

**GOVERNMENT OF PAKISTAN**  
**MINISTRY OF FINANCE, ECONOMIC AFFAIRS,**  
**STATISTICS AND REVENUE**  
**(REVENUE DIVISION)**

Islamabad, the 23<sup>rd</sup> November. 2020.

**NOTIFICATION**  
**(SALES TAX)**

**S.R.O. 1248(1)/2020.**- In exercise of the powers conferred by section 71 of the Sales Tax Act, 1990, read with sub-section (4) of section 7 thereof, the Federal Government is pleased to make the following rules, namely: –

1. **Short title and commencement.** – (1) These rules shall be called the Sales Tax Special Procedure for Adjustment of Subsidy Against Sales Tax on Locally Manufactured Tractors Rules, 2020.

(2) These rules shall come into force from 28<sup>th</sup> September, 2020 and shall remain in force till 30<sup>th</sup> June, 20 21 or till the time the amount of subsidy of rupees one and a half billion is exhausted, whichever is earlier.

2. **Adjustment of subsidy against sales tax due.** - (1) The subsidy granted, shall be allowed to be adjusted by the manufacturers of the tractors namely M/s Millat Tractors Limited, Al-Ghazi Tractors Limited and Orient Tractors (Pvt.) Limited, hereinafter referred to as the specified manufacturers, in the manner as provided under these rules:

Provided that the Ministry of National Food Security and Research shall apportion the amount of subsidy amongst the specified manufacturers so that the same does not be exceed the limit of Rs. 1.5 billion.

3. **Processing of claims for adjustment:** - (1) A Tractors Subsidy Cell shall be established by the IR-Operations Wing of Federal Board of Revenue for processing subsidy adjustment claims under these rules.

(2) The specified manufacturers of tractors shall submit data of supplies in the Annexure-C of the monthly return of the Sales Tax and Federal Excise by 5<sup>th</sup> day of the month following the end of the tax period.

(3) The specified manufacturers shall sell the subsidized tractors only to the farmers and growers after obtaining a valid proof of land holding such as Agriculture Pass Book and copy of record of rights of agricultural land duly verified from Provincial Land Revenue Authorities and shall not charge and collect applicable amount of sales tax from such buyers.

(4) The whole value of the tractor applicable amount of the sales tax and amount of subsidy shall be mentioned on the sales tax invoice as specified under section 23 of the Act issued by the specified manufacturers.

(5) The specified manufacturers shall submit details of the subsidized tractors supplied during the tax period on the format provided in Part-I of Annex-A to these rules alongwith necessary reconciliation, copies of sales tax invoices and proof obtained under sub-rule (3) to the Ministry of National Food Security and Research and to the Tractors Subsidy Cell in respect of the aforementioned tractors by fifth day of the month following the end of the tax period to which these supplies relate.

(6) Responsibility of ensuring that the benefit of subsidy only reaches the growers shall be on the tractor manufacturers or dealers. The manufacturers or dealers shall submit and undertaking with their claims were sold to farmers and growers. Ministry of National Food Security and Research or FBR or any other body authorize in this behalf may check the authenticity of the claims of manufacturers or dealers through random selection process.

(7) The Ministry of National Food Security and Research after examination of the adjustment claim shall forward its report to the Tractors Subsidy Cell of FBR within seven working days of submission of the Part-1 of the Annexure-A by the specified manufacturers, mentioning the amount of subsidy to which such manufacturers are entitled for the period.

(8) After receiving the report from Ministry of National Food Security and Research, the Tractors Subsidy Cell shall examine the same along with the adjustment claims and Annexure-C of monthly return of the specified manufacturers. The Tractors Subsidy Cell shall determine the amount to be adjusted against sales tax due and also the sales tax amount payable by the State Bank of Pakistan in accordance with the Part-II of Annex-A and a copy of the same shall be shared with the Ministry of National Food Security and Research.

(9) Based on the aforesaid report, adjustment of the subsidy amount as recommended by the Tractors Subsidy Cell shall be claimed by the specified manufacturer in the monthly sales tax and federal excise return.

(10) The Government agencies shall not be eligible for subsidy under these rules, however, Agriculture Research Institutes may avail the same.

Annex-A  
[See rules 3(5) and (8)]

**Part-I**

**DETAIL OF SUBSIDIZED TRACTORS SUPPLIED BY THE SPECIFIED  
MNUFACTURERS**

Name of the Registered Person \_\_\_\_\_

NTN of the Registered Person \_\_\_\_\_

**Summary of subsidized tractors supplied:**

(a) Number of tractors supplied and subsidy claimed \_\_\_\_\_

(b) Any other relevant details \_\_\_\_\_

**Invoice-wise details:**

S. No	Sales tax invoice No. and date	Specification of the tractor sold including model, capacity, engine no. chasis no.	Value (exclusive of sales tax)	Sales tax involved	Total value including sales tax	Subsidy amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)

As per particulars given above, I hereby claim subsidy adjustment of Rs. (Rupees \_\_\_\_\_ only). It is further declared that the particulars mentioned above are correct.

Name and CNIC of Authorized Representative \_\_\_\_\_

Authorized Stamp and Signatures

**Part-II**

**FEDERAL BOARD OF REVENUE**  
**Examination Report by Tractors Subsidy Cell**


The claim as aforesaid has been reconciled with the monthly Sales Tax and Federal Excise return for the tax period \_\_\_\_\_ and the subsidy claim amounting to Rs. \_\_\_\_\_ is found in order as per breakup below:

(a)	Amount recommended for adjustment in return	Rs. _____
(b)	Amount recommended for payment by State Bank of Pakistan	Rs. _____

(c)	Amount not found admissible for subsidy (details attached)	Rs.
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Name, Designation and Stamp of Secretary, FBR

[C. No. 2/106-STB/2005]

  
(Ch. Muhammad Tarique)  
Additional Secretary