



March 8, 2023

## Increase in Sales Tax on 'luxury goods'

SRO 297(I) / 2023 dated March 8, 2023

**Address:** 1227, 3<sup>rd</sup> Road, G-10/4, Islamabad

**Tel:** +92 51 2355777

**Mob:** +92 344 555558

+92 332 5233523

**Email:** [Contact@AlamConsultants.com](mailto:Contact@AlamConsultants.com)

**Web:** [www.alamconsultants.com](http://www.alamconsultants.com)

## OVERVIEW

Through SROs in February 2023 and the Finance (Supplementary) Bill, 2023, the Government introduced a number of taxation measures aimed at fulfilling conditions of IMF for the revival of loan program.

In continuation of the above measures, the Federal Government, through SRO 297/2023 dated March 8, 2023 has also imposed a **higher rate of sales tax** on a number of '**luxury items**', which shall be subject to **25%** sales tax instead of the general rate of 18%.

The higher sales tax is applicable on **import and subsequent supply** of 36 categories of goods including **vehicles** (in CBU condition), **confectionaries, cigarettes, jewelry, leather jackets, footwear, home appliances, and cosmetics** among others.

It is also applicable on supply of **locally manufactured / assembled SUVs, CUVs, double cabin (4x4) pick-ups, and vehicles with engine capacity of 1400 cc or more.**

However, the increased tax will not affect items listed in the Eighth Schedule to whom the general tax rate does not currently apply.

The full list of items subject to the higher sales tax rate is available in the remainder of the document.

Warm Regards,

**Muhammad Hussain Alam ACA, ACCA**

**Partner**

## ITEMS SUBJECT TO INCREASED SALES TAX (SRO 297/2023)

The list of items subject to sales tax at 25% under the SRO is provided below.

### IMPORT AND SUPPLY THEREOF

S. No.	Description	PCT Code
1	Aerated water and juices	2201.1010, 2201.1020, 2201.9000, 2202.1010, 2202.1090, 2202.9100, 2202.9900.
2	Confectionary	1704.1000, 1704.9010, 1704.9090, 1905.1000, 1905.2000, 1905.3100, 1905.3200, 1905.4000, 1905.9000, 2106.9060.
3	Vehicles in CBU condition	8703.2113, 8703.2119, 8703.2193, 8703.2195, 8703.2199, 8703.2220, 8703.2240, 8703.2260, 8703.2290, 8703.2313, 8703.2319, 8703.2323, 8703.2329, 8703.2490, 8703.3112, 8703.3129, 8703.3139, 8703.3219, 8703.3223, 8703.3225, 8703.3229, 8703.3390, 8703.4019, 8703.4029, 8703.4032, 8703.4039, 8703.4049, 8703.4059, 8703.4069, 8703.5019, 8703.5029, 8703.5039, 8703.5049, 8703.5059, 8703.5069, 8703.6019, 8703.6029, 8703.6032, 8703.6039, 8703.6049, 8703.6059, 8703.6069, 8703.7019, 8703.7029, 8703.7039, 8703.7049, 8703.7059, 8703.7069, 8703.9000.
4	Sanitary and bathroom wares	3922.1000, 3922.9000, 3924.9000, 6910.1010, 6910.1020, 6910.1030, 6910.1040, 6910.1050, 6910.1060, 6910.1070, 6910.1080, 6910.1090, 6910.9000, 6911.9000, 7324.1010, 7324.1020, 7324.2100, 7234.2900, 7324.9000.
5	Carpets (excluding those from Afghanistan)	5701.1010, 5701.1020, 5701.1090, 5701.9000, 5702.1000, 5702.2000, 5702.3100, 5702.3290, 5702.3900, 5702.4110, 5702.4190, 5702.4290, 5702.9920, 5702.9990, 5703.1000, 5703.2990, 5703.3990, 5703.9000.
6	Chandeliers and lighting devices or equipment	9405.1110, 9405.1190, 9405.1910, 9405.1990, 9405.2100, 9405.2900, 9405.3100, 9405.3900, 9405.4990, 9405.5010, 9405.5090, 9405.6100, 9405.6900
7	Chocolates	1806.2090, 1806.3100, 1806.3200, 1806.9000.



ALAM & ALAM  
LEGAL AND FINANCIAL CONSULTANTS

## Sales Tax on Luxury Goods - SRO 297/2023



ALAM & CO.  
CHARTERED ACCOUNTANTS

S. No.	Description	PCT Code
8	Cigarettes, cigars and e-cigarettes	2402.1000, 2402.2000, 2402.9000, 2403.1100, 2403.1900, 2403.9100, 2403.9910, 2403.9990, 8543.4000, 9614.0000.
9	Corn flakes and other ready -to-use cereals	1904.1010, 1904.1090, 1904.2000, 1904.9000
10	Cosmetics and shaving items	3303.0010, 3303.0020, 3303.0090, 3304.1000, 3304.2000, 3304.3010, 3304.3090, 3304.9110, 3304.9190, 3304.9910, 3304.9920, 3304.9990, 3305.2000, 3305.3000, 3305.9010, 3305.9020, 3305.9090, 3307.1000, 3307.2000, 3307.3000, 3307.4900, 9615.1100, 9615.1900, 9615.9010, 9615.9020, 9615.9090, 9616.1000, 9616.2000.
11	Tissue papers	4818.1000, 4818.2000, 4818.9000.
12	Crockery, kitchenware and tableware and household articles	3924.1000, 3924.9000, 4818.3000, 6911.1010, 6911.1020, 6911.1030, 6911.1040, 6911.1090, 6912.0010, 6912.0090, 7013.1000, 7013.2200, 7013.2800, 7013.3300, 7013.3700, 7013.4100, 7013.4200, 7013.4900, 7013.9100, 7323.9100, 7323.9200, 7323.9300, 7323.9400, 7323.9900, 7615.1000, 7615.2000, 8215.1000, 8215.2000, 8215.9910, 8215.9920, 8215.9990,
13	Decorations or ornamental articles	3926.4010, 4420.1100, 4420.1900, 4420.9010, 4420.9020, 4420.9090, 6702.1000, 6702.9000, 6913.1000, 6913.9000, 6914.9000, 7013.9900, 9601.1000, 9601.9010, 9601.9090
14	Dog and cat food only	2309.1000, 2309.9000.
15	Doors and window frames	3925.2000, , 4418.1100, 4418.1900, 4418.2100, 4418.2900, 4418.9990, 7308.3000, 7610.1000, 7610.9000.
16	Fish	All tariff lines of Chapter 03 and the following: 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1700, 1604.1800, 1604.1900, 1604.2010, 1604.2020 , 1604.2090, 1604.3100, 1604.3200, 1605.1000, 1605.2100, 1605.2900, 1605.3000, 1605.4000, 1605.5100, 1605.5200, 1605.5300, 1605.5400, 1605.5500, 1605.5600, 1605.5700, 1605.5800, 1605.5900, 1605.6100. 1605.6200. 1605.6300. 1605.6900.



ALAM & ALAM  
LEGAL AND FINANCIAL CONSULTANTS

## Sales Tax on Luxury Goods - SRO 297/2023



ALAM & CO.  
CHARTERED ACCOUNTANTS

S. No.	Description	PCT Code
17	Footwear	6402.1200, 6402.1900, 6402.2000, 6402.9100, 6402.9900, 6403.1200, 6403.1900, 6403.2000, 6403.5100, 6403.5900, 6403.9900, 6404.1100, 6404.1900, 6404.2000, 6405.1000, 6405.2000, 6405.9010, 6405.9090.
18	Fruits and dry fruits (excluding those imported through land route or barter mechanism)	All tariff lines of Chapter 08 of Pakistan Customs Tariff except 0801.1910, 0801.1200
19	Furniture	9401.3100, 9401.3900, 9401.4100, 9401.4900, 9401.5200, 9401.5300, 9401.5900, 9401.6100, 9401.6900, 9401.7100, 9401.7900, 9401.8000, 9403.1000, 9403.2000, 9403.3000, 9403.4000, 9403.5010, 9403.5020, 9403.5030, 9403.6000, 9403.7000, 9403.8200, 9403.8300, 9403.8900,
20	Home appliances CBU	8414.5120, 8414.5130, 8414.5140, 8414.5190, 8415.1019, 8415.1029, 8415.1039, 8415.1099, 8415.8190, 8415.8290, 8415.8390, 8418.1090, 8418.2190, 8418.2990, 8418.3090, 8418.4090, 8418.6939, 8418.6990, 8422.1100, 8450.1190, 8450.1290, 8450.1919, 8450.1999, 8450.2090, 8508.1190, 8508.1990, 8509.4010, 8509.4020, 8509.4030, 8509.8000, 8516.1090, 8516.2100, 8516.2900, 8516.3100, 8516.3200, 8516.5090, 8516.6010, 8516.6020, 8516.6030, 8516.6090, 8516.7100, 8516.7200, 8516.7990, 8516.8010, 8516.8090, 8518.1090, 8518.2100, 8518.2200, 8518.2990, 8518.3000, 8521.1010, 8521.1020, 8521.1090, 8521.9010, 8521.9090, 8528.7211, 8528.7219, 8528.7290,
21	Ice cream	2105.0000



ALAM & ALAM  
LEGAL AND FINANCIAL CONSULTANTS

## Sales Tax on Luxury Goods - SRO 297/2023



ALAM & CO.  
CHARTERED ACCOUNTANTS

S. No.	Description	PCT Code
22	Jams, jellies, preserved fruits and fruit and vegetable juices	2001.1000, 2001.9010, 2001.9090, 2002.1000, 2002.9090, 2003.1000, 2003.9000, 2004.1000, 2004.9000, 2005.1000, 2005.2000, 2005.4000, 2005.5100, 2005.5900, 2005.6000, 2005.7000, 2005.8000, 2005.9100, 2005.9900, 2006.0000, 2007.1000, 2007.9100, 2007.9900, 2008.1100, 2008.1900, 2008.2000, 2008.3000, 2008.4000, 2008.5000, 2008.6000, 2008.7000, 2008.8000, 2008.9100, 2008.9300, 2008.9700, 2008.9900, 2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, 2009.8100, 2009.8900, 2009.9000.
23	Leather jackets and apparels	4203.1010, 4203.1020, 4203.1030, 4203.1090, 4203.2910, 4203.2920, 4203.2930, 4203.2990, 4203.3000, 4203.4000.
24	Mattress and sleeping bags	9404.1000, 9404.2100, 9404.2900, 9404.3000, 9404.9000.
25	Fresh , chilled, frozen, preserved or processed meat	All tariff lines of Chapter 02, and the following tariff lines under Chapter 16 of Pakistan Custom Tariff: 1602.3100, 1602.3200, 1602.3900, 1602.5000, 1602.9000, 1603.0000.
26	Musical instruments	9201.2000, 9201.9000, 9202.1000, 9202.9000, 9205.1000, 9205.9000, 9206.0000, 9207.1000, 9207.9000, 9208.1000, 9208.9000,
27	Pasta	1902.1100, 1902.1910, 1902.1920, 1902.1990, 1902.2000, 1902.3000, 1902.4000
28	Arms and ammunition excluding defense stores	Respective heading of chapter 93 of PCT
29	Shampoos	3305.1000
30	Sunglasses	9004.1000 , 9004.9000
31	Tomato ketchup and sauces	2103.1000 , 2103.2000 , 2103.3000
32	Travelling bags and suitcases	4202.1120, 4202.1190, 4202.1210, 4202.1220, 4202.1290, 4202.1900, 4202.2100, 4202.2200, 4202.2900, 4202.3100, 4202.3200, 4202.3900, 4202.9100, 4202.9200, 4202.9900

<b>S. No.</b>	<b>Description</b>	<b>PCT Code</b>
33	A ship designed or adapted for use for recreation or pleasure or private use	Respective headings
34	An aircraft designed or adapted for use for recreation or pleasure or private use	Respective headings
35	Articles of jewelry (both precious metals and imitation)	71.13 , 71.17
36	Wristwatches	91.01 , 91.02

#### LOCALLY MANUFACTURED

<b>S. No.</b>	<b>Description</b>	<b>PCT Code</b>
1	Locally manufactured or assembled SUVs and CUVs	87.03
2	Locally manufactured or assembled vehicles having engine capacity of 1400cc and above	87.03
3	Locally manufactured or assembled double cabin (4x4) pick-up vehicles	87.04