit report of the auditors” shall be substituted;

(ix) in section 36, in sub-section (1), in clause (a), after the words “a Commissioner SRB”, the words “or a Commissioner Appeals) SRB” shall be inserted;

(x) in section 43, in the Table -

(a) in column (2), for the figure “5,000”, wherever occurring, the figure “10,000” shall be substituted;

(b) in column (2), for the words “three per cent”, wherever occurring, the words “five per cent” shall be substituted;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(c) for the entries in column (2), against serial No.2, the following shall be substituted:-

“Such person shall be liable to a penalty of 10,000 rupees per month or a fraction thereof; provided that if a return is filed within fifteen days of the due date, a penalty of 300 rupees for each day of default shall be paid.”;

(d) in serial No. 3, in column (2), in clause (a), after the word “rupees”, the words “per month or a fraction thereof” shall be inserted; and

(e) in serial No. 5, in column (2), for the figures “1,000”, the figures “5,000” shall be substituted;

(xi) in section 45, the words “with the approval of the Government” shall be omitted;

(xii) in section 47, in sub-section (4), the words “not exceeding thirty days” shall be omitted;

(xiii) in section 57 -

(i) in sub-section (2), after clause (c), the following clause shall be added:-

“(cc) in case the appellant desires to be heard through an agent or authorized representative in terms of section 67 or section 70, be accompanied with a Letter of Authorization, as prescribed;”;

(ii) in sub-section (3) -

(a) in clause (i), for the word “one”, the word “two” shall be substituted; and

(b) in clause (ii), for the word “two hundred”, the word “one thousand” shall be substituted;

(iii) for sub-section (4), the following shall be substituted:-

“(4) An appeal under this section shall be preferred to the Commissioner (Appeals) within thirty days from the date on which the order or decision is served upon the appellant.”;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(xiv) in section 59 -

- (a) in sub-section (5), for the brackets and figure “(3)”, the brackets and figure “(1)” shall be substituted;
- (b) in sub-section (6), the words “not exceeding thirty days” shall be omitted; and
- (c) for sub-sections (7), and (8), the following shall be substituted:-

“(7) Where the Commissioner (Appeals) has not made an order under sub-section (1) before the expiration of the period prescribed under sub-section (5), read with sub-section (6), the Commissioner (Appeals) shall transfer the undecided appeal to the Appellate Tribunal which shall decide the undecided appeal as if it has been filed against the order of the Commissioner (Appeals):

Provided that while transferring the undecided appeal to the Appellate Tribunal, the Commissioner (Appeals) shall give due intimation, in this regard, to the appellant and his agent or authorized representative and also to the Chairman of the Board.

(8) While transferring the undecided appeal to the Appellate Tribunal, the Commissioner (Appeals) shall attach a report explaining the circumstances and reasons due to which the appeal could not be decided within the prescribed time.”;

(xv) in section 60 –

- (a) for words “Accountant member”, wherever occurring, the words “Technical Member” shall be substituted;
- (b) in sub-section (3), for clause (a), the following shall be substituted:

“(a) who is or has been a Judge of the Sindh High Court or is or has been Judge of a District and Sessions Court with at least two years of service as a District and Sessions Judge.”; and
- (c) in sub-section (5), for the words “three years”, the words “five years” shall be substituted;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

(xvi) in section 61 -

(a) in sub-section (1), after the words "passed by", the words and figures "the Commissioner under section 55 or by the Board under section 56 or by" shall be inserted; and

(b) in sub-section (2) -

(i) after clause (b), the following clause shall be added, namely:-

“(bb) in case the appellant desires to be heard through an agent or authorized representative in terms of section 67 or section 70, be accompanied by a Letter of Authorization as prescribed;” and

(ii) in clause (d), after the words "order of the", the words "Commissioner or the Board or" shall be inserted;

(xvii) in section 72, in sub-section (1), for the words "with the approval of the Government", the words "by notification in the Official Gazette" shall be substituted;

(xviii) in section 83, in sub-section (3), after the figure "1", the words "of the repealed Ordinance" shall be inserted;

(xix) under the heading "**FIRST SCHEDULE**", for the brackets and figures "(35)", the brackets and figures "(79)" shall be substituted;

(xx) in the Second Schedule, in the Table, in Part B -

(a) in column (3), for the figure "16%", wherever occurring, the figure "15%" shall be substituted;

(b) in column (1), against the tariff heading "9802.4000", in column (2), the comma and words "excluding classified advertisements" shall be omitted;

(c) in column (1), after tariff heading "9805.4000" and entries there-against in columns (2) and (3), the following shall be inserted:-

"9805.5100	Tour operators	15%
9805.6000	Recruiting agents	15% ”;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

**(d)** in column (1), after the tariff heading “9805.8000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“9805.9000 Share transfer agents 15%”;

**(e)** in column (1), after the tariff heading “9805.9200” and the entries there-against in columns (2) and (3), the following shall be inserted:-

	<b>Services provided or rendered in the matter of sale, purchase or hire</b>	
9806.1000	Purchase or sale or hire of immovable property	15%
9806.2000	Property dealers	15%
9806.3000	Car or automobile dealers	15% ”;

**(f)** in column (1), after the tariff heading “9810.0000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“	<b>9811.0000</b>	<b>Services provided or rendered by laundries and dry cleaners</b>	<b>15%</b>	”;
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**(g)** in column (1), after the tariff heading “9814.3000” and the entries there-against in columns (2) and (3), the following shall be inserted;

“9814.9000 Interior decorators 15%”;

**(h)** in column (1), after the tariff heading “9815.4000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“9815.5000 Technical, scientific and engineering consultants 15%”;

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

- (i)** in column (1), after the tariff heading "9819.2000" and the entries there-against in columns (2) and (3), the following shall be inserted:-

"9819.3000 Rent a car and 15%";  
automobile rental service

- (j)** in column (1), after the tariff heading "9819.7000" and the entries there-against in columns (2) and (3), the following shall be inserted:-

"9819.9000 Cable TV operators 15%";

- (k)** in column (1), after the tariff heading "9819.9300" and the entries there-against in columns (2) and (3), the following shall be inserted:-

"9819.9400 Technical testing 15%  
and  
analysis service

9819.9500 Services provided or 15%";  
rendered by a registrar  
to an issue

- (l)** in column (1), after the tariff heading "9820.2000" and the entries there-against in columns (2) and (3), the following shall be inserted:-

"9820.3000 Workshops for electric or 15%  
electronic equipments or  
appliances, etc., including  
computer hardware

820.4000 Car or automobile washing 15%";  
or similar service stations

**SINDH ACT NO.XVII OF 2014**  
**THE SINDH FINANCE ACT, 2014**

**(m)** in column (1), after the tariff heading “9821.5000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“

<b>98.22</b>	<b>Services provided or rendered for specified purposes</b>	
9822.1000	Fumigation services	15%
9822.2000	Maintenance or cleaning services	15%
9822.3000	Janitorial services	15%

”; and

**(n)** in column (1), after the tariff heading “9831.0000” and the entries there-against in columns (2) and (3), the following shall be inserted:-

“

9832.0000	Services provided or rendered by programme producers and production houses	15%
9833.0000	Services provided or rendered by corporate law consultants	15%
9834.0000	Services provided or rendered by fashion designers	15%
9835.0000	Services provided or rendered by call centres	15%
9836.0000	Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit	15%