



# KHYBER PAKHTUNKHWA REVENUE AUTHORITY (KPRA)

KPRA HQ Near Railway Track Phase-3 Chowk, Hayatabad,  
Peshawar.

Phone: 091-9219202, Fax: 091-9219223



F.NO. KPRA/Authority/Letter/2024/332

Dated: 29<sup>th</sup> July, 2024

To

Mr. Hammad Ahmed Butt  
Chief Financial Officer  
Shaukat Khanum Memorial Hospital  
7-A, Block R-3, Johar Town, Lahore, Pakistan

Subject: **CLARIFICATION REGARDING EXEMPTION THROUGH NOTIFICATION  
DATED 27-07-2020 & INTIMATION OF PAYMENT OF TAX IN LIEU OF  
INSERTIONS THROUGH KP FINANCE ACT, 2024**

Please refer to the subject cited above and the meeting held at KPRA (HQ) on July 24, 2024.

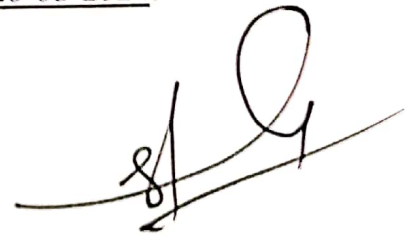
- During the meeting, representatives from M/s Shaukat Khanum Memorial Trust (Trust) produced the exemption notification dated 27-07-2020 for clarification purposes.
- It is stated that the notification dated 27-07-2020 clearly provides an exemption to the Trust for services received from various persons for the construction of the hospital. This exemption is conditional on certain points and compliance was mandatory to avail of the exemption under the aforementioned notification. However, it is a matter of concern that the Trust has not yet complied with the conditions mentioned in the notification.
- The representatives from the Trust stated that due to certain restrictions in KPRA's return filing portal, the withholding agent was unable to file or declare proper data in the monthly statements.
- Furthermore, discussion was held on latest insertions in Second Schedule to the Act made through the Khyber Pakhtunkhwa Finance Act 2024. The Government has imposed a tax on hospitals by the insertion of Serial No. 1A in the Second Schedule to the KP Sales Tax on Services Act, 2022. For reference, the same is reproduced below:

S#	Description of Services	Headings	Rate of Tax
1A	Services provided by Health Care Centers etc. in Private Sector	9821.1000	Five percent (05%) (without input tax adjustment) of the charges (including fixed charges, if any) of such centers or hospital beds/ rooms: Provided that the said charges exceed rupees 10,000/- per day per bed/room.

6. Furthermore, the Trust is required to charge and deposit sales tax on services in terms of entry No.30 of the Second Schedule to the Act which states that " Services provided by laboratories, scientific laboratories, mechanical laboratories, chemical laboratories, electrical or electronics laboratories, pathological laboratories, Forensic laboratories medical diagnostic laboratories including technical services relating to X-rays, CT Scan, M.R. Imaging (MRI), ultrasound, echo etc. or other such laboratories" shall be chargeable at the rate of 05% without input tax adjustment.

7. Therefore, to comply with the aforementioned provisions of law and to resolve the issue of filing or declaring proper data in the statements, the Trust is hereby required to update its registration status to 'service provider' as well and file monthly sales tax returns as required under Section 39 of the said Act.

7. It is pertinent to mention here that the Trust is under obligation to comply with all the conditions mentioned in the notification dated 27-07-2020 and is now expected to provide all the information as mentioned in conditions (i) to (v) therein on or before 20-08-2024.



Abdul Raziq Khan  
Additional Collector (Central)

Copy to:

PA to Collector (STS)



Abdul Raziq Khan  
Additional Collector (Central)  
Additional Collector (Central)  
KP Revenue Authority  
KPRA