

**The**  
**KHYBER PAKHTUNKHWA SALES TAX ON SERVICES (DEFINITIONS)**  
**RULES, 2024**

**Notification No. FD/KPRA/2023, dated, --/--2024.** In exercise of the powers conferred by section 81 of the Khyber Pakhtunkhwa Sales Tax on Services Act, 2022 (Act No. XIX of 2022), the Government of Khyber Pakhtunkhwa is pleased to make the following rules.

**Chapter-I**  
**PRELIMINARY**

**1. Short title, application and commencement:--**

- (1) These rules may be called the Khyber Pakhtunkhwa Sales Tax on Services (Definitions) Rules, 2024.
- (2) It shall apply to the words, phrases or terms used but not defined in the Khyber Pakhtunkhwa Sales Tax on Services Act, 2022 (Act No. XIX of 2022) and rules or regulations made thereunder.
- (3) They shall come into force at once.

**Chapter-II**  
**GENERAL**

**2. Purpose of definitions.--**In these rules, the definitions have been given for purposes of the Khyber Pakhtunkhwa Sales Tax on Services Act, 2022 (Act No. XIX of 2022), hereinafter referred as 'the Act', and all the rules or regulations made under the Act.

**3. Relevancy of definitions.--**The relevancy of any definition given in these rules shall be invoked only when a service covered therein is taxable under the Act or when any question about the taxability of any such service is under consideration for purposes of the Act and the rules.

**Chapter-III**  
**DEFINITIONS OF WORDS, TERMS AND PHRASES**

**4. Adjudicating authority** means any officer competent to adjudicate and decide the cases under the Act.

**5. Adjudication order** means and includes original adjudication order, appellate order or the judicial judgment in consequence of which or due to which being in the field, recovery of arrears can be affected.

- 6. Advertisement** includes a notice, circular, label, wrapper, document, banner, hoarding, billboard, digital billboard, signboard, or any other audio or visual representation made or displayed by any means including print media, electronic media, telecommunication media, light, paint, colouration, sound, screen, smoke or gas, or otherwise.
- 7. Advertising agency or Advertising agent** means any person engaged in providing any service or services connected with the making, preparation, display, demonstration or exhibition of advertisement in any manner and includes an advertising consultant by whatever name called.
- 8. Advertising space or time selling** means any service provided or to be provided to any person, by any other person, in relation to sale of space or time for advertisement, in any manner.
- 9. Aggrieved person** means a person or a class of persons who is aggrieved of any order or decision passed by an officer of the Authority or has brought a dispute for resolution under section 73 of the Act.
- 10. Air travel agent** means any person engaged in providing any service or services connected with the booking of passage by air for travel.
- 11. Airport ground service provider and airport service provider** means and include any service provider, operator and airline providing or rendering ground or ramp services, including passenger and cargo handling services, to other airlines or to aircraft operators of scheduled or non-scheduled flights, and also include the handling agents authorized by the Civil Aviation Authority or other airport operators.
- 12. Airport operator** means and includes the Civil Aviation Authority and any other port operator, authority or organization or office managing or operating a customs airport, as notified under section 9 of the Customs Act, 1969 (Act No. IV of 1969).
- 13. Architect** means and includes an architect or a town planner as defined in section 2 of the Pakistan Council of Architects and Town Planners Ordinance, 1983 (Ordinance IX of 1983), and also includes an association of persons or a commercial concern engaged in any manner, whether directly or indirectly, in the field of architecture or town planning.

**14. Assets** mean properties of all kinds, tangible or intangible, including shares, units, certificates, securities and deposits.

**15. Asset management services** mean the services provided or rendered in relation to assets management, portfolio management, investment management or any kind of fund management and include the Companies which provide management of collective investment scheme.

**16. Attachment Officer** means an officer not below the rank of Assistant Collector authorized by the Authority or the Collector to take action under the Act or rules or regulations made thereunder.

**17. Auctioneer** means a person providing or rendering services in relation to auction of property, movable or immovable and tangible or intangible, in any manner.

*Explanation:--*“Auction of property” includes calling the auction or providing facility, advertising or illustrative services, pre-auction price estimates, short term storage services and repair and restoration services in relation to auction of property; right and bonus shares, cash, bank balances, profits, dividends, fees, commissions, all receivables, claims, derivatives contract, licences, privileges, accrued or accruing or contingent.

**18. Authorized service station** means a service station or service center, authorized by a motor vehicle manufacturer, whether local or foreign, to carry out any service or repair or reconditioning or restoration or decoration of motor vehicles, classified under Chapter 87 of the First Schedule of the Customs Act, 1969, manufactured by such manufacturer.

*Explanation:--*

- (a) The services by authorized service stations include— the services provided during the warranty period as well as after the expiry of the warranty period;
- (b) the services provided even for the vehicles and machinery not manufactured by the manufacturer appointing or authorizing such service station; and
- (c) the services provided against charges billed by way of reimbursement, whether from the manufacturer or insurance companies or leasing companies or other such persons.

**19. Automated teller machine (ATM)** means an interactive automatic machine, whether owned or outsourced by banks and other financial

institutions, designed to dispense cash, accept deposit of cash, transfer money between bank accounts and facilitate other financial transactions including payments of bills.

**20. Automated teller machine operations, maintenance, and management** means a service provided in relation to automated teller machines and includes site selection, contracting of location, acquisition, financing, installation, certification, connection, maintenance, transaction processing, cash forecasting, replenishment, reconciliation and value-added services.

**21. Banking** means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise as defined under clause (b) of section 5 of the Banking Companies Ordinance, 1962 (No. LVII of 1962).

**22. Banking company** includes a company which transacts the business of banking in Pakistan and includes the branches and subsidiaries functioning outside Pakistan of a banking company incorporated in Pakistan or otherwise as defined under clause (c) of section 5 of the Banking Companies Ordinance, 1962 (No. LVII of 1962).

**23. Banking and other financial service** means any service provided or to be provided to a customer by a banking company or a financial institution including a non-banking financing company or any other body corporate or any person of a foreign exchange broker in relation to banking and other financial services.

**24. Beauty parlour or beauty clinic** means a person, salon or an establishment providing beauty treatment services including hair cutting, hair dyeing, hair dressing, face care, waxing, threading, laser hair removal, face treatment, cosmetic treatment, manicure, pedicure, make-up including bridal make-up, and counseling services on beauty care, face care or make-up or other such identical or similar services.

**25. Broadcasting service** means the dissemination of any form of communication like sign, signals, writing, pictures, images and sound of all kind by transmission of electro-magnetic waves through space or through cables intended to be received by the general public either directly or indirectly through the medium of relay stations and all its grammatical variations and cognate expressions shall be construed accordingly.

**26. Brokerage business** means the services provided by a broker registered under the Brokers and Agents Registration Rules, 2001.

**27. Builder** means and includes any person or AOP or company who develops his own land for sale to the general or specific public or constructs residential or commercial projects and sells it to the general public or specific public whether on installment or cash basis.

**28. Business premises** means any premises, place or space, whether declared or not, where any economic activity for or in connection with rendering of taxable services is carried out in any manner and includes any outlet, whether declared or not, of a business involving rendering taxable services.

**29. Business support service** means services provided in relation to business or commerce and includes evaluation of prospective buyers, telemarketing, call centre facilities, accounting and processing of transactions, processing of purchase orders and fulfillment services, information and tracking of delivery schedules, managing distribution and logistics, customer relationship management services, operational assistance for marketing, formulation of customer service and pricing policies, infrastructural support services and other transaction processing.

*Explanation.*--For the purposes of this clause, the expression "infrastructural support services" includes providing office along with utilities, lounge, reception with personnel to handle messages, secretarial services, telecommunication facilities, pantry and security.

**30. "Cab aggregator"** shall have the same meaning as the *Ride Hailing Service* as defined under these rules. ~~means a person who is an aggregator or operator or intermediary or online market place who canvasses or solicits or facilitates passengers for travel by motor vehicles like taxi, cab, car, van, motorcycle and rickshaw, and who connects the passenger or the intending passenger to a driver of any of the aforesaid motor vehicles through telephone, cellular phone, internet, web-based services or GPS or GPRS based services, electronic or digital means, whether or not he charges or collects any fee, fare, commission, brokerage or other charges or consideration for providing or rendering such services.~~

**31. Cable TV operator** includes local loop holder and means a person who owns, controls, manages or runs any cable television system and is engaged in reception of broadcast pre-recorded or live signals from different channels for distribution to subscribers through a set of closed

transmission path or wireless, and is liable to license as a cable TV operator under the Pakistan Electronic Media Regulatory Authority Ordinance, 2002 (Ordinance No. XIII of 2002).

**32. 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.

**33. 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.

**34. 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 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.

**35. Caterer**, by whatever name called, means a person who in ordinary course of business and in relation to events, functions, ceremonies, parties, get-together, occasions, *etc.*, provides or supplies, either directly or indirectly, various services including food, edible preparations, beverages, entertainment, furniture or fixture, crockery or cutlery, *pandal* or *shamiana*, ornamental or decorative accessories or lighting for illumination.

**36. Cinematography** involves the art and methods of employing various techniques for the purposes of film-making, camerawork and includes photography, videography, motion picture and integration of special effects.

**37. Cleaning service** means cleaning, including specialized cleaning services such as disinfecting, exterminating or sterilizing of objects or premises of:--

(a) commercial or industrial buildings and premises thereof; or

- (b) factory, plant or machinery, tank or reservoir of such commercial or industrial buildings and premises thereof, but does not include such services in relation to agriculture, horticulture, animal husbandry or dairying.

**38. Club** includes a membership club and a proprietary club and means a person, a body of persons, an establishment, an organization or a place, the membership of which is restricted to a particular class of people or which is run on the basis of mutuality or otherwise and provides various services, facilities, utilities or advantages for an amount of fee, consideration, subscription or charges, including those for initial membership, whether or not it provides food or drinks or has any arrangement for boarding or lodging or games.

**39. Commercial or industrial construction** means:--

- (a) construction of a new building or a civil structure or a part thereof; or
- (b) construction of pipeline or conduit; or
- (c) completion and finishing services such as glazing, plastering, painting, floor and wall tiling, wall covering and wall papering, wood and metal joinery and carpentry, fencing and railing, construction of swimming pools, acoustic applications or fittings and other similar services in relation to building or civil structure; or
- (d) such services provided in respect of roads, airports, railways, transport terminals, bridges, tunnels and dams; or
- (e) repair, alteration, renovation or restoration of, or similar services in relation to building or civil structure, pipeline or conduit, which is:--
  - i. used, or to be used, primarily for; or
  - ii. occupied, or to be occupied, primarily with; or
  - iii. engaged, or to be engaged, primarily in:  
commerce or industry or work intended for commerce or industry,.

**40. Commission agent** means a person who acts on behalf of another person for causing sale or purchase of goods or provision or receipt of services, for a consideration, and includes any person who, while acting on behalf of another person,--

- (a) deals with goods or services or documents of title to such goods or services; or

- (b) collects payment of sale price of such goods or services; or
- (c) guarantees for collection or payment for such goods or services;  
or
- (d) undertakes any activity relating to such sale or purchase of such goods or provision or receipt of such services.

**41. Commodity broker** means a broker as defined in clause (b) of sub-rule (1) of rule 2 of the Commodity Exchange and Future Contracts Rules, 2005, made under section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969).

**42. Computerized payment receipt** means a computer-generated receipt showing payment of tax in a branch of a bank authorized by the Authority to receive such payment.

**43. Consulting engineering** means any professionally qualified engineer or any engineering firm, who, either directly or indirectly, provides any advice, consultancy or technical assistance in any manner to a client in one or more disciplines of engineering.

**44. Convention service** means a formal meeting or assembly which is not open to the general public, and does not include a meeting or assembly, the principal purpose of which is to provide any type of amusement, entertainment or recreation.

**45. Cosmetic and plastic surgery** includes the services provided or rendered by any person, in relation to aesthetic or cosmetic surgery or plastic surgery like abdominoplasty (tummy tuck), blepharoplasty (eyelid surgery), mammoplasty, buttock augmentation and lift, rhinoplasty (reshaping of nose), otoplasty (ear surgery), rhytidectomy (face lift), liposuction (removal of fat from the body), brow lift, cheek augmentation, facial implants, lip augmentation, forehead lift, cosmetic dental surgery, orthodontics, aesthetic dentistry, laser skin surfacing, hair grafting, hair transplant and such other similar surgery but does not include cosmetic or medical treatment of burns of burnt body parts or any other physical injury caused by an accident or bodily attack which requires cosmetic treatment.

**46. Courier services** includes the services provided or rendered by any person engaged in the transportation, carriage or delivery of time-sensitive documents, goods or articles, whether or not utilizing the services of a person, directly or indirectly, to collect, carry or deliver such documents, goods or articles.

- 47. Credit rating agency** includes a person engaged in the business of credit rating of any debt obligation or of any project or programme requiring finance, whether in the form of debt or otherwise, and also includes a person engaged in the business of credit rating or evaluation of credit worthiness or credit risk of any financial obligation, instrument or security and further includes a credit rating agency as specified in section 63 of the Securities Act, 2015 (Act No. III of 2015).
- 48. Customs agent** means a person licensed under section 207 of the Customs Act, 1969 (Act No. IV of 1969), and the rules made thereunder.
- 49. Debt collection services and other debt recovery services** means the services provided by a person to a banking company or a financial institution including non-banking financial company or any other body corporate or a firm or a person, in relation to recovery of any sums due to such banking company or a financial institution including non-banking financial company or any other body corporate or a firm or a person, in any manner.
- 50. Dispute** means a case where, for evidently valid reasons, a registered person is aggrieved in connection with the order passed by an officer of the Authority in any matter of tax as specified in subsection (1) of section 73 of the Act and *prima facie* deserves relief for the elimination of possible hardship.
- 51. Dredging or desilting** includes removal of material including silt, sediments, rocks, sand, refuse, debris, plant or animal matter in any excavating, cleaning, deepening, widening or lengthening, either permanently or temporarily, of any river, lake, canal, pond, reservoir, port, harbour, channel, backwater or estuary.
- 52. Enforcement** means any act or process, including sealing of business premises to persuade, compel or force any person to comply with any of the provisions of the Act and these rules.
- 53. EPC contract** means an Engineering, Procurement and Construction agreement entered into between the parties for the purpose of designing, engineering, procurement of equipment and materials, rehabilitation, modernization, construction, completion and handover of the project and includes turnkey, BOT (build, operate and transfer), and BOOT (build, own, operate and transfer) projects.
- 54. Erection, commissioning and installation services** means the services provided or rendered in relation to—

- (a) erection, commissioning or installation of plant, machinery, equipment or structures, whether pre-fabricated or otherwise; or
- (b) installation—

- i. of electrical and electronic devices, including wirings or fittings thereof; of plumbing, drain laying or other installations for transport of fluids;
- ii. of heating, ventilation or air-conditioning including related pipe work, wood work, duct work and sheet metal work;
- iii. of thermal insulation, sound insulation, fire proofing or water proofing;
- iv. of lift and escalator, travelators or fire escape staircases; or
- v. requiring such other similar services.

**55. Event management services** means a service provided in relation to planning, promotion, organizing or presentation of any arts, business, sports, marital functions, social functions or any other function or event, and includes any consultation or any ancillary service such as catering, decoration, floral arrangement, photography, videography, sound recording, lighting & illumination, DJ, valet parking, *etc.*, provided in this regard.

**56. Exchange** means stock exchange, securities exchange, futures exchange or commodity exchange.

**57. Exhibition service** means the service provided or rendered in relation to an exhibition held and includes an Expo--

- (a) to market; or
- (b) to promote; or
- (c) to advertise; or
- (d) to showcase, any product, goods or services intended for the growth in the business of the manufacturer, producer, importer, supplier, distributor or provider of such product, goods or services.

**58. 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 fabrics, leather, costumes, suits, apparels, garments, clothing, accessories (such as neckties, cuff-links, belts, wallets *etc.*), jewelry, foot wears or any other services incidental or ancillary like

tailoring, stitching, marketing, packing, delivery, display and other similar services to such fashion designing.

**Financial institution** shall have the same meaning as provided under sub-clause (v) of clause (r) of section 2 of the Act.

**59. Financial year** means a year commencing on the first day of July and ending on the thirtieth day of June in the following year.

**60. Foreign exchange dealer** includes a person authorized or licensed by the State Bank of Pakistan to deal in foreign exchange and includes an authorized dealer under section 3 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947).

**61. Forward contract brokerage service** means a contract for the delivery of goods and which is not a ready delivery contract.

**62. Franchise** means an authority given by a franchiser, including an associate of the franchiser, under which the franchisee is contractually or otherwise granted any right or license to produce, manufacture, distribute sell or trade or otherwise deal in or do any other business activity in respect of goods or to provide services or to undertake any process identified with the franchiser, whether or not against a consideration or fee, including technical fee, management fee, or royalty or such other fee or charges, irrespective of the fact whether or not a trademark, service mark, trade name, logo, brand name or any such representation or symbol, as the case may be, is involved.

**63. Freight forwarding agent** means a person who provides or renders or makes arrangement for his principals or client, the services, for fee or charges or commission or remuneration, for some or all of the services being provided by the shipping agents, clearing agents, stevedores, ship chandlers, port operators, terminal operators, surveyors, persons providing ship management services, warehousing services or container provision services or cover or guarantee in respect of imports or exports of goods, independently or in partnership or in arrangement with any such service provider or renderer.

**64. 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.

**65. Fund and asset management services** includes the services provided or rendered in relation to asset management, portfolio management and all kinds of fund management.

**66. Futures broker** means a person as defined in clause (xxiv) of section 2 of the Securities Act, 2015 (Act No. III of 2015).

**67. General sales agent (GSA)** means the sale representative of an airline in Pakistan, responsible for selling cargo space.

**68. Goods transport by road** means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

**69. Healthcare center, gyms or physical fitness center, etc.** includes a health club, gymnasium, reducing or slimming salon or clinic, or an establishment providing the facilities, utilities or advantages of sauna or steam bath, Turkish bath, solarium, spas, yoga, meditation, massage excluding therapeutic massage under medical prescription or advice or such other services.

**70. Hotel** includes motels and guesthouses and means a person, establishment, organization or place, by whatever name called, where rooms or suites are let out on rent, whether or not it has any arrangement for catering or function halls as a part of the hotel or provides any other services, facilities or utilities, but does not include a home or hostel which is exclusively used for the aged or invalid persons or students and is run by or under the control of such a charitable or educational institution as are exempt from the application of the Income Tax Ordinance, 2001 (Ordinance No. XLIX of 2001).

**71. Ijarah** means an arrangement under which a bank leases equipment, building or other facility to a client against an agreed rental.

**72. IMRS** means Invoice Management and Reporting System; where under the Management Committee may; install, fix, attach, insert, embed or otherwise place or cause to be placed such hardware or software system; or systems including cash registers, instrument or

instruments, modem or modems, device or devices, chip or chips or any other electronic part or parts, either in the existing system or otherwise for recording sale transactions or issuing sale invoices or otherwise at the premises of the restaurant in such a way or manner that data about the sale transactions recorded or invoices issued by the specified service provider is transmitted or transferred to the Authority's computerized system on real time basis and includes software with or without any changes, adjustments or reconfigurations, as may be used or useable in respect thereof.

**73. Indenter** means a person who is a representative for a non-resident person or a non-resident company or a foreign product or service and who gets a consideration in the shape of commission, fee, remuneration or royalty on a transaction, irrespective of whether the transaction has taken place out of his effort, consent or otherwise.

**74. Indoor sports and games center**, by whatever name called, includes a person who provides or renders the facility of indoor sports or games whether for amusement, recreation or otherwise, for a consideration in its premises.

**75. Information technology software** means any representation of instructions, data, sound or image, including source code and object code, recorded in a machine readable form, and capable of being manipulated or providing interactivity to a user, by means of a computer or an automatic data processing machine or any other device or equipment.

**76. Insurance agent** includes an agent as defined in clause (a) of sub-rule (1) of rule 2 of the Insurance Rules, 2017 and also includes an Insurance broker as defined in clause (xxviii) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000).

**77. Insurer** means a person as defined in clause (xxxi) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000).

**78. Intellectual property right** means and includes any right of intangible property, anything produced by the mind, trade mark, patent, design including industrial design, layout design (topographies) of integrated circuits, copyright or any other similar intangible property as defined in clause (g) of section 2 of the Intellectual Property Organization of Pakistan Act, 2012 (Act No. XXII of 2012) and covered by the Intellectual Property Laws specified in clause (h) of section 2 thereof or under any other law for the time being in force.

- 79. Intellectual property service** means any service provided or rendered to a person by any person by transferring temporarily or permitting the use or enjoyment of an intellectual property right.
- 80. 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, ornatation, decoration or furnishing any interior or exterior space, whether man-made or otherwise, and includes a landscape designer.
- 81. Inter-Provincial service or services** means a service or services originating in or from any place in the Province of Khyber Pakhtunkhwa and terminating at any place in Pakistan, including Federal Capital Territory, AJK and GB, outside the Province of Khyber Pakhtunkhwa.
- 82. Intra-Provincial service or services** means a service or services originating in or from any place in the Province of Khyber Pakhtunkhwa and also terminating at any place in the Province of Khyber Pakhtunkhwa.
- 83. Invoice** means an invoice, bill, *bilty*, consignment note, cash memo, credit memo, advice or any other such transaction-related document containing the particulars mentioned in section 34 of the Act and rules or regulations made thereunder.
- 84. KPRA** is an abbreviation for Khyber Pakhtunkhwa Revenue Authority which shall have the same meaning as provided under clause (j) of section 2 of the Act.
- 85. KPSTS** is an abbreviation for Khyber Pakhtunkhwa Sales Tax on Services which is covered under the definition of ‘tax’ as provided under sub-clause (i) of clause (aag) of section 2 of the Act.
- 86. 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, recruited or supplied by him.
- 87. 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.

**88. Legal practitioners and consultants**, by whatever name called, means a legal practitioner as defined in section 2 of the Legal Practitioners and Bar Councils Act, 1973 (Act No. XXXV of 1973), and includes a person engaged in providing of services in relation to advice, consultancy or assistance in any branch of law or providing representational services before any court, tribunal or other such judicial or *quasi-judicial* authority.

**89. 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—

- (a) office equipment, office buildings, commercial or industrial building and premises thereof; commercial complexes including multiplexes, shopping complexes, office complexes, exhibition centres, apartment or residential complexes; and
- (b) 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, but does not include such services in relation to agriculture, horticulture, animal husbandry, and dairy farming.

**90. "Management Committee"** means the Management Committee established in terms of section 6 Khyber Pakhtunkhwa Revenue Authority Act, 2022;

**91. Management consultant** means a person engaged, either directly or indirectly, in providing of services in connection with the management of any business, organization or institution in any manner and includes a person who renders advice, consultancy or technical assistance relating to conceptualizing, devising, development, modification, rectification, or upgradation of any working system of such business, organization or institution.

**92. Management, maintenance or repair service** means any service provided by:--

- (a) any person under a contract or an agreement; or
- (b) a manufacturer or any person authorized by him, in relation to:-

- i. management of properties, whether immovable or otherwise;
- ii. maintenance or repair of properties, whether immovable or otherwise; or
- iii. maintenance or repair including reconditioning or restoration or servicing of any goods, excluding a motor vehicle.

**93. Modaraba and modaraba company** have the same meaning as in the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980).

**94. Market research agency** means a person engaged, directly or indirectly, in providing of services relating to the study or survey, or both, of any situation in the market for any purpose other than personal, academic or educational requirements.

**95. Marriage hall and lawn**, by whatever name called, includes a hall or lawn or a banquet hall or a function hall or an exhibition hall or lawn, or any building, place, premises or marquee where parties, receptions, events or functions, more particularly relating to matrimonial ceremonies, are held, whether or not it has its own arrangement of event management or provision of food, beverages, crockeries, cutlery, furniture, fixtures, *etc.*.

**96. Musharakah** means an Islamic-styled joint enterprise or partnership with profit and loss sharing implications allowing each party involved in a business to share in the profits and risks, where instead of charging interest as a traditional creditor, the financier achieves a return in the form of a portion of the actual profits earned, either according to a predetermined ratio or otherwise and where the financier also shares in losses, if any.

**97. Mutual fund** means an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets and collective investment scheme as defined in section 2 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and includes a closed end fund or an open-end scheme.

**98. Non-active taxpayer** means a registered person who fails to file return under section 39 of the Act by due date for four consecutive tax periods

shall automatically become a non-active taxpayer and his name shall be removed from the active taxpayers list maintained by the Authority.

**99. Non-banking finance company** includes a company licensed by Pakistan Security and Exchange Commission under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to carry out any one or more of the following forms of business:--

- i. investment finance services;
- ii. leasing;
- iii. housing finance services;
- iv. venture capital investment;
- v. discounting services;
- vi. investment advisory services;
- vii. asset management services; and
- viii. any other form of business which the Government may, by notification, specify; and
- ix. such other business as the Government may, by notification, specify for the purpose.

**100. Non-tariff area**, in relation to inter-province service or services, means the State of Azad Jammu and Kashmir, Gilgit Baltistan, Islamabad Capital Territory and other similar territories or areas where sales tax on the service or the services of inter-city transportation or carriage of petroleum oils by road through oil tankers has not been levied under the Act or notification thereunder;

**101. Notification in the official Gazette** means a notification issued under the Act shall be effective from the day specified therein, notwithstanding the fact that the issue of the official Gazette in which such notification appears is published at any time after that day.

**102. Official** means official of the Authority duly authorized to act under the Act and rules and regulations made thereunder.

**103. Officer or officer of the Authority** means an officer of the Authority appointed under sub-section (1) of section 43 of the Act. .

**104. On-line information and database access or retrieval service** means the service provided or to be provided to a customer by any person in relation to on-line information and database access or retrieval or both in electronic form through computer network in any manner.

**105. On-line marketplace** means an information technology platform run by e-commerce entity or organization over an electronic network that acts as a facilitator in transactions that occur between a buyer and a seller or between a service provider and service recipient.

**106. Packaging** means any service provided or to be provided to any person by any other person in relation to packaging activity.

**107. Petroleum oils** means that petroleum oils including crude oil classified under heading 27.09 and 27.10 of the Pakistan Customs Tariff, as given in the First Schedule to the Customs Act, 1969 (Act No. IV of 1969).

**108. Photography service** means any service provided or to be provided to a customer by a photographer, photography studio or agency in relation to photography, in any manner.

**109. Postpaid telecommunication service** means the service in respect of which the charges are collected by the service provider after the use of the telecommunication services.

**110. Pre-paid telecommunication service** means the service in respect of which the charges are collected by the service provider prior to the use of the telecommunication services.

**111. Print media** includes books and newspapers as defined under clauses (b) and (g) of section 2 of the Press, Newspaper, News Agencies and Books Registration Ordinance, 2002 (Ordinance No. XCVIII OF 2002).

**112. Privileged organization** means United Nations and the organizations working under it and shall include any other organization which the Authority may recognize as such.

**113. Privileged person** means a person:--

- (a) covered as such by United Nations (Privileges and Immunities) Act, 1948 (XX of 1948), and shall include persons entitled to concessions and exemptions to privileged personnel arriving under various foreign grant-in-aid programmes or projects; and
- (b) so declared under the President's Salary, Allowances and Privileges Act, 1975 (LVIII of 1975) and the Prime Minister's Salary, Allowance and Privileges Act, 1975 (LIX of 1975).

**114. 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.

**115. Programme** means any audio or visual matter, live or recorded or re-recorded or subjected to any post-production processes like dubbing, colouring, sub-titling or captioning, 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.

**116. Programme producer** means a person who produces a programme on behalf of, or for use by, another person.

**117. 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.

**118. Property or land developer** means and includes a person whether an individual or AOP or a company who develops or improves land for sale to the general public or constructs a building, whether residential or commercial on his own land or purchases land in his name and develops it for sale to general to the general public or specific public on installments basis or cash basis whatever the case may be.

**119. Property promoter** means and includes a person whether an individual or AOP or a company who is involved in marketing of a real estate project whether residential or commercial and receives remuneration or fee or commission against marketing and promotion of the project.

**120. Public bonded warehouse** means a warehouse licensed under section 12 of the Customs Act, 1969.

**121. Public relations services** includes strategic counselling based on industry, media and perception research, corporate image management, media relations, media training, press release, press conference, financial public relations, brand support, brand launch, retail support and promotion, events and communications and crisis communications.

**122. Ready mix concrete service** means the services provided or rendered in relation to preparation, batching, mixing, transportation or delivery of ready-mix concrete.

**123. Real estate** means the land and includes—

- (a) all attachments above and below the land;
- (b) things that form a natural part of the land;
- (c) all things that are developed and installed, including buildings and site improvements; and
- (d) 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 interest therein, whether the interest is freehold or leasehold, and whether the purpose or use thereof is residential, commercial or industrial.

**124. Receiver** means a person appointed by the Recovery Officer to manage, run or account for an attached business, property or assets of the defaulter.

**125. Recovery Officer** means an officer of the Authority authorized to take any recovery measures under section 74 of the Act and any other material provisions of the Act or rules or regulations made thereunder and includes an Attachment officer as defined under rule 16 of these rules.

**126. Reciprocity** means extension of the same privileges and facilities to a diplomat or diplomatic mission of a country in Pakistan as are extended by such country to diplomats and diplomatic mission of Pakistan in that country.

**127. 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.

**128. Referring Officer** means the Referring Officer, not below the rank of and Assistant Collector, in whose jurisdiction the case involving recovery of arrears falls.

**129. 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.

**130. Reinsurance**, includes retrocession, and has the same meaning as defined in clauses (iii) and (iv) of section 2 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000).

**131. 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.

**132. Renting of machinery, equipment, appliances and other tangible goods** means the services provided or rendered, to any person by another person, by renting of machinery, equipment, appliances and other tangible goods including bulldozers, excavators, road rollers and levelers, cranes, construction machinery and equipment, earthmoving machinery and equipment, scaffolding, generators, refrigerators or in relation to such renting.

*Explanation:* The rent-a-car and automobile rental service, as classified under tariff heading 9819.3000, shall be excluded from the purview of this clause.

**133. Residual input tax** means the amount of tax paid on raw materials, components and capital goods being used for making taxable as well as exempt supplies but does not include the input tax paid on raw materials used wholly for making taxable or exempt supplies.

**134. Restaurant**, by whatever name called, includes a person, establishment, organization, place, cafe, coffee houses or ice cream parlors where food, beverages or other edible preparations are sold or served to the customers, including the customers availing of the take-away service or delivery service or room service or catering service,

whether or not the restaurant provides any other services, facilities, utilities or advantages.

**135. Ride-hailing services** means a service provided by a person who is an aggregator or operator or Intermediary or online market place who canvasses or solicits or facilitates passengers for travel by motor vehicles like taxi, cab, car, van, motorcycle and rickshaw, and who connects the passenger or the intending passenger to a driver of any of the aforesaid motor vehicles through telephone, cellular phone, Internet, web based services or GPS or GPRS-based services, electronic or digital means, whether or not he charges or collects any fee, fare, commission, brokerage or other charges or consideration for providing or rendering such services.

**136. Securities** include—

- (a) shares and stock of a company (shares);
- (b) any instrument creating or acknowledging indebtedness which is issued or proposed to be issued by a company including, in particular, debentures, stock, loan stock, bonds, notes, commercial paper, *sukuk* or any other debt securities of a company, whether constituting a charge on the assets of the company or not (debt securities);
- (c) loan stock, bonds, *sukuk* and other instruments creating or acknowledging indebtedness by or on behalf of the federal or provincial governments, central bank or public authority (government and public debt securities);
- (d) modaraba certificates, participation term certificates and term finance certificates;
- (e) any right (whether conferred by warrant or otherwise) to subscribe for shares or debt securities (warrants);
- (f) any option to acquire or dispose of any other security (options);
- (g) units in a collective investment scheme, including units in or securities of a trust fund (whether open-ended or closed end);
- (h) the rights under any depository receipt in respect of shares, debt securities and warrants (custodian receipts);
- (i) futures or forward contracts;
- (j) certificates of deposit; or
- (k) any other instrument notified by the Securities and Exchange Commission of Pakistan to be securities for the purposes of the Securities Act, 2015 (Act No. III of 2015).

**137. Security agency** means a person engaged in the business of providing of services relating to security of any person or property, whether

moveable or immovable, including the services of provision of security personnel, guard or vehicle.

**138. Service provider** means a person who is engaged in the provision of service or providing or rendering of service in the course or furtherance of any economic activity.

**139. Service recipient** means the person, receiving the service or the services, to whom the service provider issues the invoice.

**140. Share transfer agent** includes a person known as share depository agent and also includes persons providing or rendering transfer or redemption or depository services including the services provided through manual or electronic book-entry system used to record and maintain record of holders of securities and also of the securities and derivatives (including investor account services, trustee or custodial services, share registrar services and similar, allied or connected services.

**141. Site preparation and clearance, excavation and earth moving and demolition services** means any service provided or rendered, to any person by another person, in relation to site preparation and clearance, excavation and earthmoving and demolition and such other similar activities, including —

- (a) drilling, boring and core extraction services for construction, geophysical, geological and similar purposes but not including the services in relation to mining of minerals, oil or gas; or landfill, leveling, trench digging, rock removal, blasting and similar services; or
- (b) soil stabilization; or
- (c) horizontal drilling for passage of cables or drain pipes; or
- (d) land reclamation work; or
- (e) contaminated top soil stripping work; or demolition or wracking of building, structure or road; or
- (f) contaminated top soil stripping work; or demolition or wracking of building, structure or road.

**142. Software or IT based system development consultant** means a person engaged in the consultancy of any of the following:

- (a) the development of software, network or IT based system and maintenance thereof;
- (b) the study, analysis, design and program- ming of software or IT based system;

- (c) the adaption, up-gradation, customization, enhancement, integration, implementation and other similar services related to software or IT based system;
- (d) web-hosting and cloud services;
- (e) provision of advice, guidance, consultancy and assistance in matters related to software or IT based system including conducting feasibility studies on implementation of a system;
- (f) provision of specifications for a database design, implementation and management;
- (g) provision of specifications to secure database;
- (h) provision of the right, whether by licensing or otherwise, to use software or IT based system for commercial exploitation including right to reproduce, distribute and seek the software components for the creation of inclusion in other software, IT based system products and the renewal of such a right or license; and
- (i) Provision of the right, whether by licensing or otherwise to use software or IT based system supplied electronically and the renewal of such a right or a license.

**143. Sponsorship** includes naming an event after the sponsor, displaying the sponsor's logo, trade name, brand name or product name, giving the sponsor exclusive or priority booking rights, sponsoring prizes or trophies for competition or game or sports; but does not include financial or other support in the form of donations and gifts, given by a donor, subject to the condition that the service provider is under no obligation to provide anything in return to such donor.

**144. Stockbroker**, by whatever name called, means any person engaged in the business of effecting transactions in securities for the account of others, and includes a person carrying on any of the activities of securities broker, securities advisor and securities manager as defined in section 2 of the Securities Act, 2015 (Act No. III of 2015).

**145. Supportive document** means the documents which are required for registration or filing of return or refund of tax is claimed.

**146. Surveyor** means a person engaged in the services of insurance survey, market survey, statistical survey, opinion poll survey and survey relating to risk assessment, loss or damage assessment or claim settlement but does not include the services conducted by the Federal or Provincial or Local Governments for its own purposes and by the recognized educational institutions for the purposes of education and academic research in such institutions.

**147. Takaful** includes a scheme based on mutual assistance in compliance with the provisions of Islamic Shariah, and which provides for mutual financial aid and assistance to the participants in case of occurrence of certain contingencies and whereby the participants mutually agree to contribute to the common fund for that purpose.

**148. Tax consultant**, by whatever name called, includes a person engaged in providing of services of advice, consultancy or assistance in the matters of any federal, provincial or local government laws in relation to any tax, rate, cess or providing representational services before any court, tribunal or other such judicial or *quasi judicial* authority or the authority administering such tax laws.

**149. 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).

**150. Technical inspection and certification services, including quality control certification services and ISO certifications** means examination or inspection, including pre-shipment inspection, of goods or services or processes or materials or information technology software or any immovable property to certify that such goods or services or processes or materials or immovable property qualifies or maintains the specified standard, including functionality or utility or quality or safety or any other characteristic or parameter, and also includes the services provided or rendered for the purposes of the quality control evaluation or certification and further includes the process and assistance in ISO certifications and such other certifications.

**151. 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.

**152. Telecommunication service** shall have the meaning given in clause (v) of section 2 of the Pakistan Telecommunication (Re-organization) Act, 1996 (Act No. XVII of 1996), and includes the telecommunication system

as defined in clause (u) thereof and further includes the wireless communication as defined in clause (1) of section 2 of the Wireless Telegraphy Act, 1933 (Act No. XVII of 1933) and also includes transfer, assignment or sharing of the right to use capacity for transmission, emission or reception of signals and provision of access to global or local information network.

**153. 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.

**154. Training services** means the training services provided or rendered by any person, institute or establishment, by whatever name called, for imparting skill or knowledge or lesson on any subject or field, with or without issuance of a certificate, and includes the services of vocational, professional, technical, commercial or specialized trainings, courses, seminars, workshops and lectures imparted for consideration but does not include the services of coaching or training of sports.

**155. Transmit** also means transmission of data or documents through electronic means.

**156. 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.

**157. Travel agent** means a person engaged in providing or rendering any service connected with booking of passage for travel.

**158. Underwriter** means a person as defined in clause (lxvi) of section 2 of the Securities Act, 2015 (Act No. III of 2015), and includes a sub-underwriter.

**159.Unique user identifier** means a unique identification name, number or password allotted by the Authority to the authorized user of the computerized system under the Act and the rules made thereunder.

**160.Unregistered person** means a person who is liable to be registered under the Act but is actually not registered and does not hold a Khyber Pakhtunkhwa Sales Tax Registration Number (KNTN).

**161.Video vigilance** includes video analytics, video tapping, video recording, video filming, video picturing, video watch, video surveillance, video monitoring, close circuit television system or similar other equipment, instruments, devices or networking.

**162.Warehouses or depots for storage or cold storages** means the facility or space provided or rendered or let out on rent or otherwise for the storage, cold storage or warehousing of goods including those in the form of liquids and gases.

**Waste collection, transportation, processing and management services** means services provided in the matters of collection, processing, transportation, disposal, recycling and management of all kinds of wastes, waste materials and garbage and includes road and street cleaning services, whether manually, mechanically or otherwise

**163.Withholding"** means an obligatory process involving:

-- retention of tax as per tax invoice or

-- deduction of tax leviable but not levied on non-tax or commercial invoice,

by a service recipient on or from the value of the "**taxable service**" paid, to be paid or payable to the service provider and deposit thereof with the Government as aforesaid:

**Provided** that in case of non-tax or commercial invoice, tax amount shall be calculated treating the value given in such invoice as exclusive of tax and the tax amount so calculated shall be withheld from within the invoice value and paid to the Government accordingly;

**164.Withholding agent** shall have the same meaning as provided under clause (aan) of section 2 of the Act and rules or regulations made thereunder.

**165. Withholding Regulations** means the Khyber Pakhtunkhwa Sales Tax on Services (Withholding) Regulations made under the Act.