



TRANSPARENCY INTERNATIONAL PAKISTAN

Strives to build a better country to live in

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is signed this 06th day of February, 2012 between Transparency International Pakistan (TIP) and the Sindh Revenue Board Government of Sindh for the Implementation of the “Integrity Pact” for transparency in Tax Collection and Procurement Systems in Sindh Revenue Board of Government of Sindh.

2. Transparency International is a non-governmental organization, dedicated to government accountability, and curbing international and national corruption. Through over 100 independent National Chapters, Transparency International bring together people of integrity in civil society, business and government, to work as coalitions for systemic reforms. Transparency International do not name “names” or attack individuals or investigate, but focus on building systems that combat corruption.

3. Transparency International national chapter Transparency International Pakistan aims at building a coherent National Integrity System, to institutionalize efforts to curb corruption. The ultimate goal of this system is to make corruption a “high risk and low return” undertaking. It is designed to prevent corruption from occurring in the first phase, rather than resting on punishment after the event. Because corruption tends to be the result of systemic failures, the primary emphasis of Transparency International Pakistan is on reforming the system, rather than blaming the individuals.

4. The Integrity Pact is a tool developed by Transparency International, which ensures that all activities and decisions of public offices are transparent and that for all projects/works implemented, services provided or taken, a justification of the decisions taken is provided without discrimination to all parties concerned or to any individual or



institution/organization and goods/materials are supplied without giving taking or allowing for any kind of benefit, financial or otherwise.


5. Considering that all Companies and Organizations in Pakistan share a responsibility to combat bribery in all forms and manifestations, it is agreed:-

- i. That paying tax is important. Taxes provide government revenues and those who pay them have a stake in the system and how government spends its money. Taxes are the life blood of a stable and prosperous society. It is a fact that "Taxes are the price you pay for civilisation".
- ii. That the Sindh Revenue Board, Government of Sindh will work with Transparency International Pakistan for the application of Sindh Public Procurement Rules 2101.
- iii. That Sindh Sales Tax on Services Act, 2011, and Sindh Sales Tax on Services Rules, 2011 are applicable in Sindh.
- iv. That "taxable services" means the services listed in the Second schedule to the Sindh Sales Tax on Services Act, 2011 (ANNEX-A) as amended from time .
- v. That Sindh Revenue Board, Government of Sindh has a target of Rs 25 Billion sales tax collection in FY 2011-2012
- vi. That Transparency International Pakistan will work with Sindh Revenue Board, Government of Sindh, to improve the tax collection systems, and in 3 years to achieve considerable enhancement of revenues, by introducing new measures commensurate with the best international practices.



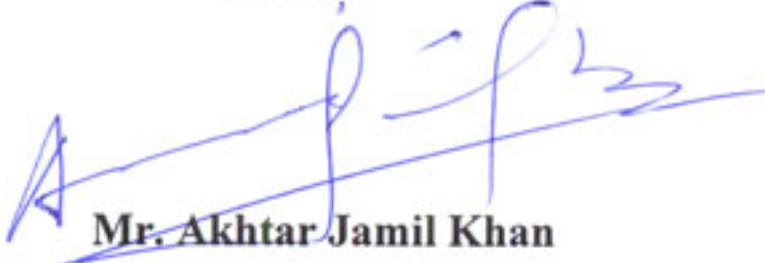
- vii. TIP would support to SRB to expand the tax net .
- viii. That all such decisions and actions as mandated by law shall be made public .
- ix. That Transparency International Pakistan will provide experts' services free of cost.


Signed on behalf of Sindh Revenue Board
Transparency International Pakistan


Nazar Hussain Mahar
Chairman

Signed on behalf of with


Syed Adil Gilani
Advisor

Witness

Mr. Akhtar Jamil Khan

Witness

Saad Rashid



ANNEX-A

Ancillary services provided or rendered by Hotels, Restaurants, Caterers	16%		
9801.5000	Caterers, Suppliers of food and Drinks	16%	
9801.4000	Clubs	16%	
9801.1000	Hotels	16%	
9801.2000	Restaurants	16%	
9802.9100	Billboards	16%	
9802.5000	Cable T.V Networks	16%	
9802.3000	Closed circuit T.V.	16%	
9802. 9000	Poles	16%	
9802.4000	Newspapers and periodicals	16%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9802.2000	Radio	16%	
9802.1000	T.V	16%	
9802.9200	Web/Internet etc	16%	
9805.4000	Customs agents	16%	
9805.3000	Freight forwarding service	16%	
9805.8000	Ship chandlers	16%	
9805.2100	Ship management service	16%	
9805.1000	Shipping agents	16%	
9805.2000	Stevedores	16%	
9807.0000	property developers or promoters	16%	See details of exemptions accorded vide notification No. S.R.B-3-4/3/2011 Dated: 26th August, 2011.
9808.0000	Courier services	16%	
9809.0000	Persons engaged in contractual execution of work or furnishing supplies.	16%	See details of exemptions accorded vide notification No. S.R.B-3-4/3/2011 Dated: 26th August, 2011.
9812.9000	Audio text services	19.5%	
9812.6120	Broadband services for DSL connection	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9812.6121	Copper line based	19.5%	



9812.6122	Fiber Optic based	19.5%	
9812.6123	Co-axial based	19.5%	
9812.9500	Burglar alarm services	19.5%	
9812.9090	Others	19.5%	
9812.1210	Cellular telephone	19.5%	
9812.1940	Changing of telephone connection	19.5%	
9812.1950	Conversion of NWD connection to non NWD or vice versa	19.5%	
9812.1960	Cost of telephone set	19.5%	
9812.6200	Data Communication Network Services (DCNS)	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9812.6210	Copper line based	19.5%	
9812.6220	Co-axial cable based	19.5%	
9812.6230	Fiber optic based	19.5%	
9812.6110	Dial-Up internet services	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9812.6320	Digital Signature service	19.5%	
9812.6390	Others	19.5%	
9812.1100	Fixed line voice telephone serviceq	19.5%	
9812.1920	Installation of telephone extension	19.5%	
9812.6000	Internet services	19.5%	
9812.6100	Internet services including email services	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9812.6140	Internet/Email/Data/SMS/MMS Services on cellular Mobile Networks	19.5%	
9812.6190	Others	19.5%	
9812.6130	Internet/Email/Data/SMS/MMS Services on WLL Networks	19.5%	
9812.1700	Messaging service	19.5%	
9812.2400	Microwave based	19.5%	
9812.2500	Satellite based	19.5%	
9812.1720	Multimedia message service (MMS)	19.5%	
9812.9300	Paging services	19.5%	
9812.1400	Payphone cards	19.5%	
9812.1500	Prepaid calling cards	19.5%	
9812.1930	Provision of telephone extension	19.5%	
9812.9410	Radio paging services	19.5%	
9812.1970	Restoration of telephone connection	19.5%	
9812.1990	Others	19.5%	
9812.2000	Bandwidth services	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011



			dated: 01-07-2011
9812.2100	Copper line based	19.5%	
9812.2200	Fiber-optic based	19.5%	
9812.2300	Co-axial cable based	19.5%	
9812.6129	Others	19.5%	
9812.6250	Satellite based	19.5%	
9812.6290	Others	19.5%	
9812.1910	Shifting of telephone connection	19.5%	
9812.1710	Short Message service (SMS)	19.5%	
9812.5010	Store and forward fax services	19.5%	
9812.5090	Others	19.5%	
9812.5000	Tele fax	19.5%	
9812.9100	Tele text services	19.5%	
9812.3000	Telegraph	19.5%	
9812.1000	Telephone services	19.5%	
9812.4000	Telex	19.5%	
9812.9200	Trunk radio services	19.5%	
9812.6300	Value added data services	19.5%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9812.9490	Vehicle tracking services	19.5%	
9812.1300	Video telephone	19.5%	
9812.6310	Virtual private Network services (VPN)	19.5%	
9812.1600	Voice mail service	19.5%	
9812.9400	Voice paging services	19.5%	
9812.6124	Wireless based	19.5%	
9812.6125	Satellite based	19.5%	
9812.2900	Others	19.5%	
9812.1220	Wireless Local Loop telephone	19.5%	
9812.1200	Wireless telephone	19.5%	
9812.6240	Wireless/Radio based	19.5%	
	Services provided or rendered by Banking companies, non-banking financial Companies in respect of Hajj and Umrah, Cheque Book, Modarabas, Musharikas financing and Utility bills collection.	16%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9813.7000	Automated teller machine Operations, maintenance, and management	16%	
9813.4700	Bank guarantee	16%	
9813.8000	Banker to an issue	16%	
9813.4000	Banking companies in relation to:	16%	
9813.4800	Bill discount commission	16%	
9813.4500	Bill of exchange	16%	
9813.4200	Brokerage	16%	



9813.6000	Commission and brokerage of foreign exchange dealings	16%	
9813.1200	Fire Insurance	16%	
9813.9000	Foreign exchange dealer or exchange company or money charger	16%	
9813.1100	Goods Insurance	16%	
9813.4100	Guarantee	16%	
9813.1000	In respect of insurance to a policy holders by an insurer, including a reinsurer (including Marine Insurance for Export)	16%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9813.5000	Insurance, processing and operation of debit and credit cards	16%	
9813.4400	Issuance-of pay order and demand draft	16%	
9813.4300	Letter of credit	16%	
9813.1500	Life Insurance	16%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9813.1400	Marine Insurance	16%	
9813.8100	Other	16%	
9813.1600	Other insurance including reinsurance	16%	See details of exemptions accorded vide notification No. S.R.B.Leg(1)/2011 dated: 01-07-2011
9813.4900	Safe deposit lockers	16%	
9813.4910	Safe vaults	16%	
9813.1300	Theft Insurance	16%	
9813.4600	Transfer of money including telegraphic transfer, mail transfer and electronic transfer	16%	
9819.1000	Stockbrokers	16%	
9819.2000	Money exchanger	16%	
9819.9090	Services provided by terminal operators except terminal fees charges.	16%	
9823.0000	Franchise services	16%	
9824.0000	Construction services		