

(TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN (EXTRAORDINARY))

Government of Pakistan

Finance Division

(NFC Secretariat)

Islamabad the 20th March, 2020

NOTIFICATION

No. F. 1(10)-NFC/2018-(i). NFC Monitoring Committee which is also assigned the Terms of Reference of proposed Fiscal Coordination Committee, in its meeting held on 12th March, 2020 has approved the establishment of the National Tax Council with the following composition, ToR and procedure:

Composition

- | | |
|---|----------|
| 1. Federal Finance Minister
(Adviser to PM on Finance and Revenue, in case the portfolio of Finance Minister is with the Prime Minister) | Chairman |
| 2. Finance Minister, Punjab | Member |
| 3. Finance Minister, Sindh | Member |
| 4. Finance Minister, Khyber Pakhtunkhwa | Member |
| 5. Finance Minister, Balochistan | Member |

Terms of Reference

- a. the harmonized rates of tax applied to supplies of Goods and of Services as applicable to the entire country;
- b. the model Sales Tax Law on Goods and the model Sales Tax Law on Services, definition of good and service, principles of levy, apportionment of Sales Tax on services made in the course of inter-Provincial trade and principles that govern the place of supply;
- c. the turnover threshold below which sales may be exempted from the Sales Tax;
- d. exempted goods and services as applicable to the entire country
- e. any special rates or cesses for a specified period for an individual Province or Provinces, to raise additional resources due to emergencies arising as a result of any natural calamity or disaster;
- f. rules governing the administration of Sales Tax across Provinces and the ICT to reduce duplication of administration for taxpayers;
- g. mechanism to resolve disputes arising on matters related to powers vested by it on tax matters, between the Federal government and the Provincial governments and amongst Provincial governments;
- h. the overlaps in collection of FED and Sales Tax;

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- i. Data harmonization, which include but not limited to monthly sharing of data on FBR Collections, oil and gas productions and electricity production and formulation of mechanisms to ensure that payments due to provinces are made in time;
- j. any other matter that the National Tax Council may decide including other taxes and their harmonized policy and administration.

Secretariat:

The Macro-Fiscal Policy Office in the Finance Division shall be the Secretariat of the NTC (NFC Secretariat till the establishment of Macro Fiscal Policy Office).

Meetings and decisions:

- The National Tax Council shall meet at least once every quarter
- The decisions of the National Tax Council shall be implemented by the Federal Government and all the four provincial governments.

(Dr. Rashid Manzoor)
Senior Joint Secretary / Secretary
National Finance Commission

The Manager,
Printing Corporation of Pakistan Press,
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Copy of the Notification is forwarded to:

- 1) Advisor to PM on Finance & Revenue
- 2) Finance Minister, Punjab
- 3) Finance Minister, Sindh
- 4) Finance Minister, Khyber Pakhtunkhwa
- 5) Finance Minister, Balochistan
- 6) Chairman (FBR), Islamabad


(Ali Akbar)
Assistant Secretary (NFC)