

THE SINDH FINANCE ACT, 2026.

SINDH ACT NO. XX OF 2026.

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THE SINDH CODE

THE SINDH FINANCE ACT, 2026.

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[1ST JULY, 2026.]

AN ACT to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh;

WHEREAS it is expedient to rationalize, levy and enhance certain taxes and duties in the Province of Sindh and to amend certain laws in the Province of Sindh, in the manner hereinafter appearing;

Preamble.

It is hereby enacted as follows:-

1. (1) This Act may be called the Sindh Finance Act, 2026.

Short title and commencement.

(2) It shall come into force on and from 1st day of July, 2026.

2. In the Sindh Sales Tax on Services Act, 2011 –

Amendment of Sindh Act No. XII of 2011.

(i) in section 25A –

(a) in sub-section (3), for the words “three months”, the words “one hundred and eighty days” shall be substituted; and

(b) after sub-section (3), so amended, the following new sub-section (4) shall be added:-

“(4) The obligations and liabilities of the person relating to the period when he provided any taxable services shall not be affected by the fact that he has e-filed his de-registration application or that he has ceased to be a registered person.”;

(ii) in section 43, in the Table, after Sr. No. 2A in column (1) and the entries relating thereto in columns (2) and (3), the following shall be inserted:-

“2AA. Any person who designs, develops, customizes or supplies invoicing software enabling issuance of invoices not conforming to the requirements of sub-rule (1) of rule 29 of the Sindh Sales Tax on Services Rules, 2011 or of rule 6 of the Sindh Sales Tax Special Procedure (Online Integration of Business) Rules, 2022.	Such person shall be liable to a penalty of upto one million rupees, but not less than one hundred thousand rupees.	General
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”;

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(iii) after section 52, the following new section shall be inserted:-

“52A. Registered person to display notice, message or information.- The registered person shall, when so advised by the Commissioner, display any notice, message or information through print or multi-media at a conspicuous place in his premises, accessible to the general public, for awareness of the customers or the public in relation to tax matters.”;

(iv) in section 59 -

- (a) in sub-section (2), for the full-stop at the end, a colon shall be substituted and, thereafter, the following Proviso shall be added:-

“Provided that the inquiry under this sub-section shall be completed within a period not exceeding sixty days from the date the inquiry is ordered by the Commissioner (Appeals).”; and

- (b) in sub-section (6), after the words “stay order”, the words “or the inquiry under sub-section (2)” shall be inserted;

(v) in section 66, in sub-section (1), in the first proviso -

- (a) after the figures “57”, the words and figures “or under section 61” shall be inserted;
- (b) after the word “(Appeals)”, the words “or the Appellate Tribunal, respectively” shall be inserted; and
- (c) for the word “ten”, the word “twenty” shall be substituted;

(vi) after section 73, the following new section 73A shall be inserted:-

“73A. Disclosure of information.- (1) All particulars contained in —

- (a) any statement made, return furnished, accounts or documents produced under the provisions of this Act; or
- (b) any evidence given, or affidavit or deposition made in the course of any proceedings under this Act; or
- (c) any record of any assessment proceeding or any proceeding relating to the recovery of a demand,

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shall be confidential and an officer of the SRB, or its Chairman, Member or Secretary, or any public servant shall not, save as provided in this Act, disclose any such particulars.

(2) Nothing contained in sub-section (1) shall preclude the disclosure of any such particulars to any person acting in the execution of this Act, where it is necessary to disclose the same to him for the purposes of this Act.

(3) Nothing contained in sub-section (1) shall preclude the disclosure of any information to any department or authority of the Federal Government or a Provincial Government, which is authorized under the respective law to have access to such information, or in terms of an agreement made by the Board with such department or authority on bilateral or multilateral basis for the purposes of enabling such department or authority to enforce a tax or levy as is collected by it.”;

(vii) in section 75, in sub-section (1), in clause (a), for the words “or under a legal disability”, the words and comma “under a legal disability, on” shall be substituted;

(viii) in the First Schedule, in the Table -

- (a) against S. No. 6 in column (1), in column (4), for the words “food and agricultural commodities”, the words “food grains and fresh vegetables and fruits not subjected to further processing” shall be substituted;
- (b) against S. No. 10 in column (1), in column (4), in clause (1), for the word “five”, the words “thirty-five” shall be substituted;
- (c) after S. No. 10 in column (1) and the entries relating thereto in columns (2), (3) and (4), the following shall be inserted:-

“ 10A	714	Reinsurance services	This exemption shall be applicable to the reinsurance services provided or rendered in relation to crop insurance and marine insurance for exports.
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”; and

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- (d) against S. No. 30 in column (1), for the entries in column (4), the following shall be substituted:-

“The exemption shall be applicable to –

(1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services does not exceed rupees five hundred thousand per annum per student;

(2) sports education services, falling under CPC Code 92912, provided by an individual being not an employee; and

(3) special education for the children with special needs and education under adult literacy programme.”;

(ix) in the Second Schedule, in Part-II, in the Table -

- (a) for S. No. 1 in column (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“

1	54540	Ready-mix concrete services	8%	Nil
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”;

- (b) after S. No. 1 in column (1), as amended, and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be inserted:-

“

1A	54232	Services of dredging and rock and silt removal	8%	Nil
1B	54	Construction services	(a) one hundred rupees per square yard of land; and (b) fifty rupees per square foot of constructed covered area	This rate shall apply to the services provided or rendered by property developers or promoters

”;

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- (c) against S. No. 7 in column (1), in column (3), after the word “freight”, the words “except transportation of petroleum oils through oil tankers” shall be inserted;
- (d) against S. No. 13 in column (1), in column (5), the words “by freight forwarding agents” shall be omitted;
- (e) for S. No. 16 in columns (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“

16	71610	Insurance brokerage and agency services	2%	This rate shall apply to services of insurance agents.
			3%	This rate shall apply to services of insurance brokers.

”;

- (f) for S. No. 22 in column (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“

22	821	Legal services	8%	Nil
	823	Tax consultancy and preparation services		
	824	Insolvency and receivership services		

”;

- (g) against S. No. 28 in column (1), in column (3), for the term “PCP”, the term “CPC” shall be substituted;
- (h) for S. No. 34 in column (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“

34	872	Repair services of other goods	8%	Nil
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”;

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- (i) for S. No. 38 in column (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“	38	92	Education services	3%	This rate shall apply to:- (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services exceeds rupees five hundred thousand per annum per student; and (2) Other education and training services and educational support services falling under CPC 929 other than CPC Code 9292.
		9292	Educational support services	5%	Nil

”; and

- (j) for S. No. 45 in column (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted:-

“	45	972	Beauty and physical well-being services	8%	Nil	”.
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3. In the Sindh Agricultural Income Tax Act, 2025-

**Amendment of
Sindh Act No. II of
2025.**

- (a) in section 2, in sub-section (1) –

- (i) in clause (a) –

- (a) in sub-clause (ii), in paragraph (c), for the brackets and figures “(ii)” the brackets and alphabet “(b)” shall be substituted; and

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- (b) in sub-clause (iii), for the brackets, word and digits “(ii) and (iii)”, the brackets, alphabets and words “(b) and (c) of sub-clause (ii)” shall be substituted;
- (ii) in clause (b), in the proviso, for the words “Officer of SRB”, the words “AITO, not below the rank of Commissioner” shall be substituted;
- (iii) in clause (d), in sub-clause (iii), for the words “and the SECP’s incorporation”, the words “or the SECP registration” shall be substituted;
- (iv) clause (g) shall be omitted;
- (v) in clause (j), after the brackets, words and figures “(Act No. XIX of 2017)”, the words “and also includes a co-operative society” shall be inserted; and
- (vi) in clause (s), after the brackets, words and figures “(Act No. XIX of 2017)”, the words “and also means a co-operative society” shall be inserted;
- (b) in section 3 -
 - (i) for the words “assessment year agricultural”, the words “agricultural income year the agricultural” shall be substituted; and
 - (ii) the words “of the agricultural income year” shall be omitted;
- (c) the section 5, for the words “assessment year”, the words “agricultural income year” shall be substituted;
- (d) in section 7, in clause (f), for the words “being property”, the words “in the ownership” shall be substituted;
- (e) in section 10, the following Explanation at the end shall be added, namely:-

“Explanation.- For the purpose of this section, the tax due does not include the amount of penalty.”;

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- (f) in section 11 –
- (a) for the words “one thousand”, the words “one hundred” shall be substituted; and
 - (b) in the proviso, after the words “Provided that”, the commas and words “, for the first default by an owner since his registration under this Act and the rules made thereunder,” shall be inserted;
- (g) in section 15 -
- (i) for the word “may”, the words and comma “may, by notification in the Official Gazette,” shall be substituted; and
 - (ii) for the words “in a manner and to the extent as prescribed”, the words “subject to the conditions and restrictions as may be specified therein” shall be substituted;
- (h) for section 16, the following shall be substituted, namely:-
- “16. Maintenance of record. An owner shall maintain record and books of accounts as may be prescribed.”;
- (i) in section 19 -
- (i) for the words “Notwithstanding anything contained in this Act or any other law for the time being in force”, the words “Subject to the provisions of this Act and the rules made thereunder” shall be substituted;
 - (ii) in clause (b), for the words “and recovery;”, the comma and words “, recovery and prosecution” shall be substituted; and
 - (iii) in clause (c), for the words “appeals and prosecution”, the words “revision, appeals and reference applications” shall be substituted;
- (j) in section 20, in the proviso, for the word “Board”, the words and comma “Board of Revenue, Sindh and its officers” shall be substituted;

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- (k) in section 22, the existing provisions shall be numbered as sub-section (1) and, thereafter, the following new sub-section shall be added:-

“(2) The Board may, subject to such conditions and limitations as it may deem appropriate, delegate any of its functions and powers as assigned to it under this Act to its Chairman or a Member.”;

- (l) in section 23, in sub-section (2) -
- (i) after the word “proceeding”, the words “taken or required to be taken” shall be inserted;
 - (ii) the word and comma “pending,” shall be omitted;
 - (iii) for the words “before any authority, the Appellate Tribunal or any”, the words and comma “by any authority or officer, including the Appellate Authority or Tribunal or” shall be substituted; and
 - (iv) for the word “continued”, the words and comma “continued, decided” shall be substituted; and
- (m) for the Second Schedule, the following shall be substituted:-

“SECOND SCHEDULE (see section 5)

S. No.	Agricultural income for purposes of levy of super tax	Rate of super tax
(1)	(2)	(3)
1	Where agricultural income does not exceed Rs. 500 million	0% of the income
2	Where agricultural income exceeds Rs. 500 million	8% of the income

”.