

Implementation of Budget Proposals - 2017

Value Added Tax (VAT), Nation Building Tax (NBT) and Ports and Air-ports Development Levy (PAL)

In compliance with the 2017 budget proposals presented by the Hon. Minister of Finance on 10th November 2016 and as per the approval granted by the Cabinet of Ministers, you are kindly requested to take necessary actions to implement following proposals.

1. Value Added Tax (VAT)

(i) VAT should be exempted with effect from 11.11.2016 on ;

1. Plants, machinery and accessories for renewable energy generation identified under the following H.S Code Nos.
2. Certain electrical goods identified under HS Code Nos
3. Magazines, journals or periodicals other than newspapers, identified under HS Code Nos
4. Medical Machinery and medical equipment identified under the HS Code Nos

(ii) VAT should be imposed with effect from 11.11.2016 on ;

1. Gold coins, precious metals and precious stones identified under following HS Codes Nos.
2. Import or supply of jewellery.

2. Nation Building Tax (NBT)

(i) NBT should be imposed with effect from 11.11.2016 on ;

1. printed books, magazines, journals or periodicals other than newspapers, identified under HS Code Nos
2. Solar panel modules and accessories under the following HS Code Nos

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3. Ports and Air ports Development Levy (PAL)

- (i) Printed books, magazines, journals or periodicals other than newspapers, identified under HS Code Nos should be exempted from PAL with effect from 12.11.2016.**

- (ii) Raw materials use for the Pharmaceutical industry, identified under HS Code Nos should be liable for PAL at the rate of 2.5 percent with effect from 12.11.2016.**

The detailed list of items referred above is for your perusal (Annexure).

VAT Exemptions

1. Plants, Machinery and accessories for energy generation identified under the following HS Code Nos.

8454.10, 8501.31.10, 8503.00.10, 8503.00.20, 8503.00.90, 8504.10.10, 8504.10.90, 8504.21.10, 8504.21.90, 8504.22.10, 8504.22.20, 8504.22.30, 8504.22.90, 8504.23.90, 8504.31.10, 8504.31.90, 8504.32.10, 8504.32.90, 8504.33.10, 8504.33.90, 8504.34.90, 8504.40.10, 8504.40.20, 8504.40.30, 8504.40.90, 8504.50.10, 8504.50.90, 8504.90.10, 8504.90.90, 8513.10.10, 8539.31.20, 8541.40, 9032.89.10, 9405.10.10, 9405.10.20, 9405.20.10, 9405.20.20, 9405.40.30, 9405.40.40

2. Certain electrical goods identified under HS Code Nos.

8516.40, 8516.72, 8527.21, 8527.29, 8527.91, 8527.92, 8528.72.41, 8528.72.91, 9101.11, 9101.19, 9101.19.10, 9101.19.90, 9101.21, 9101.29, 9101.91, 9101.99, 9102.11, 9102.12, 9102.19, 9102.21, 9102.29, 9102.91, 9102.99, 9105.11, 9105.19, 9105.21, 9105.29, 9105.91, 9105.99

3. Magazine and Periodicals under HS Code Nos.

4901.10, 4901.91, 4901.99, 4901.99.10, 4902.10.10, 4902.90.10

VAT Liable Goods

1. pearls, diamonds, natural or synthetic, precious or semi-precious stones, diamond powder, precious metals, metals clad with precious metals, gold coins

7101, 7102, 7103, 7104, 7105, 7106, 7107, 7108, 7109, 7110, 7111, 7113, 7114, 7116, 7118.90.10

Articles exempt from NBT

1. Magazine and Periodicals under HS Code Nos.

4901.10, 4901.91, 4901.99, 4901.99.10, 4902.10.10, 4902.90.10

2. Solar panel modules, accessories of solar power energy under HS Code Nos.

8454.10, 8501.31.10, 8513.10.10, 8539.31.20, 8541.40, 9032.89.10, 9405.10.10, 9405.10.20, 9405.20.10, 9405.20.20, 9405.40.30, 9405.40.40

PAL Exemptions

1. Magazine and Periodicals under HS Code Nos. 4901.10, 4901.91, 4901.99, 4901.99.10, 4902.10.10, 4902.90.10

PAL Liable at the rate of 2.5

2. Pharmaceutical Industry under HS Code Nos. 3926.90.80, 9602.00.10