

Tax Measures to Support Control of COVID-19 Pandemic

Extension in Date for Filing of Sales Tax & Federal Excise Returns - Tax Period January 2020 & February 2020

Federal Board of Revenue ("FBR") has announced extension in date for filing of Sales Tax and Federal Excise Returns in the wake of challenges posed by the COVID-19 (Coronavirus). According to FBR's letter of 24' March' 2020 to all Chief Commissioners Inland Revenue, following extension has been announced:

Tax Period January 2020

The filing of Sales Tax and Federal Excise return for the Tax Period January 2020 was originally due on 18' February' 2020. Previously, FBR allowed submission of such return up to 28' February' 2020. FBR has now extended the due date for submission up to 15' April' 2020. **The extension is only applicable to submission of the returns.** The date of tax payment for January 2020 has not been extended.

Tax Period February 2020

The payment of Sales Tax and Federal Excise Duty for Tax Period February 2020 was due by 15' March' 2020. FBR has now extended the payment date up to 31' March' 2020.

The original due date for filing of Sales tax and Federal Excise return for tax period February 2020 was 18' March' 2020 which was further extended up to 25' March' 2020

vide FBR's letter date 18' March' 2020. FBR has now extended the due date for submission of returns for February 2020 up to 15' April' 2020.

The above extension is only applicable to Sales Tax and Federal Excise returns due under the Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively.



Alternative Delivery Channel (ADC) for Tax and Duty Payments

In response to restrictions on movement of general public due to risk of COVID-19 spread, FBR has clarified that payment of Customs Duty, Income Tax, Sales Tax and Federal Excise Duty can also be made through following ADCs:

- Internet Banking
- ATMs
- Mobile Banking (Jazz Cash etc.)
- Over the counter from all the branches of all the scheduled banks.

Tax and Duty Exemption on Import of Essential Medical Equipment and Machinery (61 items) for 3 months

FBR has granted duty and tax exemption on the import of 61 essential medical equipment and machinery items for three months. The exemption period may be extended for further three months, on recommendation of Ministry of Health Services, if adverse circumstances related to COVID-19 continue to prevail. The exemption relates to following duties and taxes:

- Customs Duty, Regulatory Duty and Additional Customs Duty (Customs S.R.O 235(I)/2020 dated 20' March' 2020)
- Income Tax at import stage (Income Tax S.R.O 236(I)/2020 dated 20' March' 2020)

- Sales Tax on import and subsequent supply of goods (Sales Tax S.R.O 237(I)/2020 dated 20' March' 2020)

If you require our assistance in understanding the specific implications of this Alert to your business, please feel free to contact us:

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