

**Government of Balochistan**  
**Balochistan Revenue Authority**  
**Quetta.**

C. No. BRA/BSTS/WHT/2019/01

Quetta, the 20<sup>th</sup> March, 2019.

**Circular No. 01 of 2019**  
**Sales Tax on Services**

**SUBJECT: THE BALOCHISTAN SALES TAX SPECIAL PROCEDURE (TRANSPORTATION OR CARRIAGE OF PETROLEUM OILS THROUGH OIL TANKERS) RULES, 2019.**

The Balochistan Sales Tax Special Procedure (Transportation or Carriage of Petroleum Oils through Oil Tankers) Rules, 2019 has brought about a mechanism for collection of withholding of sales tax on services of Inter-City Transportation or Carriage of Petroleum Oils through Oil Tankers classified under tariff heading 9804.1000 of the Second Schedule of the Balochistan Sales Tax on Services Act, 2015 (Act No VI of 2015). The significant features of said mechanism are explained hereunder.

2. With regard to inter-province oil movement originating from Balochistan, the service recipient being withholding agent, shall withhold sales tax @ 15% out of which fifty percent shall be deposited in the Balochistan Government's head of account "**B-02387**" in the manner as prescribed in the Balochistan Sales Tax Special Procedure (Withholding) Rules, 2018. The balance fifty percent of withheld amount shall be deposited with the tax Authorities of the respective provinces, other than the non-tariff area, where the service is terminated.

3. Where, inter-province oil movement is originating from within the jurisdiction of other provinces and terminating in Balochistan shall likewise, share the withheld amount of sales tax at 50:50 percent respectively.

4. The distribution formula mentioned at Paras 2 & 3 above i.e. (50% at origination and 50% at termination) and uniform rate of 15% of sales tax on inter-province oil movement, is in accordance with agreement recorded in paragraph 3 of the minutes of the meeting held on 13<sup>th</sup> September, 2017, as circulated under the Ministry of Energy (Petroleum Division), Islamabad's letter No. DOM- 1(24)/2015-III dated 22<sup>nd</sup> September, 2017.

5. With regard to intra-province oil movement, the sales tax on services of Inter-City Transportation or Carriage of Petroleum Oils through Oil Tankers will be paid by the Oil Tankers Contractors Association (OTCA) through Oil Marketing Companies (OMCs). The unregistered oil contractors will get registered through NTN and respective OMCs will act on their behalf as withholding tax agent for the collection of sales tax under VAT system while the sales tax registered contractors may deposit sales tax directly.

6. The service provider shall e-file the tax return, as defined in clause (141) of section 2 of the Balochistan Sales Tax on Services Act, 2015 in the prescribed manner:

**Provided** that where a service recipient agrees with the service provider to e-file the prescribed return on behalf of the service provider, such a service recipient shall e-file the prescribed return of the service provider.

7. The service recipient shall e-file his own return in the manner as prescribed in the withholding rules and he shall also issue the prescribed certificate of deduction / withholding in Form BSTW-06, to the service provider, besides complying with the other provisions of the withholding rules.

8. The oil marketing companies are required to ensure compliance of the subject rules in its spirit and letter.

9. This issues with the approval of the competent Authority.

**Farman Ullah**  
Commissioner (Operations)  
Balochistan Revenue Authority