

**Exemption withdrawn: internet, broadband services to pay 19.5 percent SST**

Sindh Sales Tax on internet and broadband services of up to 2 mbps speed and up to 4 mbps speed, the charges for which did not exceed Rs 1,500 per month and Rs 2,500 per month, respectively, were exempt until 30th June, 2019. Other internet and broadband services were already paying SST at 19.5 percent and there is no change in the Sindh Budget-2019.

The said exemption has been withdrawn with effect from 1st day of July, 2019. Now (effective 01-07-2019), all internet and broadband services, irrespective of its speed or charges shall pay Sindh Sales Tax at the statutory rate of 19.5 percent. The exemption of FED on internet and broadband services has also been withdrawn by the federal government wef 01-07-2019. Therefore, in all areas of Pakistan outside provinces (eg, ICY, FATA, PATA & GB and also AJK, which adopted the FE Act, 2005), FED shall be chargeable at 17 percent on all internet and broadband services.

In Punjab, KP and Balochistan, provincial sales tax on internet and broadband services was already payable at 19.5 percent (irrespective of the mbps speed and irrespective of the amount charged) and the said levy continues unchanged in those provinces too.

**RECORDER REPORT**