

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

CP D 6846 of 2019

DATE	ORDER WITH SIGNATURE OF JUDGE
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1. For hearing of Misc. No.30404/2019
2. For hearing of main case

11.03.2025

Mr. Ovais Ali Shah, advocate for the petitioner
Mr. Muhammad Aqeel Qureshi, advocate for respondent
Mr. Abdul Manan advocate holds brief for Mr. Fahim Raza Khuhro,
advocate for respondent
Mr. Kashif Nazir, Assistant Attorney General

Per learned counsel notice has been impugned herein, however, the petitioner shall contest the same before the issuing authority. Learned counsel draws attention to FBR notification dated 05.01.2012, which is reproduced herein below :

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C.No39)ST-L&P/2011

Islamabad the 05 January, 2012

The Chief Commissioner,
All LTUS/RTOS

Subject: SALES TAX ON SOFTWARE

I am directed to refer to the subject cited above and to say that after deletion of S.No. 41 from Table 1 of Sixth Schedule to the Sales Tax Act, 1990, vide Finance Act, 2011, softwares have become chargeable to sales tax. Registered persons engaged in the business of software have approached FBR for issuance of clarification this regard. The issue has been examined in the FBR and it is submitted that supply of all kinds of software are chargeable to sales tax @ 16% w.e.f. 04-06-2011. Some of these transactions which take place in software industry are listed below (this list is not exhaustive):

- (i) Sale of CDs/DVDs with or without software.
- (ii) Sale of any other hardware medium with or without software.
- (iii) Sale of System softwares, which are usually essential to operate computers.
- (iv) Download which is accompanied backup copy of the software on any hardware medium.
- (v) Sale of Customized software with transfer of all rights to make amendment/changes in the software.

2. Other transactions such are downloaded from internet (without accompanying backup on hardware medium), subscription charges, licensee fee only for usage, up-gradation charges, maintenance charges, training fees etc., are not liable to sales tax.

Sd/-
Fahad Ali Chaudhary
(Second Secretary (ST-L&P))

Learned counsel states that the petitioner shall rely upon the aforementioned notice and contest the same before the concerned authority, however, seeks that notice be adjudicated vide a speaking order after providing opportunity of hearing to the petitioner. Further seeks that pending the aforesaid no coercive action be taken there against. Respective learned counsel articulates no cavil to the aforesaid and states that the petition be disposed of in the above terms. Order accordingly.

Judge

Judge

Amjad

