



Khyber Pakhtunkhwa
Revenue Authority (KPRRA)
KPRRA HQ, Railway Track, Phase 3 Chowk, Hayatabad Peshawar
Ph: 091-9219233



Dated: 04-11-2020

NOTIFICATION (OTCA)

No KPRRA/Regulation/WH/2089-94 In exercise of powers conferred by sub-section (2) of section 30 of the Khyber Pakhtunkhwa Finance Act, 2013 (Act No. XXI of 2013), read with section 114 thereof, the Khyber Pakhtunkhwa Revenue Authority is pleased to direct that the following amendments shall be made in its Khyber Pakhtunkhwa Sales Tax Special Procedure (Transportation of Carriage of Petroleum Oil Tankers) Regulation, 2018, namely, -

In the said Regulations,

- i. in paragraph 1, in sub-para (2),
 - (a) for the existing tariff head "9804.0000", the new tariff head "9805.4000" shall be substituted; and
 - (b) for the existing S.No. "55", the new S.No. "29" shall be substituted;

- ii. in paragraph 2, in sub-para (1),
 - (a) in clause (c), the words and commas "FATA, PATA," shall be omitted; and
 - (b) in clause (f), the words and commas ", FATA, PATA" shall be omitted;
 - (c) in clause (j), for the existing tariff heading "9804.0000", the new tariff heading "9805.4000" shall be substituted;
 - (d) for the existing clause (o), the following new clause (o) shall be inserted, namely, -
“(o) “Withholding agent” means a person as defined in clause (ix) of sub-para (1) of paragraph 2 of the Khyber Pakhtunkhwa Sales Tax on Services (Withholding) Regulation, 2020; and”, and
 - (e) for the existing clause (p), the following new clause (p) shall be substituted, namely,-
“Withholding Regulation” means the Khyber Pakhtunkhwa Sales Tax on Services (Withholding) Regulation, 2020.”;

- iii. for paragraph 5, the following new paragraph 5 shall be substituted, namely, -

“5. Withholding of tax and allied matters, - (1) Where the services of transportation or carriage of petroleum oils originate and terminate in the province of Khyber Pakhtunkhwa, the service recipient shall withhold fifty percent (50%) of tax and deposit the withheld amount of tax in the Khyber Pakhtunkhwa Consolidated Fund under the head of account “B-02386” and release the balance fifty percent (50%) of the tax to the service provider enabling him to avail admissible input tax adjustment and deposit the balance, if any, in the said head of account.

(2) Where the transportation or carriage of such oils has originated from the tax jurisdiction other than the jurisdiction of delivery or receipt, the fifty percent (50%) of the amount of tax shall be withheld by the recipient of the service and deposited on half and half basis to both of the tax jurisdictions of origination and termination. The service provider (oil tanker contractor) to whom the fifty percent of the amount of tax has been paid by the service recipient (withholding agent) shall take admissible input tax adjustment and deposit the balance, if any, on half and half basis to the tax jurisdictions of origination and destination:

Provided that the fifty percent (50%) amount of the invoices of any tax period shall not be paid by the withholding agent (service recipient) to the oil tanker contractor (service provider) unless the service provider has produced a copy of a sales tax return filed by him as required under this Regulation showing that all tax invoices relating to the previous tax period have been properly accounted for in that return and tax due, if any, after taking admissible input tax adjustment has been paid on half and half basis to the respective jurisdictions of origination and destination.

(3) Where the recipient of services is a registered taxpayer of both or any of the jurisdictions of the origination and destination, shall not file any separate withholding statement and shall instead show the withheld amounts in his monthly return as per above distribution formula, otherwise he shall take registration or as the case may be, registrations as withholding agent for relevant jurisdiction and shall file the prescribed monthly withholding statement or statements to the respective.

(4) In case the due amount of tax has not been withheld or not paid as aforesaid, the outstanding tax shall be recovered on fifty-fifty percent basis by the respective jurisdictions of origination and destination from the recipient of the service, or as the case may be, oil tanker contractor besides default surcharge and penalties as per applicable law.”; and


iv. for the existing paragraph 6 including its proviso, the following new sub-para shall be substituted, namely, -

“6. **Returns and statements:** All returns or as the case may be, the statements required to be filed under this Regulation shall be e-filed as required under the Khyber Pakhtunkhwa Finance Act, 2013 and regulations issued thereunder.”


Fayyaz Ali Shah
Director General

Copy to:

1. Secretary Finance Department, Government of Khyber Pakhtunkhwa.
2. Chairperson, PRA, Lahore.
3. Chairperson, SRB, Karachi.
4. Chairperson, BRA, Quetta.
5. The Manager, Government Stationary and Printing Press, Peshawar with a request to publish the same in the official gazette.


Fayyaz Ali Shah
Director General
4.11.2020