



Press Release

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For immediate release

SECP welcomes SRB decision to defer sales tax on life and health insurance

KARACHI, October 31: The Securities and Exchange Commission of Pakistan (SECP) welcomes the decision of the Sindh Revenue Board (SRB) to defer the imposition of sales tax on life and health insurance industry in Sindh until July 1, 2015.

In September 2014, the SECP recommended SRB to take necessary steps to restore the exemptions previously available to the life and health insurance sector to make it in line with the tax policies followed in other provinces. Earlier, in July 2014, the SRB had removed the exemption of sales tax on life and health insurance business. The individual life premium of up to Rs0.5 million per annum had been kept exempted.

In its recommendation, the SECP had highlighted many benefits of tax exemption to the growing life and health insurance industry. While welcoming the SRB's decision, the SECP further recommends that the SRB should permanently restore the exemptions previously available to life and health insurance sector. It will harmonies SRB tax policies with the tax policies of the federal and other provincial governments.

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