

Pakistan Knitwear & Sweater Exporters Association

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Circular to members # 151/2018-19

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SSGC mechanism for charging of reduced gas tariff

Federal Board of Revenue has withdrawn zero-rating facility of Sales tax on utilities with effect from 1st July 2019 through Sales Tax General Order # 100 of 2019 dated 29th June 2019.

Consequent upon withdrawal of zero-rating on gas bills, Sui Southern Gas Company Ltd., has devised a mechanism for charging of reduced gas tariff in accordance with OGRA price notification SRO(I) 2019 (serial VI) dated 29th June 2019; under which OGRA has revised tariff at flat rate of Rs.786/- per MMBTU for registered manufacturers or exporters of five zero-rated sectors and their captive power as against normal rate of Rs. 1,021/- per MMBTU.

Members are therefore advised to provide the requisite information as follows to SSGC before 25th July 2019 to avail provision of reduced/revised tariff of Rs. 786/- per MMBTU effective 1st July 2019:

1. Application on company's letter head confirming that they fall in the category of "Registered Manufacturer or Exporter of textile and they are entitled to gas tariff under serial VI of the SRO concerned
2. Undertaking on Rs. 100/- stamp paper that at any time, the nature of business is changed, the same is reported to SSGC for withdrawing of gas tariff of serial VI of the SRO, failing which SSGC shall be entitled to recover short-billed charges if any.
3. FBR Registration status to reflect that the customer is registered for Sales tax as Manufacturer or Exporter in the category of five zero-rated sectors at FBR (STRN/NTN).
4. Letter of recommendation from Association.

In case of not providing the above information, SSGC would not be able to raise bill on reduced tariff and thus, normal tariff @ Rs. 1,021/- per MMBTU will be applied.

All supplier invoices to be zero-rated from 1st July 2019 under Export Oriented Rules (EOU)

In case if you are license holder and registered under Export Oriented Units Rules (EOU) currently applicable vide SRO 327, all supplier invoices will be zero-rated from 1st July 2019.

EOU Rules allows all export oriented companies to procure all of its raw material without any sales tax and duties. These rules allow both local and imported purchases without any tax. This is an independent law applicable only to the EOU companies for procurement of raw material without duties and taxes to maximize the exports of the country.

Publications to lend

- “The Kingdom of Morocco – The North Africa Country Series” Morocco’s trade overview prepared and published by the Pakistan Business Council.
- “Pakistan Textile Journal” June 2019 issue

M. Siddique
Secretary General
0320-8364130