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**THE SINDH DEVELOPMENT AND MAINTENANCE OF  
INFRASTRUCTURE CESS ACT, 2017**  
SINDH ACT NO. XVIII OF 2017

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[26<sup>th</sup> April, 2017]

**AN ACT** to consolidate the law relating to the levy of a cess on goods entering into and leaving the Province from or for outside the country through air or sea;

**WHEREAS** it is expedient to consolidate the law relating to the levy of a cess on goods entering into and leaving the Province from or for outside the country through air or sea, for development and maintenance of infrastructure of the Province; **Preamble.**

It is hereby enacted as follows:-

**CHAPTER-I  
PRELIMINARY**

1. (1) This Act may be called the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. **Short title, extent and commencement.**  
 (2) It extends to the whole of the Province of Sindh.  
 (3) It shall come into force at once and shall be deemed to have taken effect on and from 1st July, 1994.
2. In this Act, unless there is anything repugnant in the subject or context – **Definitions.**
  - (a) “cess” means the cess payable under section 3 of the Act;
  - (b) “Director” means the Director, Excise, Taxation and Narcotics Control;
  - <sup>1</sup>[(b(l)) “Department” means the Excise, Taxation and Narcotics Control Department, Government of Sindh;]
  - (c) “Director General” means Director General, Excise, Taxation & Narcotics Control Sindh;
  - (d) “District Excise, Taxation and Narcotics Control Officer” means the Senior Excise, Taxation and Narcotics Control Officer or Excise, Taxation and

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<sup>1</sup> Inserted new clause by Sindh Act No. X of 2026, dated 23<sup>rd</sup> February, 2026.

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Narcotics Control Officer of the District, having jurisdiction;

- (e) “Government” means the Government of Sindh;
- (f) “owner” means the person in whose name the goods are entering or leaving the Province from or for outside the country by air or sea and includes the clearing agent;
- (g) “prescribed” means prescribed by rules;
- (h) “person” includes the person, entity, any company or association or body of persons, whether incorporated or not;
- (i) “Province” means the Province of Sindh;
- (j) “rules” means rules made under this Act; and
- (k) “Schedule” means Schedule appended to this Act;
- <sup>1</sup>[(k(l)) “Settlement Agreement” means any agreement entered into between the Department and the owner or person under Section 10-A to 10-F to settle any matters in respect of the cess levied under the Act.]

**CHAPTER – II**  
**SCOPE OF CESS**

3. There shall be levied and collected a cess for maintenance and development of infrastructure on goods at the rate determined on the basis of their value, net weight and distance in accordance with the Schedule, for carriage by road and smooth and safer movement in the Province upon entering or before leaving the Province from or for outside the country, through air or sea: **Levy of cess.**

Provided that cess on gold shall be charged at the rate of 0.125% of the value of gold.

**Explanation:** for the purpose of this section, the word “infrastructure” includes roads, streets, bridges, culverts, lights on

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<sup>1</sup> Inserted new clause by Sindh Act No. X of 2026, dated 23<sup>rd</sup> February, 2026.

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passages, plantation on passages, beaches, public parks, place of public recreation and convenience, eating places, landscape, forests, fisheries, delta conservation, lakes, breeding places of aquatic life, wild life and its sanctuaries, public schools, vocational and technical training centers and projects, libraries, museums and similar institutions controlled and financed by the Province, control of traffic for smooth flow and safer movement of goods, public order, police force, patrol for safety of goods, stands for loading and unloading of goods, parking places, markets, water supply, hospitals and dispensaries and development, improvement, maintenance and protection of such matters.

4. (1) The owner shall be liable to pay the cess levied on the goods entering or leaving the Province from or outside the country by air or sea under section 3. **Person liable to pay cess.**

(2) Nothing contained in this section shall prevent the collection of cess from a person who is made separately, jointly or severally liable for payment of the cess under this Act or the rules.

5. (1) In case of goods entering or leaving the Province from or for outside the country, cess shall be payable in the same manner and at the same time as it were a custom duty regardless whether the goods are liable to such duty. **Payment of cess.**

(2) The amount of cess shall be deposited in such head of account as may be specified by Government.

6. Notwithstanding anything contained in section 3 and 5, the Government through a notification in the official Gazette, for reasons to be recorded, may exempt any goods or category or class of goods from payment of whole or any part of the cess, in accordance with the prescribed rules. **Exemptions.**

<sup>1</sup>[(6A) An owner or person registered under the Export Facilitation Scheme (EFS) with the Federal Board of Revenue (FBR), Revenue Division, Government of Pakistan, shall be exempted from payment of the cess <sup>2</sup>[all] on shipments imported into the country exclusively for the purpose of re-export;

<sup>1</sup> Inserted new section by Sindh Act No. X of 2026, dated 23<sup>rd</sup> February, 2026.

<sup>2</sup> Inserted word by Sindh Act No. XVI of 2026, dated 20<sup>th</sup> May, 2026.

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Provided that this Section shall be applicable for future consignment(s) of goods only. The owner or person shall apply to the Director General for such exemption <sup>1</sup>[on the basis of EFS license issued by FBR]:

Provided that the Director General (Excise & Taxation) shall, after verification of the owner or person registered under the EFS with FBR, exempt the owner or person from payment of the cess <sup>2</sup>[all] on shipments imported into the country exclusively for the purpose of re-export <sup>3</sup>[as long as EGS license issued by the FBR is valid and the consignment is cleared by the Pakistan Customs through a Goods Declaration (GD) filed under EFS.]]

**CHAPTER – III  
OFFENCES AND PENALTIES**

7. Where the goods are removed, transported or shipped without payment of cess, after one month the owner shall, without prejudice to any other action that may be taken against him, be liable to a penalty not more than the amount of cess evaded. **Penalty.**
8. The following officers may by an order in writing, for reasons to be recorded, waive the payment of penalty: - **Waiver of penalty.**
  - (a) The Director concerned up to Rs.10,000/-;
  - (b) The Director General up to Rs.100,000/-;
  - (c) The Secretary, Excise, Taxation & Narcotics Department upto Rs.200,000/- but in case of more than Rs.200,000/= with the approval of Government.

**CHAPTER–IV  
MISCELLANEOUS**

9. Any person aggrieved by an order of the District Excise, Taxation and Narcotics Control Officer may within thirty days prefer an appeal against such order, to the concerned Director Excise, Taxation and Narcotics Control Department **Appeal.**

<sup>1</sup> Added words by Sindh Act No. XVI of 2026, dated 20<sup>th</sup> May, 2026.

<sup>2</sup> Inserted word by *ibid*.

<sup>3</sup> Added words by *ibid*.

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10. (1) Government may, at any time, on its own motion, or on an application made to it within ninety days of passing of any order, call for the record of any case pending before, or disposed of by any Officer subordinate to it. **Revision.**

(2) The Director General may, at any time, on his own motion, or on an application made to him within ninety days of passing of any order, call for the record of any case pending before, or disposed of by any Officer under his control.

- <sup>1</sup>[10A. (1) Notwithstanding anything contained in this Act or any other law, for the time being in force, the Government may enter into a Settlement Agreement with any owner or person liable to pay Cess under this Act. **Settlement of liabilities.**

Provided that the government may authorize the Department to enter into the Settlement Agreement.

(2) Any owner or person who has filed any appeal, constitutional petition, suit or proceedings against the levy of cess before any court of law may, within two months from the commencement of this Act, enter into such agreement on the terms specified in this Act.

Provided that the Government may, by notification in the official Gazette, extend the said period for specified owners or persons, subject to such conditions as it may deem fit.

Provided further that such extension shall not exceed six months in aggregate.

- 10B. Where an owner or person enters into a Settlement Agreement under section 10A, such liabilities shall be payable in installments as follows:- **Payment of liabilities.**

- (a) fifteen percent (15%) of the liability shall be paid by 15<sup>th</sup> July, 2026;
- (b) fifteen percent (15%) of the liability shall be paid by 15<sup>th</sup> October, 2026;

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<sup>1</sup> Inserted new sections by Sindh Act No. X of 2026, dated 23<sup>rd</sup> February, 2026.

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- (c) fifteen percent (15%) of the liability shall be paid by 15<sup>th</sup> July, 2027; and
- (d) the remaining amount after payments under clauses (a), (b) and (c) shall be paid in forty-eight (48) equal quarterly installments, commencing from 15<sup>th</sup> July, 2028; and failure to pay any such installment under clauses (a), (b), (c) or (d) shall constitute default for the purposes of section 10D.

Provided that where an owner or person pays the entire outstanding cess liability in a single lump sum on or before 15 July, 2026, such owner or person shall be charged cess at the rate of zero-point eight per cent (0.80%) or the value of goods from the date of full payment until 30<sup>th</sup> June 2029 and thereafter shall be charged cess at the rate of zero-point eight five percent (0.85%), <sup>1</sup>[\*\*\*].

Explanation: For the purposes of this proviso, entire outstanding cess liability means the full amount of cess assessed or payable under this Act.

<sup>2</sup>[10C. Upon execution of an Agreement under section 10A –

**Withdrawal of  
litigation.**

- (a) all pending litigation by the owner or person or anyone acting on their behalf shall be withdrawn; and
- (b) the owner or person shall waive all claims, refunds, damages or costs against Government under this Act.]

10D. In case of default by an owner or person in payment of any installment –

**Default.**

- (a) the Settlement Agreement so executed under section 10A shall stand terminated immediately; and
- (b) the defaulting owner or person shall be charged cess at the rate specified under section 3 from the date of default; and

<sup>1</sup> Omitted words by Sindh Act No. XVI of 2026, dated 20<sup>th</sup> May, 2026.

<sup>2</sup> Substituted section by *ibid*.

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- (c) the outstanding liability shall become immediately recoverable under this Act.

- 10F. (1) Any owner or person already paying cess and not involved in any litigation against the cess shall be charged cess at the rate of zero-point eight percent (0.80%) of the value of goods from the commencement of this Act until 28 February 2029 and thereafter shall be charged cess at the rate of zero-point eight five percent (0.85%), <sup>1</sup>[\*\*\*]. **Bar on refund.**

(2) An owner or person, involved in any litigation against the cess shall, upon entering into a Settlement Agreement under section 10A, <sup>2</sup>[and through] withdrawal of all legal proceedings, and payment of the first installment, be charged cess at the rate of zero-point eight five percent (0.85%) of the value of goods, <sup>3</sup>[\*\*\*].

(3) An owner or person, involved in any litigation against the cess and has not entered into a Settlement Agreement under section 10A, shall be liable to pay cess at the rate specified under section 3.]

11. No refund of the cess claimed to have been paid or over-paid through inadvertence, error or misconstruction shall be allowed unless such claim is made within three months of the date of payment of such cess. **Claim of Refund.**

12. The proceeds of the Cess shall be utilized for maintenance and development of Infrastructure and other activities ancillary thereto in such manner as may be prescribed. **Utilization of Cess.**

13. Notwithstanding anything contained in any law, rules or judgment, order or decree of any court the Infrastructure cess levied, assessed, charged and collected in pursuance of Sindh Finance Act, 1994 and amendments thereof, before the coming into force of this Act shall be deemed to have been validly levied, assessed, charged or collected. **Validation.**

14. Anything, done, action taken, assessment and collection made, order passed or purported to have been done, taken under section 9 of the Sindh Finance Act, 1994 and the Sindh Development and **Indemnity.**

<sup>1</sup> Omitted words by Sindh Act No. XVI of 2026, dated 20<sup>th</sup> May, 2026.

<sup>2</sup> Substituted words by *ibid*.

<sup>3</sup> Omitted words by *ibid*.

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Maintenance of Infrastructure Cess Rules, 1994 in relation to Infrastructure Cess before the coming into force of this Act shall be deemed to have been validly done, taken, made, or passed in relation to cess and shall have and shall be deemed always to have effect accordingly.

15. No provision of this Act or any order made thereunder shall be called in question by or before any Court. **Jurisdiction barred.**
16. Government may make rules for carrying into effect the purposes of this Act and such rules may among other matters, prescribe the procedure for the assessment collection and payment of and exemption from the Cess levied under this Act. **Power to make rules.**
17. Where the Government takes any action, makes any decision or orders, issues any instructions, directions, clarifications or notifications in pursuance of or in exercising of powers conferred under any provision in respect of any matter relating to the cess and allied issues covered under this Act or the rules, such actions, decisions, orders, instructions, directions, clarifications and notifications shall be deemed to have been validly issued to serve the purposes of this Act and the rules. **Savings.**
- <sup>1</sup>[17-A. In the event of any difficulty in giving effect to the provisions of this Act, the Chief Minister may, on the recommendations of the Department, issue such directions not inconsistent with the provisions of this Act.] **Removal of difficulties.**
18. <sup>2</sup>[(1)] This Act shall have overriding effect notwithstanding anything contained in any other law, for the time being in force. **Overriding effect.**
- <sup>3</sup>[(2) Notwithstanding anything contained in this Act or any other law for the time being in force or any judgment, order or decree of any court, the provisions of Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 shall have over-riding effect.]
- <sup>4</sup>[19. The provisions of section 9 of the Sindh Finance Act, 1994 are hereby repealed.] **Repeal**

<sup>1</sup> Inserted new section by Sindh Act No. X of 2026, dated 23<sup>rd</sup> February, 2026.

<sup>2</sup> Renumbered existing provision as sub-section (1) by *ibid*.

<sup>3</sup> Inserted new sub-section by *ibid*.

<sup>4</sup> Added new section by Sindh Act No. XXVIII of 2018, dated 22<sup>nd</sup> May, 2018.

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**SCHEDULE**  
**(See Section 2 (k) & 3)**

| <b>NET WEIGHT OF GOODS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>RATE OF CESS ALONGWITH DISTANCE</b>                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Upto 1250 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1.10 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer. |
| Exceeding 1250 Kilograms but not exceeding 2030 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                              | 1.11 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer. |
| Exceeding 2030 Kilograms but not exceeding 4060 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                              | 1.12 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer  |
| Exceeding 4060 Kilograms but not exceeding 8120 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                              | 1.13 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer  |
| Exceeding 8120 Kilograms but not exceeding 16000 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                             | 1.14 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer. |
| Exceeding 16000 Kilograms.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1.15 % of total value of goods as assessed by the Custom Authorities plus 1 Paisa per Kilometer. |
| <p><b>Explanation-I:</b> For the purpose of the Schedule, the “value” means total value of Goods as assessed by the Custom Authorities upon entering in and using the Infrastructure of the Province and “distance” means the distance covered within the Province.</p> <p><b>Explanation-II:</b> Notwithstanding the provision of section 3, the cess on the goods leaving the Province for outside the country, through air or sea, shall be charged at the rate of zero percent.</p> |                                                                                                  |