

**Emergency conditions: Government powers to grant GST zero-rating curtailed**

The powers of the federal government to grant sales tax zero-rating has been curtailed whereas the conditions/situations under which the federal government can grant exemptions through a notification have also been reduced. According to the FBR's budget instructions (2019-20) issued to the field formations here on Wednesday, the conditions/situations under which the federal government can grant exemptions through a notification have been reduced by omitting conditions relating to protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, and development of backward areas.

The section 4(c) has been amended to limit the powers of the federal government to grant zero-rating to emergency conditions as now inserted therein. The powers of the Board to grant zero-rating through general orders have been withdrawn by omitting clause (d) of section, the FBR added.

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