



MOST URGENT
IMPORTANT

NO: 50(Taxes)ET&NCD/8(03)2026
GOVERNMENT OF SINDH
EXCISE, TAXATION & NARCOTICS
CONTROL DEPARTMENT
Karachi, dated the 24th March, 2026

To,

1. The Director General,
Excise & Taxation Sindh,
KARACHI.
2. The Additional Director (Taxes-II),
Excise & Taxation, Sindh,
KARACHI.

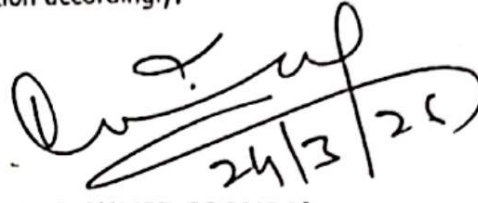
SUBJECT: SETTLEMENT AGREEMENT MARCH, 2026.

Reference: Letter of even number dated 19.03.2026.

Pursuant to the decision taken in the Provincial Cabinet meeting held on 10.03.2026, I am directed to forward herewith the **updated Settlement Agreement – March 2026** for further necessary action accordingly.

Encl: As above.




(ALJAZ AHMED SOOMRO)
SECTION OFFICER-IV (TAXES)

A copy is forwarded for information to: -

1. The Deputy Secretary (Staff) to Chief Secretary, Sindh, Karachi.
2. The Sr.ETO/Deputy Director, SDMIC, KPT, Karachi.
3. The Section Officer (Cabinet) SGA&CD, Karachi w/r to his letter quoted above.
4. The P.S to Minister, ET&NC, Sindh, Karachi.
5. The P.S to Secretary, ET&NCD, Karachi.

SECTION OFFICER-IV (TAXES)

SETTLEMENT AGREEMENT, MARCH 2026

Executed under Sections 10A to 10F of the Sindh Development and Maintenance of Infrastructure Cess Act, 2017, as amended, and approved by the Provincial Cabinet

This Settlement Agreement ("Agreement") is made on this _____ day of March 2026.

PARTIES

Government of Sindh, acting through the Additional Director (Taxes-II), Excise, Taxation and Narcotics Control Department, Government of Sindh, Karachi ("Government").

AND

M/s. [Name of Owner / Person], established and functioning under the relevant laws, having its registered office at _____ ("Owner / Person").

RECITALS

WHEREAS the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 ("the Act") provides for levy and collection of Sindh Infrastructure Cess ("Cess");

AND WHEREAS the Act has been amended by the Sindh Development and Maintenance of Infrastructure Cess Act, 2026, inserting sections 10A to 10F providing a statutory mechanism for settlement;

AND WHEREAS the Owner / Person is liable to pay Cess and has outstanding and/or disputed liabilities and has instituted proceedings before courts of law; and whereas the Sindh Government has promised the Owner / Person if it withdraws the litigation against the Act the benefits accruing to the Owner / Person under this agreement and the Amendment Bill will be available.

NOW, THEREFORE, the Parties agree as follows:

1. Statutory Basis and Overriding Effect:

1.1 This Agreement is executed pursuant to sections 10A to 10F of the Act, as amended.

2. Admission of Liability:

2.1 The Owner / Person admits its liability to pay Sindh Infrastructure Cess in respect of all imports covered under this Agreement.

2.2 The total admitted liability ("Admitted Liability") shall be determined and recorded in Schedule-A.

3. Nature of Settlement:

3.1 This settlement relates only to the mode, timing, and rate of payment and shall not be construed as a waiver, remission, or write-off of any principal liability.

4. Applicable Rate of Cess:

4.1 In terms of section 10F(2) of the Act, upon payment of the first instalment under this Agreement and withdrawal of litigation under this agreement, the Owner / Person shall be charged Sindh Infrastructure Cess at the rate of zero-point eight-five percent (0.85%) of the value of goods.

4.2 The rate specified in clause 4.1 shall apply only in respect of imports made on or after the date of payment of the first instalment and not to any imports made prior thereto and the Owner / Person shall be liable for the Sindh Infrastructure Cess or similar charge at the rate of not more than 0.85% of the value of goods prospectively.

Any reduction in the rate of cess notified or made applicable during the subsistence of this Agreement shall automatically apply to the Owner / Person.

4.3 Imports made under the Export Facilitation Schemes (EFS), duly cleared by Pakistan Customs for the purpose of re-export, shall remain exempt from payment of Cess as long as the EFS license issued by Federal Board of Revenue (FBR) is valid.

5. Payment of Admitted Liability:

5.1 The Admitted Liability shall be paid as follows:

- a) 15% by 15 July 2026;
- b) 15% by 15 October 2026;
- c) 15% by 15 July 2027; and
- d) the remaining amount after payments under clauses (a), (b) and (c) shall be paid in forty-eight (48) equal quarterly instalments, commencing from 15th July, 2028,

5.2 Lump-Sum Payment Option:

Notwithstanding Clause 5.1, where the Owner / Person opts to pay the entire outstanding Admitted Liability in a single lump sum on or before 15th July 2026, the following shall apply:

- a). The admitted Liability shall be deemed to have been fully discharged upon payment of such lump-sum;
- b). The Owner / Person shall, in accordance with the second provision to section 10B of the Act, be charged Sindh Infrastructure Cess at the rate of zero-point eight percent (0.80%) of the value of goods from the date of full payment until 30, June 2029 and thereafter the rate as noted in Section 4 above.

6. Withdrawal of Litigation:

6.1 Execution of this Agreement is subject to withdrawal of all litigation relating to Cess by the Owner / Person as per this Agreement within two months of the commencement of the SDMIC Amendment notification.

6.2 The Owner / Person waives all claims, including claims for refund, adjustment, damages, interest, or costs.



7. Default:

7.1 In the event of default in payment of any instalment:

- This Agreement shall stand terminated immediately.
- The Owner / Person shall be charged Cess at the rate of 1.85% from the date of default; and
- The entire outstanding liability shall become immediately recoverable under the Act.

8. Bar on Refund or Adjustment:

8.1. No refund, adjustment, set-off, or credit shall be admissible in respect of any amount paid under this Agreement.

9. Governing Law and Jurisdiction:

This Agreement shall be governed by the applicable laws of Pakistan, and Courts at Karachi shall have exclusively jurisdiction.

10. Effectiveness:

This Agreement shall come into force upon execution by duly authorized representatives of the Parties.

11. Entire Agreement:

This Agreement constitutes the entire understanding between the Parties with respect to settlement of Cess liabilities.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.



Signature: _____

Name of Owner / Person: _____

CNIC No: _____

M/s. _____

Address: _____

NTN No: _____

Phone No. _____

Mobile No: _____

Signature: _____

Name of Officer: **FARAZ AHMED SOOMRO**

Designation: Additional Director (Taxes-II), Excise,
Taxation & Narcotics Control
Department, Government of Sindh.

CNIC No: **42301-9021810-1**

Address: Bungalow D-46, Block-1 Clifton, Near
AL-Tamash General Hospital, Karachi.

Phone No. **021-99250924 & 99332102**

Mobile No: **03334446950**

Witness: 1

Signature: _____

Name: _____

CNIC: _____

Designation: _____

Phone & Mobile #: _____

Address: _____

Witness: 2

Signature: _____

Name: _____

CNIC: _____

Designation: _____

Phone & Mobile #: _____

Address: _____