

**Government of Pakistan**  
(Revenue Division)  
Central Board of Revenue  
**[Sales Tax & Federal Excise Wing]**  
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C. No.4/2-STB/2007

Islamabad, the 30<sup>th</sup> July, 2007.

**FEDERAL EXCISE GENERAL ORDER NO.03 / 2007**

Subject: **ISSUES RELATING TO SPECIAL EXCISE DUTY**

A number of queries have been received in CBR regarding special excise duty levied under section 3A of the Federal Excise Act, 2005 read with SRO 655(I)/2007 dated 29.06.2007. The Board, in exercise of the powers conferred under section 43 of the Federal Excise Act, 2005 is pleased to clarify the said issues in the following paras:

- (i) Special excise duty is chargeable on all items (whether or not chargeable to Federal excise duty) mentioned in Pakistan Customs Tariff excluding only the items mentioned in the table contained in SRO 655(I)/2007 dated 29.06.2007. Special excise duty is also chargeable on the items specified in SRO 644(I)/2007 dated 27.06.2007 i.e. the items chargeable to sales tax @ 17.5% or 20%;
- (ii)(a) In case of locally produced goods chargeable to Federal excise duty on the basis of retail price, special excise duty shall be levied on the retail price excluding the amount of Federal excise duty. However, in case of locally produced goods chargeable to Federal excise duty on the basis of wholesale cash price, special excise duty shall be levied on the wholesale cash price excluding the amount of Federal excise duty;
- (b) In case of locally produced goods not chargeable to Federal excise duty, whether chargeable to sales tax on retail price basis or otherwise, special excise duty shall be levied on wholesale cash price;
- (iii) No separate records are required to be maintained for the purpose of special excise duty. The records required to be

maintained under Sales Tax Act, 1990 shall serve the purpose;

- (iv) Sales tax-cum-Federal excise return containing separate column for special excise duty is being notified separately;
- (v) No separate invoices for special excise duty are required to be issued. The invoices issued for sales tax purposes should mention the amount of special excise duty separately;
- (vi) Special excise duty amount is not required to be printed on items chargeable to sales tax or Federal excise duty on retail price basis; and
- (vii) Special excise duty is only chargeable on one time basis either at import stage in case of imported goods or at production/ manufacturing stage in case of locally produced goods with the provision for adjustment of special excise duty already paid at import or local stage. Hence, special excise duty is not chargeable on wholesale, distribution or retail stage.

**(Wajid Ali)**  
Secretary (ST&FE-Budget)