

A

BILL

*to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2019, and to amend certain laws*

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2019, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1 **Short title, extent and commencement.** — (1) This Act may be called the Finance Act, 2019.

(2) It extends to the whole of Pakistan.

(3) It shall come into force on the first day of July, 2019 Act by the President of Islamic Republic of Pakistan.

2 **Amendment of the Stamp Act, (II of 1899).** In the Stamp Act, 1899 (II of 1899), as in force in the Islamabad Capital Territory,—

(a) after section 27, the following new section, shall be inserted, namely:—

**"27A Valuation of immovable property.**— (1) Where any instrument chargeable with *ad valorem* duty under Articles 23,31 or 33 of Schedule-I relates to an immovable property, the value of the immovable property shall be calculated according to the valuation table notified by the district collector in respect of immovable property situated in the locality.

(2) Where an instrument, mentioned in sub-section (1), relates to immovable property consisting of land and structure, it shall state the value of the land and structure separately and the value of the structure stated in the instrument shall, subject to the provisions of this Act, be accepted.

(3) Where the value of immovable property stated in an instrument to which sub-section (1) applies is more than the value fixed according to the valuation table, the value declared in the instrument shall be accepted as value for the purposes of stamp duty.

(4) Where the value given in the valuation table notified under sub-section (1), when applied to any immovable property, appears to be excessive, the deputy commissioner or commissioner (revenue) or any other person notified by the Government for this purpose may, on application made to him by the aggrieved person, determine its correct value and for that purpose the provisions of sections 31 and 32 shall apply as nearly as possible."; and

(b) for Schedule I, the following shall be substituted, namely:—

#### **SCHEDULE 1**

#### **STAMP-DUTY ON INSTRUMENTS**

**[See sections 3 and 27A]**

| <i>Description of Instruments</i>   | <i>Proper Stamp-duty</i> |
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| <b>(1)</b>  | <b>(2)</b>               |
| <b>1. ACKNOWLEDGMENT</b> of a debt exceeding twenty rupees in amount, or value, written or signed by, or on behalf of, a debtor in order to supply evidence of such debt in any book other than a banker's pass-book or on a separate piece of paper when such book or paper is left in the creditor's possession; provided that such acknowledgement does not contain any promise to pay |                          |

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| <p>the debt or any stipulation to pay interest or to deliver any goods or other property:-</p> <p>(a) where such amount does not exceed two thousand rupees</p> <p>(b) where such amount exceeds two thousand rupees but does not exceed ten thousand rupees.</p> <p>(c) where such amount exceeds ten thousand rupees</p> | <p>One Rupee</p> <p>Two Rupees</p> <p>Five Rupees</p>                                 |
| <p><b>2. ADMINISTRATION BOND</b>, including a bond given under sections 291, 375 and 376 of the Succession Act, 1925 (XXXIX of 1925), section 6 of the Government Savings Banks Act, 1873 (V of 1873) —</p> <p>(a) where the amount does not exceed Rs. 1,000;</p> <p>(b) in any other case</p>                            | <p>The same duty as on a Bond (No. 17) for such amount.</p> <p>One hundred Rupees</p> |
| <p><b>3. ADOPTION-DEED</b> that is to say, any instrument (other than a will) recording an adoption or conferring or purporting to confer an authority to adopt.</p> <p><b>ADVOCATE</b>, see <b>ENTRY AS AN ADVOCATE</b> (No. 32).</p>   | <p>One hundred Rupees</p>   |
| <p><b>4. AFFIDAVIT</b>, including an affirmation or declaration in the case of persons by law allowed to affirm or declare</p>   | <p>Fifty Rupees</p>   |

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| <p>instead of swearing, except affidavit or declaration in writing when made –</p> <p><b>EXEMPTIONS:–</b> Affidavit or declaration in writing when made—</p> <p>(a) as a condition of enrolment under the Pakistan Army Act, 1952 (XXXIX of 1952), or the Pakistan Air Force Act, 1953 (VI of 1953) or the Pakistan Navy Ordinance, 1961 (XXXV of 1961);</p> <p>(b) for the immediate purpose of being filed or used in any Court or before the officer of any Court; or</p> <p>(c) for the sole purpose of enabling any person to receive any pension or charitable allowance.</p> |  |
| <p><b>5. AGREEMENT OR MEMORANDUM OF AN AGREEMENT—</b></p> <p>(a) if relating to the sale of a bill of exchange;</p> <p>(b) if relating to the sale of Government security;</p> <p>(c) if relating to the sale of a share in an</p>  | <p>Two Rupees.</p> <p>One Rupee for every Rs. 10,000 or part thereof of the value of the security, subject to a maximum of One Hundred Rupees.</p> |

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| <p>incorporated company or other body corporate;</p> <p>(d) If not otherwise provided for.</p> <p><b>EXEMPTIONS:</b>— Agreement or memorandum of an agreement—</p> <p>(a) for or relating to the purchase of or sale of goods or merchandise exclusively, not being a note or memorandum chargeable under No.45;</p> <p>(b) (b) made in the form of tenders to the Federal Government for or relating to any loan.</p> <p><b>AGREEMENT TO LEASE See LEASE (No.37).</b></p> | <p>One Rupee for every rupees 5,000 or part thereof of the value of the share.</p> <p>Fifty Rupees</p> |
| <p><b>6. AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE,</b> that is to say, any instrument evidencing an agreement relating to—</p> <p>(1) the deposit of title-deeds or instruments constituting or being evidence of the title to any property whatever (other than marketable security), or</p> <p>(2) the pawn or pledge of movable property, where such deposit, pawn or pledge has been made by way of security for the re-</p>                       |  |

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| <p>payment of money advanced or to be advanced by way of loan or an existing or future debt—</p> <p>(a) if such loan or debt is repayable on demand or more than three months from the date of the instrument evidencing the agreement;</p> <p>(i) in the case of banking companies or other financial institutions, when the entire finance is not based on interest; and</p> <p>(ii) in any other case</p> <p>(b) if such loan or debt is repayable not more than three months from the date of such instrument;</p> <p>(i) in the case of banking companies or other financial institutions, when the entire finance is not based on interest; and</p> <p>(ii) in any other case</p> | <p>One-fifth of one percent that is to say, 0.2% of the loan amount subject to a maximum of one hundred rupees.</p> <p>One-fifth of one percent that is to say, 0.2% of the loan amount.</p> <p>One-tenth of one percent that is to say 0.1% of the loan subject to a maximum of fifty</p> |
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|  | <p>thousand rupees.</p> <p>One-tenth of one percent that is to say 0.1% of the loan amount.</p> |
| <p><b>7. APPOINTMENT IN EXECUTION OF A POWER</b> where made by any writing not being a will—</p> <p>(a) of trustees</p> <p>(b) of property, movable or immovable</p>   | <p>Fifty Rupees.</p> <p>One hundred Rupees.</p>   |
| <p><b>8. APPRAISEMENT OR VALUATION</b> made otherwise than under an order of the Court in the course of a suit—</p> <p>(a) where the amount does not exceed Rs. 1,000;</p> <p>(b) in any other case</p> <p><b>EXEMPTIONS:—</b></p> <p>(a) Appraisement or valuation made for the information of one party only, and not being in any manner obligatory between parties either by agreement or operation of law.</p> <p>(b) Appraisement, of crop for the purpose of ascertaining the amount to be given to a</p> | <p>The same duty as on a Bond (No. 17) for such amount.</p> <p>One Hundred rupees.</p>          |

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| <p>landlord as rent.</p>   |   |
| <p>9. <b>APPRENTICESHIP-DEED</b>, including every writing relating to the service or tuition of any apprentice clerk or servant, placed with any master to learn any profession, trade or employment not being ARTICLES OF CLERKSHIP (No. 11).</p> <p><b>EXEMPTIONS:</b>— Instrument of apprenticeship executed by a Magistrate under the Apprenticeship Ordinance, 1962 (LVI of 1962), or by which a person is apprenticed by or at the charge of any public charity.</p> | <p>One Hundred rupees.</p>                      |
| <p>10. <b>ARTICLES OF ASSOCIATION OF A COMPANY—</b></p> <p>(a) Where the company has no share capital or the nominal share capital does not exceed Rs. 2,500.</p> <p>(b) where the nominal share capital exceeds Rs. 2,500 but does not exceed Rs. 1,00,000;</p>   | <p>Fifty rupees.</p> <p>One hundred rupees.</p> |



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| <p>(c) where the nominal share capital exceeds Rs. 1,00,000 but does not exceed Rs. 10,00,000;</p> <p>(d) Where the nominal share capital exceeds Rs. 10,00,000.</p> <p><b>EXEMPTIONS:</b>— Articles of any Association and not formed for profit and registered under section 42 of the Companies Act, 2017 (XIX of 2017).</p> <p>See also <b>MEMORANDUM OF ASSOCIATION OF A COMPANY</b> (No.41).</p>                 | <p>Two hundred rupees.</p> <p>Five hundred rupees.</p>             |
| <p>11. <b>ARTICLES OF CLERKSHIP OR</b> contract whereby any person first becomes bound to serve as a clerk in order to his admission as an attorney in any High Court.</p> <p><b>ASSIGNMENT,</b> See <b>CONVEYANCE</b> (No.24), <b>TRANSFER</b> (No.64) and <b>TRANSFER OF LEASE</b> (No.65), as the case may be. <b>ATTORNEY,</b> See <b>ENTRY AS AN ATTORNEY</b> (No. 32), <b>AND POWER OF ATTORNEY</b> (No.50).</p> | <p>One Thousand rupees.</p>  |
| <p>12. <b>AIR TICKETS</b> issued by any Airline---</p> <p>(i) for domestic flights;</p> <p>(ii) for international flights</p>  | <p>Twenty five rupees per ticket.</p> <p>Two hundred and fifty</p> |

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| <p>13. <b>AUTHENTICATED DECLARATIONS</b> that is to say declaration of newspaper, periodicals or printing presses authenticated by legally competent Authority.</p> <p>Explanation I. The duty shall be paid by a declarant.</p> <p>Explanation II. The declaration shall not be authenticated unless the duty is paid.</p> | <p>rupees per ticket.</p> <p>Five thousand rupees per declaration</p>  |
| <p>14. <b>AWARD</b>, that is to say, any decision in writing by an arbitrator or umpire, not being an award directing a partition, on a reference made otherwise than by an order of the Court in the course of a suit.</p>   | <p>Three percent of the amount or value of the property to which the award relates as set forth in such award.</p> |
| <p>15. <b>BILL OF EXCHANGE</b> as defined by section 2 (2) not being BOND, bank note or currency note—</p> <p>(a) where payable otherwise than on demand but not more than one year after date or sight—</p> <p>(i) if drawn singly</p>   | <p>Two rupees for every one</p>  |

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| <p>(ii) if drawn in set of two or more, for each part of the set.</p> <p>(b) where payable more than one year after date or sight.</p> <p>(i) If drawn singly</p> <p>(ii) If drawn in set of two for each part of the set</p> <p>(iii) If drawn in set of three for each part of the set</p> | <p>thousand rupees or part thereof of the amount of the Bill</p> <p>One rupees for every one thousand rupees or part thereof of the amount of the Bill.</p> <p>Three rupees for every one thousand rupees or part thereof the amount of Bill.</p> <p>Two rupees for every one thousand rupees or part thereof the amount of Bill.</p> <p>One rupees for every one thousand rupees or part thereof the amount of Bill.</p> |
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| <p>16. <b>BILL OF LADING</b> (including a through bill of lading).</p> <p><i>Note</i> —If a bill of lading is drawn in parts, the proper stamps therefor must be borne by each one of the sets.</p> <p><b>EXEMPTIONS:—</b></p> <p>(a) Bill of the lading when the goods therein described are received at a place within the limits of any port as defined under the Ports Act, 1908 (XV of 1908), and are to be delivered at another place within the limits of the same port.</p> <p>(b) Bill of lading when executed out of Pakistan and relating to property to be delivered in Pakistan.</p> | <p>Ten rupee.</p> |
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| <p>17. <b>BOND</b> as defined by section 2 (5) not being a DEBENTURE (No.27) and not being otherwise provided for by this Act, or by the Court Fees Act, 1870 (VII of 1870)—</p> <p>(i) where the amount or value secured does not exceed five thousand rupees</p> <p>(ii) where it exceeds five thousand rupees for every additional amount of five hundred rupees or part thereof</p> <p>See <b>ADMINISTRATION BOND</b> (No.2), <b>BOTTOMRY BOND</b> (No.18), <b>CUSTOMS BOND</b> (No.27). <b>INDEMNITY BOND</b> (No.36), <b>RESPONDENTIA BOND</b> (No.58) <b>SECURITY BOND</b> (No.59).</p> <p><b>EXEMPTIONS:—</b> Bond when executed by any person for the purpose of guaranteeing that the local income derived from private subscription to a Charitable dispensary or hospital or any other object of public utility shall not be less than a specified sum per mensem.</p> | <p>Fifteen Rupees</p> <p>Fifteen Rupees</p>                    |
| <p>18. <b>BOTTOMRY BOND</b>, that is to say, any instrument where by the master of a seagoing ship borrows money on the security of the ship to enable him to preserve the ship or prosecute her voyage.</p>   | <p>The same duty as on a Bond (No.17) for the same amount.</p> |
| <p>19. <b>CANCELLATION</b>, instrument of (including any instrument by which any instrument previously</p>   | <p>Five Hundred rupees.</p>                                    |

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| <p>executed is cancelled), if attested and not otherwise provided for.</p> <p>See also <b>RELEASE</b> (No.57), <b>REVOCAION OF SETTLEMENT</b> (No.60-B), <b>SURRENDER OF LEASE</b> (No.63), <b>REVOCAION OF TRUST</b> (No.66-B).</p>  |   |
| <p><b>20. CERTIFICATE OF SALE</b> (in respect of each property put up as a separate lot and sold) granted to the purchaser of any property sold by public auction by a Civil or Revenue Court, or Collector or other Revenue Officer—</p>   | <p>Four percent of the consideration equal to the amount of the purchase money.</p> |
| <p><b>21. CERTIFICATE OR OTHER DOCUMENT</b> evidencing the right or title of the holder thereof or any other person, either to any shares, scrip or stock in or of any incorporated company or other body corporate, or to become proprietor of shares, scrip or stock in or of any such company or body.</p> <p>See also <b>LETTER OF ALLOTMENT OF SHARES</b> (No.38).</p> | <p>Fifty rupees</p>   |
| <p><b>22. CHARTER PARTY</b>, that is to say, any instrument (except an agreement for the hire of a tug- steamer) whereby a vessel or some specified principal part thereof is let for the specified purposes of the charterer, whether it includes a</p>  | <p>Fifty rupees.</p>  |

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| penalty clause or not.   |   |
| <p>23. COMPOSITION-DEED, that is to say, any instrument executed by a debtor whereby he conveys his property for the benefit of his creditors, or whereby payment of a composition or dividend on their debts is secured to the creditors, or whereby provision is made for the continuance of the debtor's business under the supervision of Inspector or under letters of licence for the benefit of his creditors.</p>                          | One Hundred rupees.                       |
| <p>24. CONVEYANCE as defined by section 2 (10) not being a <b>TRANSFER</b> charged or exempted under No. 64</p>  | Four percent of the value of the property |
| <p>25. <b>COPY OR EXTRACT</b> certified to be a true copy or extract by or by order of any public officer and not chargeable under the law for the time being in force relating to court-fees—</p> <p>(i) if the original was not chargeable with duty or if the duty with which it was chargeable does not exceed four rupees;</p> <p>(ii) in any other case</p> <p><b>EXEMPTION:—</b></p> <p>(a) Copy of any paper which a public officer is</p> | <p>Five rupees.</p> <p>Ten rupees.</p>    |

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| <p>expressly required by law to make or furnish for record in any public office or for any public purpose;</p> <p>(b) Copy of, or extract from, any register relating to births, baptisms, 16 aining, dedications, marriages (divorces), deaths or burials.</p>   |   |
| <p><b>26. COUNTERPART OR DUPLICATE</b> of any instrument chargeable with duty and in respect of which the proper duty has been paid—</p> <p>(a) if the duty with which the original instrument is chargeable does not exceed four rupees;</p> <p>(b) in any other case</p> <p><b>EXEMPTION:—</b></p> <p>Counterpart of any lease granted to cultivator when such lease is exempted from duty.</p> | <p>The same duty as is leviable on the original.</p> <p>Ten rupees.</p>               |
| <p><b>27. CUSTOMS BOND—</b></p> <p>(a) where the amount does not exceed Rs. 1,000;</p> <p>(b) in any other case</p>   | <p>The same duty as on a Bond (No.17) for such amount.</p> <p>One Hundred rupees.</p> |
| <p><b>28. DEBENTURE OR PARTICIPATION TERM CERTIFICATE OR TERM FINANCE CERTIFICATE OR</b></p>  | <p>One-twentieth of one percent that is to say 0.05%</p>                              |



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| <p><b>ANY OTHER INSTRUMENT OF REDEEMABLE CAPITAL OTHER THAN</b></p>   | <p>of the face value</p>                          |
| <p><b>A. COMMERCIAL PAPER whether or not a mortgage debenture or Participant Term Certificate, or Term Finance Certificate or any other instrument of redeemable capital being a marketable security transferable or by endorsement or by separate instrument of transfer or by delivery.</b></p> <p><i>Explanation</i>—The term “Debenture” includes any interest coupons attached thereto, but the amount of such coupons shall not be included in estimating the duty.</p> <p><b>EXEMPTION:—</b></p> <p>A debenture issued by an incorporated company or other body corporate in terms of a registered mortgage-deed, duly stamped in respect of the full amount of debentures to be issued thereunder, whereby the company or body borrowing makes over, in whole or in part, their property to trustees for the benefit of the debenture, holders, provided that the debentures so issued are expressed to be issued in terms of the said mortgage-deed.</p> <p>See also <b>BOND</b> (No.17), and <b>SECTIONS</b> 8 and 55.</p> <p><b>DECLARATION OF ANY TRUST</b> See <b>TRUST</b> (No.66).</p> | <p>Subject to a maximum of one million rupees</p> |

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| <p><b>29. DECREE, RULE OF A COURT OR AN ORDER OF A COURT</b> based on mutual consent of parties in cases involving transfer on an immovable property including sale, exchange, gift or mortgage, declaring or conferring a right in or title to an immovable property.</p> <p>Explanation: Value in this Article, means value of property in accordance with the valuation table as notified by the Collector or where valuation table is not available the average sale price of a property of similar nature in the same revenue estate or locality in the preceding year as may be determined by Collector.</p>   | <p>Four percent of the value of property.</p> |
| <p><b>30. DELIVERY-ORDER IN RESPECT OF GOODS,</b> that is to say, any instrument entitling any person therein named, or his assigns or the holder thereof, to the delivery of any goods lying in any dock or port, or in any ware-house in which goods are stored or deposited on rent or hire, or upon any wharf such instrument being signed by or on behalf of the owner of such goods upon the sale or transfer of the property therein when such goods exceed in value twenty rupees.</p> <p><b>DEPOSIT OF TITLE-DEED.</b> See <b>AGREEMENT</b> relating to <b>DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE</b> (No.6).</p> <p><b>DISSOLUTION OF PARTNERSHIP.</b> See</p> | <p>Ten Rupees.</p>                            |

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| <b>PARTNERSHIP</b> (No.48).  |   |
| <p>31. <b>DIVORCE</b>—Instrument of, that is to say any instrument by which any person effects the dissolution of his marriage.</p> <p><b>DOWER</b>—Instrument of. See <b>SETTLEMENT</b> (No.60).</p> <p><b>DUPLICATE</b>. See <b>COUNTERPART</b> (No.26).</p> | One Hundred rupees.   |
| <p>32. <b>ENTRY AS AN ADVOCATE, OR ATTORNEY ON THE ROLL OF ANY HIGH COURT</b>—under the Legal Practitioners and Bar Councils Act, 1973 (XXXV of 1973)—</p> <p>(a) in the case of an Advocate</p> <p>(b) (b)in the case of an Attorney</p>                      | <p>One thousand five hundred rupees.</p> <p>Two thousand rupees.</p>  |
| <p>33. <b>EXCHANGE OF PROPERTY</b>— Instrument of—</p> <p><b>EXTRACT</b>. See <b>COPY</b> (No.25)</p>  | The same duty as is leviable on a Convey-ance (No.24) for a consideration equal to the value of the property of greatest value as set forth in such instrument. |

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| <p><b>34. FURTHER CHARGE</b>—Instrument of, that is to say, any instrument imposing a further charge on mortgaged property—</p> <p>(a) when the original mortgage is one of the description referred to in clause (a) of Article No.40 (that is, with possession);</p> <p>(b) when such mortgage is one of the description referred to in clause (b) of Article No.40 (that is, without possession)—</p> <p>(i) if at the time of execution of the instrument of further charge possession of the property is given or agreed to be given under such instrument;</p> <p>(ii) If possession is not so given.</p> | <p>The same duty as on a Conveyance (No.24) for a consideration equal to the amount of the further charge secured by such instrument.</p> <p>The same duty as on a Conveyance (No.24) for a consideration equal to the total amount of the charge (including the original mortgage and any further charge already made) less the duty already paid on such original mortgaged and further charge.</p> <p>The same duty as on a</p> |
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|  | Bond (No.17) for the amount of the further charge secured by such instrument.  |
| <p>35. <b>GIFT</b>—Instrument of, not being <b>SETTLEMENT</b>(No.60) <b>OR WILL OR TRANSFER</b> (No.64). <b>HIRING AGREEMENT</b> or <b>AGREEMENT FOR SERVICE.</b> See <b>AGREEMENT</b> (No.5).</p> | The same duty as is leviable on a Conveyance (No.24) for a consideration equal to the value of the property as set-forth in such instrument. |
| <p>36. <b>INDEMNITY BOND.</b><br/> <b>INSPECTORSHIP-DEED</b>—See <b>COMPOSITION-DEED</b> (No. 23).<b>INSURANCE</b>— See <b>POLICY OF INSURANCE</b> (No. 49).</p>                                   | The same duty as on a Security Bond (No. 59) for the same amount.  |

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| <p>37. <b>LEASE</b>, including an under-lease or sub-lease and any agreement to let or sub-let—</p> <p>(a) where by such lease the rent is fixed and no premium is paid or delivered—</p> <p>(i) where the lease purports to be for a term of less than one year;</p> <p>(ii) where the lease purports to be for a term of not less than one year but not more than three years;</p> <p>(iii) where the lease purports to be for a term in excess of three years, but not more than twenty years;</p> <p>(iv) where the lease purports to be for a term in excess of twenty years or in perpetuity;</p> | <p>Two percent of the whole amount payable or deliverable under such lease.</p> <p>Two percent of the amount or value of the average annual rent reserved.</p> <p>Two percent of the consideration equal to the amount or value of the average annual rent reserved.</p> <p>Two percent of the consideration equal to the whole amount of rents which would be paid or delivered in respect of the first ten years of the lease.</p> |
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| <p>(v) where the lease does not purport to be for any definite term.</p>                    | <p>Two percent of the consideration equal to the amount or value of the average annual rent which would be paid or delivered for the first ten years, if the lease continued so long.</p> |
| <p>(b) (i) where the lease is granted for money advanced and where no rent is reserved;</p> | <p>Two percent of the consideration equal to the amount of such advanced as set forth in the lease.</p>   |
| <p>(ii) where the lease is granted for a fine or premium and where no rent is reserved;</p> | <p>Two percent of the consideration equal to the amount of such fine or premium as set forth in the lease.</p>  |
| <p>(c) (i) where the lease is granted for money advanced in addition to rent reserved;</p>  | <p>Two percent of the consideration equal to the amount of advance as set forth in the lease, in addition to the duty which would have been payable</p>                                   |

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| <p>(ii) where the lease is granted for a fine or premium in addition to rent reserved.</p> | <p>on such lease, if no advance had been paid or delivered; provided that, in any case when an agreement to lease is stamped with the ad valorem stamp required for a lease and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed four rupees.</p> <p>Two percent of the consideration equal to the amount of such fine or premium as set forth in lease in addition to the duty which would have been payable on such lease if no fine or premium has been paid or</p> |
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| <p><b>EXEMPTION:</b>— Lease, executed in the case of a cultivator and for the purposes of cultivation (including a lease of trees for the production of food or drink) without the payment or delivery of any fine or premium when a definite term is expressed and such term does not exceed one year, or when the average annual rent reserved does not exceed one hundred rupees.</p> | <p>delivered: Provided that, in any case when an agreement to lease is stamped with an ad valorem stamped required for a lease and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed one hundred rupees.</p> |
| <p>38. <b>LETTER OF ALLOTMENT OF SHARES</b> in any company or proposed company or in respect of any loan to be raised by any company or proposed company.</p>  | <p>Ten rupees</p>   |

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| <p>See also <b>CERTIFICATE OR OTHER DOCUMENT</b> (No.21).</p>   |  |
| <p>39. <b>LETTER OF CREDIT</b>, that is to say, any instrument by which one person authorizes another to give credit to the person in whose favor it is drawn.</p> <p><b>LETTER OF GUARANTEE</b>, See <b>AGREEMENT</b> (No.5).</p>  |  |
| <p>40. <b>LETTER OF LICENCE</b>, that is to say, any agreement between a debtor and his creditors, that the letter shall, for a specified time, suspend their claims and allow the debtor to carry on business at his own discretion.</p>   | <p>Fifty rupees</p>                                  |
| <p>41. <b>MEMORANDUM OF ASSOCIATION OF A COMPANY—</b></p> <p>(a) if accompanied by articles of association under section 35 of the Companies Act, 2017 (XIX of 2017);</p> <p>(b) If not so accompanied.</p> <p><b>EXEMPTION:—</b> Memorandum of any association not formed for profit and registered under section 42 of the Companies Act, 2017 (XIX of 2017).</p> | <p>One hundred rupees</p> <p>Two hundred rupees.</p> |

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| <p><b>42. MORTGAGE-DEED</b> not being an <b>AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE</b> (No.6), <b>BOTTOMRY BOND</b> (No.18), <b>MORTGAGE OF A CROP</b> (No.43), <b>RESPONDENTIA BOND</b> (No.58), <b>OR SECURITY BOND</b> (No.59)—</p> <p>(a) when possession of the property or any part of the property comprised in such deed is given by the mortgagor or agreed to be given;</p> <p>(b) When possession is not given or agreed to be given as aforesaid.</p> <p><i>Explanation—</i> A mortgagor who gives to the mortgagee a power of attorney to collect rents or a lease of the property mortgaged or part thereof, is deemed to give possession within the meaning of this article.</p> | <p>Three percent of the consideration equal to the amount secured by such deed.</p> <p>Three percent of the amount secured by such deed.</p> |
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| <p>(c) when a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above-mentioned purposes where the principal or primary security is duly stamped— for every sum secured not exceeding Rs. 1,000; and for every Rs. 1,000 or part thereof secured in excess of Rs. 1,000</p> <p>(d) (i) mortgage with banking companies that is to say simple or legal mortgage for banking companies or other financial institution when the entire finance is not based on interest.</p> <p>(ii) in any other case</p> | <p>Ten rupees.</p>   |
| <p><b>EXEMPTION:—</b></p> <p>(1) Instruments, executed by persons taking advances under the Land Improvement Loans Act, 1883 (XIX of 1883), or the Agriculturists Loans Act, 1884 (XII of 1884) or by their sureties as security for the repayment of such advances.</p> <p>(2) Letter of hypothecation accompanying a Bill of Exchange.</p>  | <p>One fifth of one percent that is to say 0.2% of the loan amount subject to a maximum of one hundred rupees.</p> <p>One fifth of one percent that is to say 0.2% of the loan amount.</p> |

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| <p><b>43. MORTGAGE OF A CROP</b>, including any instrument evidencing an agreement to secure the repayment of a loan made upon any mortgage of a crop, whether the crop is or is not in existence at the time of mortgage—</p> <p>(a) when the loan is repayable not more than three months from the date of the instrument, for every two hundred rupees or part thereof of the sum secured.</p> <p>(b) when the loan is repayable more than three months, but not more than eighteen months, from the date of the instrument, for every one hundred rupees or part thereof of the sum secured.</p> | <p>One rupee</p> <p>Two rupees</p> |
| <p><b>44. NOTARIAL ACT</b>, that is to say, any instrument, endorsement, note, attestation, certificate or entry not being a <b>PROTEST</b> (No.52) made or signed by a Notary Public in the execution of the duties of his office, or by any other person lawfully acting as a Notary Public.</p> <p>See also <b>PROTEST OF BILL OR NOTE</b> (No.52).</p>   | <p>Ten rupees</p>                  |

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| <p><b>45. NOTE OR MEMORANDUM SENT BY</b> a broker or agent to his principal intimating the purchase or sale on account of such principal—</p> <p>(a) of any goods exceeding in value twenty rupees;</p> <p>(b) of any stock or marketable security exceeding in value twenty rupees, not being a Government Security.</p> <p>(c) of a Government security</p> | <p>Five Rupees</p> <p>Five rupees for every Rs. 5,000 or a part thereof of the value of the stock or security.</p> <p>One rupee for every 10,000 rupees or part thereof of the value of the security subject to a maximum of forty rupees.</p> |
| <p><b>46. NOTE OF PROTEST BY THE MASTER OF A SHIP.</b></p> <p>See also <b>PROTEST BY MASTER OF A SHIP</b> (No.53).</p> <p><b>ORDER FOR THE PAYMENT OF MONEY.</b></p> <p>See <b>BILL OF EXCHANGE</b> (No.15).</p>  | <p>Five rupees.</p>  |

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| <p>47. <b>PARTITION</b>—Instrument of [as defined by section 2(15)].</p> | <p><i>Explanation</i>— The largest share remaining after the property is partitioned (or if there are two or more shares of equal value and not smaller than any of the other shares, than one of such equal shares) shall be deemed to be that from which other shares are separated:</p> <p>Provided always that—</p> <p>(a) when an instrument of partition contain-ing an agreement to divide property in severalty is executed and a partition is effected in pursuance of such agreement, the duty chargeable upon the</p> |
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|  | <p>instrument affecting such partition shall be reduced by the amount of duty paid in respect of the first instrument but shall not be less than four rupees;</p> <p>(b) where land is held on Revenue Settlement for a period not exceeding thirty years and paying the full assessment, the value for purpose of duty shall be calculated at not more than five times the annual revenue;</p> <p>(c) where a final order for effecting a partition passed by any Revenue authority or any Civil Court, or an award by an arbitrator directing a</p> |
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|  | <p>partition, is stamped with the stamp required for an instrument of partition in pursuance of such order or award is subsequently executed the duty on such instrument shall not exceed four rupees.</p> |
| <p><b>48. PARTNERSHIP—</b></p> <p><b>A—INSTRUMENT OF—</b></p> <p>(a) where the capital of the partnership does not exceed Rs. 500.</p> <p>(b) in any other case</p> <p><b>B—DISSOLUTION OF PAWN OR PLEDGE—</b></p> <p>See <b>AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE</b> (No. 6).</p> | <p>Two hundred rupees</p> <p>One hundred rupees</p> <p>Half of the stamp duty payable on original.</p>   |

| <p><b>49. POLICY OF INSURANCE—</b></p> <p>A—See <b>INSURANCE</b> (see section 7)—</p> <p>(1) For each voyage—</p>   | <p><b>If drawn single</b></p> | <p><b>If drawn in duplicate for each part</b></p> |
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| <p>(i) where the premium of consideration does not exceed the rate of 1/8 per cent of the amount insured by the policy for every full sum of Rs. 5,000 and also any fractional parts thereof insured by the policy.</p> | <p>Three rupees.</p>          | <p>Three rupees.</p>                              |
| <p>(ii) in any other case, in respect of every full sum of Rs.2,000 and also any fractional part thereof insured by the policy.</p>   | <p>Three rupees.</p>          | <p>Three rupees.</p>                              |
| <p>(2) For time—</p> <p>in respect of every full sum of Rs.2,000 or part thereof insured by the policy—</p>   |                               |   |
| <p>(i) where the insurance shall be made for any time not exceeding six months;</p>   | <p>Three rupees.</p>          | <p>Three rupees.</p>                              |
| <p>(ii) where the insurance shall be made for any time exceeding six months</p>   | <p>Five rupees.</p>           | <p>Five rupees.</p>                               |

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| <p style="text-align: center;">and not exceeding twelve months</p> <p><b>B—FIRE—INSURANCE AND OTHER CLASSES OF INSURANCE NOT ELSEWHERE INCLUDED IN THIS ARTICLE, COVERING GOODS, MERCHANDISE, PERSONAL EFFECTS, CROPS, AND OTHER PROPERTY AGAINST LOSS OR DAMAGE—</b></p> <p>(1) in respect of an original policy—</p> <p style="padding-left: 40px;">(i) when the sum insured does not exceed Rs. 5,000;</p> <p style="padding-left: 40px;">(ii) in any other case and</p> <p>(2) in respect of each receipt for any payment of a premium on any renewal of an original policy.</p> | <p>Five rupees.</p> <p>Eight rupees.</p> <p>One-half of the duty payable in respect of the original policy in addition to the amount, if any, chargeable under No. 55.</p> |
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| <p><b>C —ACCIDENT AND SICKNESS INSURANCE—</b></p>  |  |  |
| <p>(a) Against railway accident, valid for a single journey only.</p>  | <p>Three rupees</p>  |  |
| <p><b>EXEMPTION</b></p>  |  |  |
| <p>When issued to a passenger travelling by the intermediate or the third class in any railway.</p>  |  |  |
| <p>(b) In any other case for the maximum amount which may become payable in the case of any single accident or sickness where such amount does not exceed Rs. 2,000 and also where such amount exceeds Rs. 2,000, for every Rs. 2,000 or part thereof.</p> | <p>Three Rupees: Provided that, in case of a policy of insurance against death by accident when the annual premium payable does not exceed Rs. 2.50 per Rs. 1,000 the duty on such instrument shall be one rupee for every Rs.1,000 or part thereof of the maximum amount which may become payable under it.</p> |  |
| <p><b>D—INSURANCE BY WAY OF INDEMNITY—</b></p>   |  |  |
| <p>Against liability to pay damages on account of accidents to workmen employed by or under or against liability to pay compensation under Workmen’s Compensation Act, 1923 (VIII of 1923), for every Rs. 100 or part thereof payable as</p>               | <p>Three rupees if drawn singly.</p>   |  |

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| <p>premium.</p> <p><b>E—LIFE INSURANCE OR OTHER INSURANCE NOT SPECIFICALLY PROVIDED FOR, except such a RE-INSURANCE as is described in Division of this article—</b></p> <p>(i) for every sum insured not exceeding Rs.250;</p> <p>(ii) for every sum insured exceeding Rs.250 but not exceeding Rs.500;</p> <p>(iii) for every sum insured exceeding Rs.500 but not exceeding Rs.1,000 and also for every Rs.1,000 or part thereof in excess of Rs.1,000.</p> | <p><b>If drawn singly</b></p>   | <p><b>If drawn in duplicate, for each part</b></p>           |
| <p><b>EXEMPTIONS:</b>—Policies of life insurance granted by the Director-General of Post Offices in accordance with rules for Postal Life Insurance issued under the authority of the Central Government.</p>  | <p>Three rupees</p> <p>Three rupees</p> <p>Three rupees</p>   | <p>Three rupees.</p> <p>Three rupees</p> <p>Three rupees</p> |
| <p><b>F—RE-INSURANCE BY AN INSURANCE COMPANY WHICH HAS GRANTED A POLICY OF THE NATURE SPECIFIED IN DIVISION A OR DIVISION B OF THIS ARTICLE WITH ANOTHER COMPANY BY WAY OF INDEMNITY OR GUARANTEE AGAINST THE PAYMENT ON THE ORIGINAL INSURANCE OF A CERTAIN PART OF THE SUM INSURED THEREBY.</b></p> <p><b>GENERAL EXEMPTIONS:</b>—Letter of cover or</p>   | <p>One-half of the duty payable in respect of the original insurance but not less than three rupees or more than eight rupee.</p> |  |

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| <p>engagement to issue a policy of insurance: Provided that, unless such letter or engagement bears the stamp prescribed by this Act for such policy nothing shall be claimable thereunder, nor shall it be available for any purpose except to compel the delivery of the policy therein mentioned.</p>   |  |
| <p><b>50. POWER-OF-ATTORNEY</b> as defined by section 2(21) of Stamps Act, 1899 (II of 1899), not being a proxy (No.54)—</p> <p>(a) when executed for the sole purpose of procuring the registration of one or more documents in relation to a single transaction or for admitting execution of one or more such document;</p> <p>(b) when authorizing one person or more to act in a single transaction other than the case mentioned in clause (a);</p> <p>(c) when authorizing not more than five persons to act jointly and severally in more than one transaction or generally;</p> | <p>Five Hundred rupees</p> <p>One thousand rupees</p> <p>One thousand rupees</p> |

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| <p>(d) when authorizing more than five but not more than ten persons to act jointly and severally in more than one transaction or generally;</p>         | <p>One thousand rupees</p> |
| <p>(e) when given for consideration and 39 authorizing the attorney to sell any immovable property.</p>  | <p>One thousand rupees</p> |
| <p>(f) in any other case</p>   | <p>One thousand rupees</p> |
| <p><i>Explanation 1</i>— For the purposes of this Article more persons than one when belonging to the same firm shall be deemed to be one person.</p>    |                            |
| <p><i>Explanation 2</i>— The term “Registration” includes every operation incidental to registration under the Registration Act, 1908 (XVI of 1908).</p> |                            |

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| <p>51. <b>PROMISSORY NOTE</b> as defined by section 2(22) of Stamps Act, 1899 (II of 1899)—</p> <p>(a) when payable on demand—</p> <p>(i) when the amount or value does not exceed Rs. 250.000;</p> <p>(ii) when the amount or value exceeds Rs. 250,000 but does not exceed Rs. 500,000;</p> <p>(iii) in any other case</p> <p>(b) When payable otherwise than on demand, including a commercial paper.</p> | <p>Thirty Rupees</p> <p>Sixty Rupees</p> <p>One Hundred rupees</p> <p>One-fiftieth of one percent that is to say 0.02% per annum of the amount payable subject to a maximum of Rs. 100,000</p> |
| <p>52. <b>PROTEST OF BILL OR NOTE</b>, that is to say, any declaration in writing made by a Notary Public or other person lawfully acting as such, attesting the dishonor of a Bill of Exchange for promissory note.</p>   | <p>Ten rupees</p>  |
| <p>53. <b>PROTEST BY THE MASTER OF A SHIP</b>, that is to say, any declaration of the particulars of her voyage drawn up by him with a view to the adjustment of losses or the calculation of averages, and every declaration in writing made</p>  | <p>Ten rupees</p>  |



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| <p>by him against the charterers or the consignees or not loading or unloading the ship, such declaration is attested or certified by a Notary Public or other person lawfully acting as such.</p> <p>See also <b>NOTE OR PROTEST BY THE MASTER OF A SHIP (No.46).</b></p>  |   |
| <p><b>54. PROXY</b> empowering any person to vote at any one election of the members of a district or local board or of a body of municipal commissioners, or at any one meeting of (a) members of an incorporated company or other body corporate whose stock or funds is or are divided into shares and transferable; (b) a local authority; or (c) proprietors, members or contribution to the funds of any institution.</p> | <p>Five rupees</p>                                  |
| <p><b>55. RECEIPTS</b> as defined by section 2 (23) of Stamps Act, 1899 (II of 1899) for any money or other property the amount or value of which exceeds twenty rupees—</p> <p>(a) where the amount or value does not exceed two thousand rupees;</p> <p>(b) where the amount or value exceeds two thousand rupees but does not exceed ten thousand rupees;</p> <p>(c) Where such amount exceeds ten</p>                       | <p>One rupee</p> <p>Two rupee</p> <p>Five rupee</p> |

thousand rupees.

**EXEMPTIONS:—Receipts—**

- (a) endorsed on or contained in any instrument duly stamped for any instrument exempted under the proviso to section 3 (instruments executed on behalf of the Government) or any cheque or bill of exchange, payable on demand acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal-money, interest of annuity, or other periodical payment thereby secured;
- (b) for any payment of money without consideration;
- (c) for any payment of rent by a cultivator on account of land assessed to Government revenue;
- (d) for pay or allowances by non-commissioned or petty officers, soldiers, sailors or airmen of the armed forces of Pakistan/ Pakistan's military, naval or air forces, when serving in such capacity, or by mounted police constables;

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| <p>(e) given by holders of family certificates in cases where the person from whose pay or allowances the sum comprised in the receipt has been assigned as a non-commissioned or petty officer, soldier, sailor or airman or any of the said forces and serving in such capacity;</p> <p>(f) for pensions or allowances by persons receiving such pensions or allowances in respect of their services as such, non-commissioned or petty officers, soldiers, sailors or airmen, and not serving the State in any other capacity;</p> <p>(g) given by a headman or lambardar for land-revenue or taxes collected by him;</p> <p>(h) given for money or securities for money deposited in the hands of any banker to be accounted for:</p> <p style="padding-left: 40px;">Provided that the same is not expressed to be received of, or by the hands of, any other than the person to whom the same is to be accounted for:</p> <p style="padding-left: 40px;">Provided also that this exemption shall not extend to receipt or</p> |  |
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| <p>acknowledgment for any sum paid or deposited for, or upon a letter of allotment of a share, or in respect of a call upon any scrip or share of, or in, any incorporated company or other body corporate or such proposed or intended company or body or in respect of a debenture being a marketable security.</p> <p>See also <b>POLICY OF INSURANCE</b> [No. 49-B (2)].</p> |   |
| <p><b>56. RE-CONVEYANCE OF MORTGAGE PROPERTY—</b></p> <p>(a) if the consideration for which the property was mortgaged does not exceed Rs. 1,000;</p> <p>(b) in any other case</p>   | <p>Thirty Rupees</p> <p>One Hundred rupees</p>          |
| <p><b>57. RELEASE,</b></p> <p>(a) that is to say, any instrument [not being such a release as is provided for by section 23A of Stamps Act, 1899 (II of 1899)] whereby a person renounces a claim upon another person or against any specified property—</p> <p>(b) in any other case</p>  | <p>One Thousand Rupees.</p> <p>One Thousand Rupees.</p> |

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| <p><b>58. RESPONDENTIA BOND</b>, that is to say, any instrument securing a loan on the cargo laden or to be laden on board a ship and making repayment contingent on the arrival of the cargo at the port of destination.</p> <p>REVOCATION OF ARMY TRUST OR SETTLEMENT.<br/>See <b>SETTLEMENT</b> (No.60), <b>TRUST</b> (No.66).</p>  | <p>The same duty as on a Bond (No.17) for the amount of the loan secured.</p> |
| <p><b>59. SECURITY BOND OR MORTGAGE DEED</b> executed by way of security for the due execution of an office, or to account for money or other property received by virtue thereof or executed in favour of a Court for the due discharge of a contingent liability or executed by a surety to secure the due performance of a contract—</p> <p>(a) when the amount secured does not exceed Rs. 1,000;</p> <p>(b) in any other case</p> <p><b>EXEMPTIONS:—</b> Bond or other instrument, when executed—</p> <p>(a) by any person for the purpose of guaranteeing that the local income derived from private subscription to a charitable dispensary or hospital or any other object of public utility shall not be less than a specified sum per mensem;</p> <p>(b) under No. 3-A of the rules made by the Provincial Government under section 70</p> | <p>Thirty rupees</p> <p>One hundred rupees</p>                                |

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| <p>of the Sind Irrigation Act, 1879;</p> <p>(c) executed by persons taking advances under the Land Improvement, Loans Act, 1883 (XIX of 1883), or the Agriculturists Loans Act, 1884 (XII of 1884), or by their sureties as security for repayment of such advances;</p> <p>(d) executed by servants of the State or their securities to secure the due execution of an office or the due accounting for money or other property received by virtue thereof.</p> |  |
| <p><b>60. SETTLEMENT—</b></p> <p>A—Instrument of (including a deed of power)—</p> <p>(i) where the settlement is made in favor of legal heirs in respect of agriculture land</p> <p>(ii) Where the settlement is made for a religious or charitable purpose:</p> <p>(iii) in any other case</p>  | <p>Two percent of the value of the property.</p> <p>Two percent of the sum equal to the amount or value of the property settled.</p> <p>Two percent of the consideration equal to the amount or value of the property settled:</p> <p>Provided that, where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an</p> |

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| <p><b>EXEMPTIONS:</b>— Deed of dower executed on the occasion of marriage between Muslims.</p> <p>B—Revocation of—</p> <p>See also TRUST (No.66)</p> | <p>instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed four rupees:</p> <p>Provided further that where an instrument of settlement contains any provision for the revocation of the settlement, the amount or value of the property settled shall, for the purposes of duty, be determined as if no such provisions were contained in the instrument.</p> <p>Two percent of the consideration equal to the amount or value of the property concerned as set forth in the instrument of revocation.</p> |
| <p><b>61. SHARE WARRANTS</b> to bearer issued under the Companies Act, 2017 (XIX of 2017).</p>   | <p>One and a half times the duty payable on a Debenture [No.28 ] for a consideration equal to the nominal amount of the</p>   |

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| <p><b>EXEMPTIONS:—</b></p> <p>Share warrant when issued by a company in pursuance of the Companies Act, 2017 (XIX of 2017), to have effect only upon payment, as composition for that duty, to the Collector of Stamp revenue of—</p> <p>(a) one and a half per centum of the whole subscribed capital of the company; or</p> <p>(b) if any company which has paid the said duty or composition in full subsequently issues an addition to its subscribed capital—one and half per centum of the additional capital so issued.</p> <p><b>SCRIP—See CERTIFICATE (No.21).</b></p> | <p>shares specified in the warrant.</p> |
| <p><b>62. SHIPPING ORDER</b> for or relating to the conveyance of goods on board of any vessel.</p>   | <p>Five rupees</p>                      |
| <p><b>63. SURRENDER OF LEASE—</b></p>   |   |



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| <p>(a) when the duty with which the lease is chargeable does not exceed thirty rupees;</p> <p>(b) in any other case</p> <p><b>EXEMPTION:—</b></p> <p>Surrender of lease, when such lease exempted from duty.</p>   | <p>The duty with which lease is chargeable.</p> <p>One hundred rupees</p>   |
| <p><b>64. TRANSFER</b> (whether with or without consideration)—</p> <p>(a) of shares in an incorporated company or other body corporate;</p> <p>(b) of Debenture or Participation Term Certificate or Term Finance Certificate or any other instrument or redeemable capital (other than Commercial Paper), whether mortgaged or not, being a transferable security, whether liable to duty or not except as provided for by section 8</p> <p>(c) of any interest secured by a bond,</p> | <p>One-fourth of the duty payable on a Conveyance (No.24) for a consideration equal to the value of the share.</p> <p>One tenth of one percent that is to say 0.1% of the face value of the instrument.</p> |

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| <p>mortgage-deed or policy of insurance—</p> <p>(i) if the duty on such bond, mortgage-deed or policy does not exceed twenty rupees;</p> <p>(ii) in any other case</p> <p>(d) of any property under the Administrator-General's Act, 1913, (III of 1913) section 31;</p> <p>(e) of any trust-property without consideration from one trustee to another trustee or from a trustee to a beneficiary.</p> <p><b>EXEMPTIONS:—</b></p> <p>Transfers by endorsement—</p> <p>(a) of a bill of exchange, cheque or promissory note;</p> <p>(b) of a bill of lading, delivery order, warrant for goods, or other mercantile document of title to goods;</p> <p>(c) of a policy of insurance;</p> <p>(d) of securities of the Federal Government.</p> <p>See also section 8—</p> | <p>The duty with which such bond, mortgage-deed or policy of insurance is chargeable.</p> <p>Fifty rupees.</p> <p>Fifty rupees.</p> <p>Twenty rupees or such smaller amount as may be chargeable under clauses (a) to (c) of this Article.</p> |
| <p><b>65. TRANSFER OF LEASE</b> by way of assignment and not by way of under-lease.</p>   | <p>The same duty as is leviable on Conveyance (No.24) for</p>  |

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| <p><b>EXEMPTION:</b>—Transfer of any lease exempt from duty.</p>   | <p>a consideration equal to the amount of the consideration for the transfer.</p>  |
| <p><b>66. TRUST—</b></p> <p>A. <b>Declaration of</b> - of or concerning any property when made by any writing not being a WILL.</p> <p>B. <b>Revocation of</b>—of, or concerning any property when made by any instrument other than a WILL.</p> | <p>The same duty as on a Bond (No.17) for a sum equal to the amount or value of the property concerned as set forth in the instrument but not exceeding two hundred rupees</p> <p>The same duty as on a Bond (No.17) for a sum equal to the amount of value of the property concerned as set forth in the instrument but not exceeding two hundred</p> |

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| <p>See also <b>SETTLEMENT</b> (No.60).</p> <p><b>VALUATION.</b> See <b>APPRAISEMENT</b> (No.8).</p>  | <p>rupees.</p>     |
| <p><b>67. WARRANT FOR GOODS</b>, that is to say, any instrument evidencing the title of any person therein named, or his assigns, or the holder thereof, to the property in any goods lying in or upon any dock, warehouse or wharf, such instrument being signed or certified by or on behalf of the person in whose custody such goods may be.</p> | <p>Five rupees</p> |

**3 Amendment of the West Pakistan Motor Vehicles Taxation Act, 1958 (W.P. ACT No. XXXII of 1958).** – In the West Pakistan Motor Vehicles Taxation Act, 1958 (W.P. Act No. XXXII of 1958), as in force in the Islamabad Capital Territory, for the Schedule, the following shall be substituted, namely:-

**"Schedule**

**[See section 3]**

**TABLE 1**

| <b>S. No.</b>                              | <b>CATEGORY</b>                            | <b>TAX RATES FOR ICT Rs.</b> |
|--|--|------------------------------|
| <b>(1)</b>                                 | <b>(2)</b>                                 | <b>(3)</b>                   |
| <b>TOKEN TAX (Motor Cycle and Scooter)</b> |  |                              |
| <b>1.</b>                                  | <b>Motor Cycle and Scooter Upto 200 cc</b> | 1,000 (lifetime)             |

|    |  |                 |
|----|--|-----------------|
| 2. | <b>Motor Cycle and Scooter from 201 cc to 400 cc</b> | 2000 (lifetime) |
| 3. | <b>Motor Cycle and Scooter from 401 and above</b>    | 5000 (lifetime) |

Provided that quarterly rates under section 3 shall not be applicable to lifetime tax.

**TABLE 2**

| Sr. No.                           | CATEGORY                                    | TAX RATES<br>FOR ICT Rs. | Period   |
|-----------------------------------|---|--------------------------|--|
| (1)                               | (2)   | (3)                      | (4)  |
| <b>TOKEN TAX (Motor Vehicles)</b> |   |                          |  |
|                                   | <b>Engine capacity upto 1000 CC</b>         | 10,000                   | Lifetime Provided that quarterly rate under section 3 shall not be applicable to lifetime tax. |
| 4.                                | <b>Engine capacity from 1001 to 1300 cc</b> | 1,500                    | per annum  |
| 5.                                | <b>Engine capacity from 1301 to 1500 cc</b> | 4,000                    | per annum  |
| 6.                                | <b>Engine capacity from 1501 to 2000 cc</b> | 5,000                    | per annum  |
| 7.                                | <b>Engine capacity from 2001 to 2500 cc</b> | 8,000                    | per annum  |
| 8.                                | <b>Engine capacity from 2501 and</b>        | 12,000                   | per annum  |

|  |       |  |  |
|--|-------|--|--|
|  | above |  |  |
|--|-------|--|--|

**TABLE 3**

| <b>MOTOR CABS UPTO 6 SEATS</b> |  |                              |
|--------------------------------|--|------------------------------|
| <b>S.No.</b>                   | <b>CATEGORY</b>                            | <b>TAX RATES FOR ICT Rs.</b> |
| <b>(1)</b>                     | <b>(2)</b>                                 | <b>(3)</b>                   |
| <b>9</b>                       | <b>Engine capacity upto 1000 CC</b>        | <b>600 per annum</b>         |
| <b>10</b>                      | <b>Engine capacity upto 1001 and above</b> | <b>1000 per annum</b>        |

**TABLE 4**

| <b><u>PUBLIC SERVICE VEHICLE</u></b> |                            |                                       |
|--------------------------------------|----------------------------|---------------------------------------|
| <b>S.No.</b>                         | <b>Category</b>            | <b>Tax rates of for ICT in Rupees</b> |
| <b>(1)</b>                           | <b>(2)</b>                 | <b>(3)</b>                            |
| <b>11.</b>                           | <b>Vehicle (8 seater)</b>  | <b>200 per seat per annum</b>         |
| <b>12.</b>                           | <b>Vehicle (13 seater)</b> | <b>250 per seat per annum</b>         |
| <b>13.</b>                           | <b>Vehicle (15 seater)</b> | <b>300 per seat per annum</b>         |
| <b>14.</b>                           | <b>Vehicle (16 seater)</b> | <b>300 per seat per annum</b>         |
| <b>15.</b>                           | <b>Vehicle (42 seater)</b> | <b>400 per seat per annum</b>         |
| <b>16.</b>                           | <b>Vehicle (52 seater)</b> | <b>500 per seat per annum</b>         |

**TABLE 5**

| <b>COMMERCIAL VEHICLES AND LOADING VEHICLES</b> |  |                                       |
|---|--|---------------------------------------|
| <b>S.No.</b>                                    | <b>Category</b>                                | <b>Tax rates of for ICT in Rupees</b> |
| <b>(1)</b>                                      | <b>(2)</b>                                     | <b>(3)</b>                            |
| <b>17.</b>                                      | <b>Vehicles not exceeding 1250 KG in laden</b> | <b>500 per annum</b>                  |

|     | weight   |                 |
|-----|--|-----------------|
| 18. | Vehicles with maximum laden capacity exceeding 1250 KG but not exceeding 2030 KG | 800 per annum   |
| 19. | Vehicles with maximum laden capacity exceeding 2030 KG but not exceeding 4060 KG | 2,000 per annum |
| 20. | Vehicles with maximum laden capacity exceeding 4060 KG but not exceeding 6090 KG | 3,000 per annum |
| 21. | Vehicles with maximum laden capacity exceeding 6090 KG but not exceeding 8120 KG | 3,500 per annum |
| 22. | Vehicles with maximum laden capacity exceeding 8120 KG                           | 4,000 per annum |

4 **Amendment of West Pakistan Finance Act, 1964** (W.P. Act No. XXXIV of 1964).

– In the West Pakistan Finance Act, 1964 (W. P. Act No. XXXIV of 1964) as in force in the Islamabad Capital Territory, –

(a) for section 11, the following shall be substituted, namely:–

**"11. Tax on trades, professions, callings and employments.**– There shall be levied and collected from the persons and companies of the categories specified in column (2) of the Seventh Schedule per annum, a professional tax at the rate as specified in column (3) of that Schedule in the prescribed manner."; and

(b) for the Seventh Schedule, the following shall be substituted, namely;-

**“Seventh Schedule**

**[See section 11]**

| <b>S. No.</b> | <b>Categories</b>  | <b>Rates of tax per annum in ICT in Rupees</b> |
|---------------|--|--|
| <b>(1)</b>    | <b>(2)</b>   | <b>(3)</b>                                     |
| <b>1.</b>     | <b>Companies registered under the Companies Act 2017 having;</b>           |  |
| <b>a.</b>     | <b>Capital Upto PKR 5 million but not exceeding PKR 10 million</b>         | <b>7,000</b>                                   |
| <b>b.</b>     | <b>Capital exceeding PKR 5 million but not exceeding PKR 50 million</b>    | <b>18,000</b>                                  |
| <b>c.</b>     | <b>Capital exceeding PKR 50 million but not exceeding PKR 100 million</b>  | <b>35,000</b>                                  |
| <b>d.</b>     | <b>Capital exceeding PKR 100 million but not exceeding PKR 200 million</b> | <b>80,000</b>                                  |
| <b>e.</b>     | <b>Capital exceeding PKR 200 million</b>                                   | <b>90,000</b>                                  |
| <b>f.</b>     | <b>Employees not exceeding 10</b>  | <b>1000</b>                                    |
| <b>g.</b>     | <b>Employees exceeding 10 but not exceeding 25</b>                         | <b>2,000</b>                                   |
| <b>h.</b>     | <b>Employees exceeding 25</b>  | <b>5,000</b>                                   |
| <b>2.</b>     | <b>Lawyers</b>   | <b>1,000</b>                                   |
| <b>3.</b>     | <b>Members of Stock Exchanges</b>  | <b>5,000</b>                                   |
| <b>4.</b>     | <b>Money Changer</b>   | <b>3,000</b>                                   |



|     |   |         |
|-----|---|---------|
| 5.  | <b>Motorcycle Dealers</b>   | 5,000   |
| 6.  | <b>Motor Car Dealers and Real Estate Agents</b>   | 10,000  |
| 7.  | <b>Health Clubs, Gymnasiums &amp; Others</b>  | 5,000   |
| 8.  | <b>Recruiting Agents</b>  | 10,000  |
| 9.  | <b>Jewellers, Departmental Stores, Electronic Goods Stores, Cable Operators, Printing Presses and Pesticide Dealers</b> | 1,000   |
| 10. | <b>Tobacco Vendors - Wholesalers</b>  | 2,000   |
| 11. | <b>Medical consultants or specialists/dental surgeons</b>   | 5,000   |
| 12. | <b>Registered medical practitioners</b>   | 2,000   |
| 13. | <b>others</b>   | 1,000." |

5 **Amendment of West Pakistan Finance Act, 1965 (W.P. ACT No. I of 1965).** – In the West Pakistan Finance Act, 1965 (I of 1965), as in force in the Islamabad Capital Territory, in section 12, for sub-section (1), the following shall be substituted, namely:-

“(1) There shall be levied and collected in prescribed manner from all the hotels, having at least twenty-five lodging units, a bed tax at the rate of five percent of the invoice or bill excluding sales tax and other applicable taxes”.

6 **Amendments of Customs Act, 1969 (IV of 1969).**- In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

(1) in section 2,-

(a) after omitted clause (ib), the following new clause shall be inserted, namely,-

- “(ic) **“Customs controls”** means measures applied by the officers of customs or through Customs Computerized System to manage risks and ensure compliance;”;
- (b) after clause (qa), the following new clause shall be inserted, namely,-
- “(qb) **“Risk Management System”** means the systematic application of Customs Controls and Management Procedures on pre-arrival, Customs clearance processes and post clearance of goods and passengers, for identifying, analyzing, evaluating, monitoring, reviewing and treating the risk associated with them;”;
- “(c) after clause (rr), the following new clause shall be inserted; namely,-
- “(rrr) **“Selectivity Criteria”** means the risk parameters determined by the Risk Management Committee constituted under the rules for the application of Risk Management System;”;
- (2) in section 3E, for the word “Directorates” wherever occurring, the expression “Directorates General and Directorates,” shall be substituted;
- (3) in section 18D, for the words “Federal Government”, the expression “Board, with approval of the Federal Minister-in-charge” shall be substituted;
- (4) in section 19, the expression “removal of anomalies in duties, development of backward areas,” shall be omitted;
- (5) in section 25A,-
- (a) in sub-section (1), the expression “the Collector of Customs on his motion, or” shall be omitted;
- (b) sub-section (3) shall be omitted; and

- (c) in sub-section (4), the expression “or, as the case may be, under sub-section (3),” shall be omitted;
- (6) in section 30, in the fifth proviso, for the words “Federal Government”, the expression “Board, with approval of the Federal Minister-in-charge” shall be substituted;
- (7) in section 30A, in the second proviso, for the words “Federal Government”, the expression “Board, with approval of the Federal Minister-in-charge” shall be substituted;
- (8) in section 31, in the second proviso, for the words “Federal Government”, the expression “Board, with approval of the Federal Minister-in-charge” shall be substituted;
- (9) in section 32, in sub-section (3A),-
- (i) after the word “importer’s”, the words “or exporter’s” shall be inserted;
  - (ii) after the word “importer”, the words “or exporter” shall be inserted; and
  - (iii) after the word “imported”, the words “or exported” shall be inserted;
- (10) in section 32B, after the word “Collector”, the words “or Director” shall be inserted;
- (11) after section 32B, the following new section shall be inserted, namely:-

**“32C. Mis-declaration of value for illegal transfer of funds abroad.-** Without prejudice to any action that may be taken under this Act or any other law for the time being in force, if any person overstates the value of imported goods or understates the value of exported goods or *vice versa*, such person shall be served with a notice within a period of two months from

the seizure of goods to show cause as to why such goods may not be confiscated.”;

(12) in section 33,-

(a) in sub-section (3A), after the word “of”, occurring for the first time, the expression “subject to pre-audit” shall be inserted; and

(b) after sub-section (4), the following new sub-section shall be inserted, namely:-

“(5) For the purpose of this section, the Board may, by notification in the official Gazette, specify the jurisdiction and powers of the officers of Customs to sanction refund in terms of amount of Customs duty and other taxes involved.”;

(13) in section 79, in sub-section (1), for the word “fifteen”, the word “ten” shall be substituted;

(14) after omitted section 80A, the following new section shall be inserted, namely:-

**“80AA. Application of risk management system.-** For the purpose of enforcing Customs Controls, risk management system shall be used in such manner as may be prescribed by rules.”;

(15) in section 81, after the figure “79”, the expression “or 131” shall be inserted;

(16) in section 82,-

(a) for the word “twenty”, occurring twice, the word “fifteen” shall be substituted; and

(b) for word “ten” the word “five” shall be substituted;

(17) in section 90,-

- (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, namely:-

“Provided that where the Customs Computerized system is operational, the issuance of warrant and subsequent transfer of warrant shall take place through system generated documents.”; and

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

“(4) The Board may make rules to regulate the transfer of goods in the manner as mentioned in sub-section (2).”;

- (18) in section 98,-

- (i) in sub-section (1),-

(a) for the word “three”, the word “one” shall be substituted;

(b) in the proviso,-

(i) in clause (a), after the semicolon, the word “and” shall be added; and

(ii) for clause (b), the following shall be substituted, namely:-

“(b) by the Chief Collector of Customs for such period as he may deem fit.”; and

(c) clause (c) shall be omitted; and

- (ii) in sub-section (3), after the words “Federal Government”, the word “or Board” shall be inserted;

- (19) in section 155A, for the words “Federal Government”, the word “Board” shall be substituted;
- (20) in section 156, in sub-section (1), in the TABLE, in the zero column,-
- (a) for clause 14 and entries relating thereto in columns (1), (2) and (3), the following new clause and entries related thereto shall be substituted, namely:-

|     |  |  |    |
|-----|--|--|----|
| “14 | If any person commits an offence under (i) sub-section (1) or sub-section (2) of section 32; | such person shall be liable to a penalty not exceeding two hundred thousand rupees or three times the value of the goods in respect of which such offence is committed, whichever be greater; and such goods shall also be liable to confiscation; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years, or to fine, or to both; | 32 |
|-----|--|--|----|

|  |   |   |      |
|--|---|---|------|
|  | (ii) sub-section (3) or sub-section (3A) of section 32, | such person shall be liable to a penalty not exceeding fifty thousand rupees or two times the value of the goods in respect of which such offence is committed, whichever be greater. | 32”; |
|--|---|---|------|

(b) after clause 14A and entries relating thereto in columns (1), (2) and (3), the following new clause and entries related thereto shall be inserted, namely:-

|      |   |   |        |
|------|---|---|--------|
| “14B | If any person commits an offence under section 32C, | Such person shall be liable to a penalty not exceeding two hundred thousand rupees or three times the value of goods in respect of which such offence is committed whichever is greater; and such goods shall also be liable to confiscation; and upon conviction by a special judge he shall further be liable to imprisonment for a term not exceeding ten years and to a | 32C” ; |
|------|---|---|--------|

|  |  |   |  |
|--|--|---|--|
|  |  | fine which may extend upto one million rupees; and shall also be liable to forfeiture of property involved in money laundering or property of corresponding value in accordance with the provisions of the Anti-Money Laundering Act, 2010 (XIV of 2010). |  |
|--|--|---|--|

(c) for clause 47A and entries relating thereto in columns (1), (2) and (3), the following new clause and entries related thereto shall be substituted, namely:-

|      |   |  |      |
|------|---|--|------|
| "47A | If the goods declaration is not filed within the prescribed period of ten days, | The owner of such goods shall be liable to a penalty at the rate of rupees five thousand per day for the initial five days of default and at the rate of rupees ten thousand per day for each day of default thereafter. | 79"; |
|------|---|--|------|

(21) after section 156, the following new section shall be inserted, namely:-

**"156A. Proceedings against persons.-** (1) Subject to section 217, the Board shall prescribe rules for initiating criminal proceedings against any



authority mentioned in sections 3 to 3DDD, including any person subordinate to the aforesaid authority, who willfully and deliberately commits or omits an act which results in personal benefits and undue advantage to the authority or the person or taxpayer or both.

(2) Where proceedings under sub section (1) have been initiated against a person or authority, the Board shall simultaneously intimate the relevant Government agency to initiate criminal proceedings against the taxpayer.

(3) The proceedings under this section shall be without prejudice to any liability that the authority, person or taxpayer may incur under any other law for the time being in force.

(22) in section 179,-

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

(i) clause (iv) shall be omitted;

(ii) in clause (v), for the word “fifty” the words “one hundred” shall be substituted; and

(iii) in clause (vi), for the word, “fifty” the words “one hundred” shall be substituted;

(b) in sub-section (3), for the words “one hundred and twenty”, the word “ninety” shall be substituted;

(23) in section 181, in second proviso, after the figure “16”, the words “or in violation of any other provisions of this Act” shall be inserted;

(24) in section 185,-

- (a) in sub-section (1), for the words “Federal Government”, the expression “Prime Minister, in consultation with the Chief Justice of the concerned High Court,” shall be substituted; and
  - (b) in sub-section (3), for the words “Federal Government”, the expression “Prime Minister, in consultation with the Chief Justice of the concerned High Court,” shall be substituted;
- (25) in section 185D, in sub-section (1), for the words “Federal Government”, wherever occurring, the words “Prime Minister” shall be substituted;
- (26) in section 193, in sub-section (1), after the figure “80”, the expression “,131” shall be inserted;
- (27) in section 193A, in sub-section (3), for the words “one hundred and twenty”, the word “ninety” shall be substituted;
- (28) for section 194, the following shall be substituted, namely:-

**“194. Appellate Tribunal.-** (1) There shall be established an Appellate Tribunal to be called the Customs Appellate Tribunal to exercise the powers and perform the functions conferred on the Appellate Tribunal by this Act.

(2) The Appellate Tribunal shall consist of a chairman and such other judicial and accountant members as are appointed by the Prime Minister having regards to the needs of the Tribunal.

(3) No person shall be appointed as a judicial member of the Appellate Tribunal unless such person-

- (a) has been a judge of a High Court;

- (b) has exercised the powers of a District Judge and is qualified to be a judge of the High Court; or
- (c) is or has been an advocate of a High Court and is qualified to be appointed as a judge of a High Court:

Provided that the person who is or has been an advocate of High Court shall not be appointed as judicial member unless selected in accordance with the Civil Servants Act, 1973 (LXXI of 1973) and the Federal Public Service Commission Ordinance, 1977 (XLV of 1977).

(4) No person shall be appointed as a technical member of an Appellate Tribunal unless such person-

- (a) is an officer of Pakistan Customs Service equivalent in rank to the Member of the Board or Chief Collector of Customs or Director General; or
- (b) is a Collector or Director or Chief of the Board having at least three years experience in that position.

(5) The Prime Minister shall appoint one of the Members of the Appellate Tribunal to be the chairman thereof.

(6) The terms and conditions of appointment of the chairman and judicial and technical members shall be as such as the Prime Minister may determine:

Provided that the appointment of a technical member shall be for a period of two years.”;

(29) in section 195,-

- (a) in the marginal heading, after the word “Collector”, the words “ or Chief Collector” shall be inserted;
- (b) in sub-section (1), for the expression “Collector of Customs (Adjudication)”, the words “Chief Collector” shall be substituted; and
- (c) after sub-section (2), the following new sub-section shall be added, namely:-

“(3) The cases records of which are called and examined under sub-section (1) shall be decided within a period of one twenty days further extendable by the Board for another sixty days subject to recording of reasons in writing.”;

- (30) for section 195C, the following shall be substituted, namely:-

**“195C. Alternative dispute resolution (ADR).-** (1) Notwithstanding anything contained in this Act, or the rules made there under, any aggrieved person, in connection with any dispute pertaining to liability of customs-duty, admissibility of refund or rebate, waiver or fixation of penalty or fine, confiscation of goods, relaxation of any time period or procedural and technical condition which is under litigation in any court of law or an appellate authority, except in the cases where first information reports (FIRs) have been lodged or criminal proceedings have been initiated or where interpretation of question of law having larger revenue impact in the opinion of the Board is involved, may apply to the Board for the appointment of a committee for the resolution of dispute in appeal.

(2) The Board may, subject to the provisions of sub-section (1), after examination of the application of an aggrieved person, appoint a committee, within sixty days of receipt of such application, consisting of-

- (a) an officer of customs not below the rank of Chief Collector;
- (b) a person to be nominated by the applicant from a panel notified by the Board, comprising-
  - (i) senior chartered accountants and senior advocates having minimum ten years experience in the field of taxation; and
  - (ii) reputable businessmen as nominated by Chambers of Commerce and Industry:

Provided that the taxpayer shall not nominate a chartered accountant or an advocate if the said chartered accountant or the advocate is or has been an auditor or an authorized representative of the taxpayer; and

- (iii) a retired judge not below the rank of District and Sessions Judge, to be nominated through consensus by the members appointed under clauses (i) and (ii).

(3) The aggrieved person or the concerned Collector or both, as the case may, shall withdraw the appeal pending before any court of law or an appellate authority, after constitution of the committee by the Board under sub-section (2).

(4) The committee shall not commence the proceedings under sub-section (5) unless the order of withdrawal by the appellate authority is communicated to the Board:

Provided that if the order of withdrawal is not communicated within seventy-five days of the appointment of the committee, the said committee shall be dissolved and provision of this section shall not apply.

(5) The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of customs or any other person to conduct an audit and shall decide the dispute by majority, within ninety days of its constitution in respect of the resolution of dispute as it deem fit:

Provided that in computing the aforesaid period of one hundred and twenty days, the period, if any, for communicating the order of withdrawal under sub-section (4) shall be excluded.

(6) The recovery of duties and taxes payable by the applicant in connection with any dispute for which a committee has been appointed under sub-section (2) shall be deemed to have been stayed on withdrawal of appeal upto the date of decision by the committee.

(7) The decision of the committee under sub-section (5) shall be binding on the Collector and the aggrieved person.

(8) If the committee fails to make recommendations within a stipulated period of ninety days under sub-section (5), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the appellate authority which issued the order of withdrawal under sub-

section (4) and the appeal shall be treated to be pending before such appellate authority as if the appeal had never been withdrawn.

(9) The Board shall communicate the order of dissolution to the court of law or the appellate authority and the Collector and the aggrieved person.

(10) The aggrieved person, on receipt of the order of dissolution, shall communicate the order to the appellate authority, which shall decide the appeal within six months of the communication of the said order.

(11) The aggrieved person may make payment of customs duty and other taxes as determined by the committee under sub-section (6) and all decisions, orders and judgments made or passed shall stand modified to that extent.

(12) The Board may prescribe the amount to be paid as remuneration for the services of the members of the committee, other than the member appointed under clause (a) of sub-section (2).

(13) The Board may, by notification in the official Gazette make rules for carrying out the purposes of this section, including the procedures and manner of conducting of ADR committee meetings.”;

(31) in section 200, in the proviso, after the word “importer”, the words “or exporter” shall be inserted;

(32) in section 202, for the expression “,Central Excise and Sales Tax” and the expression “,Central Excise or Sales Tax”, wherever appearing, the words “ or Inland Revenue” shall be substituted;

- (33) in section 203, after the word “fees”, occurring at the end, the words “as provided under the rules prescribed by the Board” shall be inserted;
- (34) in section 212A, in sub-section (2), the words “with approval of Federal Government” shall be omitted;
- (35) the amendments set out in the First Schedule to this Act shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969);
- (36) the Fifth Schedule to the Customs Act (IV of 1969) shall be substituted in the manner provided for in the Second Schedule to this Act.

**7 Amendment of the Port Qasim Authority Act, 1973 (XLIII of 1973).** - In the Port Qasim Authority Act, 1973 (XLIII of 1973), -

- (a) after section 56, the following new section shall be inserted, namely:-

**“56A. Surplus to be remitted to Federal Consolidated Fund.**- Any surplus of receipts over the actual expenditure in a year, after payment of tax, shall be remitted to the Federal Consolidated Fund (FCF) and any deficit from the actual expenditure shall be made up by the Federal Government to the extent of funds deposited in FCF.” ; and

- (b) after section 60, the following new section shall be inserted namely:-

**“60A. Fines and penalties to be credited to the Federal Consolidated Fund.**- All fines and penalties recovered by the Authority shall be credited to the Federal Consolidated Fund.”

**8 Amendment of the Abandoned Properties (Management) Act, 1975 (XX of 1975).**- In the Abandoned Properties (Management) Act, 1975 (XX of 1975), -

- (a) in section 16, in sub-section (2), clause (k) shall be omitted;
- (b) in section 19,-



in sub-section (1), after the expression “thereof”, the expression “Any surplus of receipts over the actual expenditure in a year shall be remitted to the Federal Consolidated Fund.” shall be added; and

- (c) in section 29,- the existing provision thereof shall be renumbered as sub-section (1) thereof and thereafter the following new sub-section (2) shall be added, namely:-

“(2) The sale proceeds of abandoned property, including the amounts already received, shall be deposited in the Federal Consolidated Fund:

Provided that the deposited amounts shall in the prescribed manner be refunded in the light of any court order, international settlement, etc.”

- 9 **Amendment of the Pakistan Civil Aviation Authority Ordinance, 1982 (XXX of 1982).**- In the Pakistan Civil Aviation Authority Ordinance, 1982 (XXX of 1982), after section 15, the following new section shall be inserted, namely:-

“**15A. Surplus to be remitted to Federal Consolidated Fund.**- Any surplus of receipts over the actual expenditure in a year, after payment of tax, shall be remitted to the Federal Consolidated Fund (FCF) and any deficit from the actual expenditure shall be made up by the Federal Government to the extent of funds deposited in FCF.”

- 10 **Amendment of the National Database and Registration Authority Ordinance, 2000 (VIII of 2000).** - In the National Database and Registration Authority Ordinance, 2000 (VIII of 2000).-

- (a) after section 26, the following new section shall be inserted, namely:-

“**26A. Surplus to be remitted to Federal Consolidated Fund.**- Any surplus of receipts over the actual expenditure in a year, after payment of tax, shall be remitted to the Federal Consolidated Fund (FCF) and any

deficit from the actual expenditure shall be made up by the Federal Government to the extent of funds deposited in FCF." ;and

(b) after section 30, the following new section shall be inserted, namely;

**“30A. Fines and penalties to be credited to the Federal Consolidated Fund.-** All fines and penalties recovered by the Authority shall be credited to the Federal Consolidated Fund.”

11 **Amendments of the Sales Tax Act, 1990.**— In the Sales Tax Act, 1990, the following further amendments shall be made, namely:-

(1) in section 2,—

(a) for clause (5AB), the following shall be substituted, namely:—

“(5AB) “cottage industry” means a manufacturing concern, which fulfils each of following conditions, namely:—

(a) does not have an industrial gas or electricity connection;

(b) is located in a residential area;

(c) does not have a total labour force of more than ten workers;

and

(d) annual turnover from all supplies does not exceed two million rupees;”;

(b) in clause (11A),—

(i) the expression “(Private)” shall be omitted; and

(ii) for the expression “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted;

(c) in clause (27), after the word “manufacturer”, the expression “or importer, in case of imported goods” shall be inserted;

- (d) in clause (33), in the proviso, for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;
- (e) in clause (43), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;
- (f) in clause (43A),—
  - (i) in sub-clause (c), the word “and” at the end shall be omitted;  
and
  - (ii) in sub-clause (d), after the semi-colon at the end, the word “and” shall be inserted, and thereafter the following new clause (e) shall be added, namely:—  
“(e) a retailer, whose shop measures one thousand square feet in area or more.”; and
- (g) in clause (46), —
  - (i) in sub-clause (d), after the word “goods”, the expression “excluding those as specified in the Third Schedule” shall be inserted;
  - (ii) in sub-clause (e), the word “and” at the end shall be omitted;
  - (iii) for clause (f), the following shall be substituted, namely:—  
“(f) in case of manufacture of goods belonging to another person, the actual consideration received by the manufacturer for the value addition carried out in relation to such goods;”;  
and

(iv) after clause (g), the following new clauses shall be added, namely:-

“(h) in case of supply of electricity by an independent power producer, the amount received on account of energy purchase price only; and the amount received on account of capacity purchase price, energy purchase price premium, excess bonus, supplemental charges etc. shall not be included in the value of supply; and

(i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax;”;

(2) in section 3,-

(a) for sub-section (1B), the following shall be substituted, namely:-

“(1B) On the goods specified in the Tenth Schedule, in lieu of levying and collecting tax under sub-section (1), the tax shall be levied and collected, in the mode and manner specified therein-

(a) on the production capacity of plants, machinery, undertaking, establishments or installation producing on manufacturing such goods; or

(b) on fixed basis, from any person who is in a position to collect such tax due to the nature of the business,

and different rates may be so prescribed for different regions or areas.”;

- (b) in sub-section (2), in clause (a),–
  - (i) after the word “supplies”, occurring for the first time, the words “and import of goods” shall be inserted;
  - (ii) after the word “supplies”, occurring for the second time, the words “or imports” shall be inserted;
  - (iii) after the word “manufacturer”, the expression “, or the importer, in case of imported goods,” shall be inserted; and
  - (iv) in the proviso, after the word “supply”, occurring twice, the words “or import” shall be inserted;
- (c) in sub-section (3A), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;
- (d) for sub-section (7), the following shall be substituted, namely:–

“(7) The tax shall be withheld by the buyer at the rate as specified in the Eleventh Schedule, by any person or class of persons as withholding agent for the purpose of depositing the same, in such manner and subject to such conditions or restrictions as the Board may prescribe in this behalf through a notification in the official Gazette.”;
- (e) in sub-section (9),–
  - (i) after the word “retailers”, the expression “, other than those falling in Tier-1,” shall be inserted;

(ii) for the expression “subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007”, the expression “and the electricity supplier shall deposit the amount so collected directly without adjusting against his input tax” shall be substituted; and

(iii) in the proviso, for full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:–

“Provided further that the Commissioner of Inland Revenue having jurisdiction shall issue order to the electricity supplier regarding exclusion of a person who is either a Tier-1 retailer, or not a retailer.”; and

(f) for sub-section (9A), the following shall be substituted, namely:–

“(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate as applicable to the goods sold under relevant provisions of this Act or a notification issued there under:

Provided that the customers of a Tier-1 retailer shall be entitled to receive a cash back of up to five percent of the tax involved, from such date in the manner and to the extent, as may be prescribed by the Board.”;

(3) in section 4,–

(a) for clause (c), the following shall be substituted, namely:–

“(c) such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements:”; and

(b) clause (d) shall be omitted;

(4) in section 7,—

(a) in sub-section (2), in clause (i), for the words “for which a return is furnished”, the expression “, or in case of supply of electricity or gas, a bill bearing his registration number and the address where the connection is installed” shall be substituted; and

(b) in sub-section (3), for the words “Federal Government”, the word “Board, with the approval of the Minister-in-charge,” shall be substituted;

(5) in section 7A, for sub-section (2), the following shall be substituted, namely:—

“(2) Notwithstanding anything contained in this Act or the rules made thereunder, in respect of the goods or class of goods specified in the Twelfth Schedule, the minimum value addition tax, against the value added by the registered person, shall be payable, at the rate and by the registered persons or class of registered persons, specified therein, subject to the conditions, limitations, restrictions and procedure specified therein:

Provided that the Federal Government may, through a notification published in the official Gazette, amend any provision of the said Twelfth Schedule.”;

(6) in section 8,—

- (a) in sub-section (1), for clause (m), the following shall be substituted, namely:–
- “(m) the input goods attributable to supplies made to un-registered person, on pro-rata basis, for which sale invoices do not bear the NIC number of the buyer.”; and
- (b) in sub-section (6), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;
- (7) in section 8B, in the second proviso, after the expression “sub-section (1)”, the expression “and may also in the like manner relax the aforesaid limit to ninety-five per cent” shall be inserted;
- (8) in section 10, in sub-section (1), in the second proviso, for the words “along with duty drawback at the rates”, the words “at the fixed rates and in the manner as” shall be substituted;
- (9) in section 13, in sub-section (2), for clause (a), the following shall be substituted, namely:–
- “(a) the Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein;”;
- (10) in section 23, in sub-section (1),–



- (a) after the word “particulars”, the expression “, in Urdu or English language,” shall be inserted;
- (b) in clause (b), after the word “number”, the expression “, or in case of supplies to unregistered person, NIC number,” shall be inserted; and
- (c) in clause (d), after the word “description”, the expression “, including count, denier and construction in case of textile yarn and fabric,” shall be inserted;
- (11) in section 25, in sub-section (2), in second proviso, for the colon at the end, a full stop shall be substituted and the third proviso thereafter shall be omitted;
- (12) in section 26, in sub-section (3), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:–
- “Provided that the approval under this sub-section shall not be required if revised return is filed within sixty days of filing of return and either the tax payable therein is more than the amount paid or the refund claimed therein is less than the amount as claimed, under the return sought to be revised.”;
- (13) in section 30A, in sub-section (1), for the word “post”, the word “appoint” shall be substituted;
- (14) in section 33, in the Table, in column (1), against serial number 1, in column (2),–
- (a) for the word “five”, the word “ten” shall be substituted; and
- (b) in the proviso, for the word “one”, the word “two” shall be substituted;
- (15) after section 33, the following new section shall be inserted, namely:–
- “33A. Proceedings against persons.–** (1) Subject to section 51, the Board shall prescribe rules for initiating criminal proceedings against any

authority mentioned in section 30 to 30DDD including any person subordinate to the aforesaid authorities, who wilfully and deliberately commits or omits an act which results in personal benefits and undue advantage to the authority or the person or taxpayer or both.

(2) Where proceedings under sub-section (1) have been initiated against a person or authority, the Board shall simultaneously intimate the relevant government agency to initiate criminal proceedings against the taxpayer.

(3) The proceedings under this section shall be without prejudice to any liability that the authority, person or taxpayer may incur under any other law for the time being in force.”;

(16) in section 37B,–

(a) for the words “a Sales Tax Officer”, wherever occurring, the words “an officer of Inland Revenue” shall be substituted;

(b) for the words “the Sales Tax Officer”, wherever occurring, the words “an officer of Inland Revenue” shall be substituted; and

(c) in sub-section (13), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;

(17) for section 58, the following shall be substituted, namely:–

“58. **Liability for payment of tax in case of private companies or business enterprises.**–(1) Notwithstanding anything contained in the Companies Act, 2017 (XIX of 2017), where any private company or business enterprise is wound up and any tax chargeable on the company or business enterprise, whether before, or in the course, or after its liquidation, in respect

of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of, or a shareholder, owning not less than ten per cent of the paid-up capital, in the company or business enterprise, as the case may be, during the relevant period shall jointly and severally with such persons, be liable for the payment of such tax.

(2) Any director, partner or shareholder, who pays tax under sub-section (1) shall be entitled to recover the tax paid by him from the company or business enterprise, or a share of the tax from other director or partner, or a share in the proportion of holding from another shareholder, as the case may be.

(3) The provisions of this Act shall apply to any amount due under this section as if it were tax due under an order for assessment made under this Act.”;

(18) in section 67A,—

(a) the expression “(Private)”, wherever occurring, shall be omitted; and

(b) in sub-section (12), for the expression “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;

(19) in section 71, in sub-section (1), for the expression “Notwithstanding anything contained in this Act, the Federal Government”, the expression “subject to the provisions of this Act, the Board” shall be substituted;

(20) in section 72B, after sub-section (1), following new sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in this Act or any other law, for the time being in force, the Board shall keep the selection parameters confidential.”;

- (21) in the Third Schedule, in column (1), after Serial No. 37 and entries relating thereto in columns (2) and (3), the following new Serial No. and corresponding entries relating thereto shall be added, namely:–

|      |  |                     |
|------|--|---------------------|
| “38. | Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets. | Respective headings |
| 39.  | Household gas appliances, including cooking range, ovens, geysers and gas heaters.   | Respective headings |
| 40.  | Foam or spring mattresses and other foam products for household use.   | Respective headings |
| 41.  | Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing  | Respective headings |
| 42.  | Lubricating oils, brake fluids, transmission fluid, and other vehicular  | Respective headings |

|     |  |                       |
|-----|--|-----------------------|
|     | fluids sold in retail packing.   |                       |
| 43. | Storage batteries excluding those sold to automotive manufacturers or assemblers | Respective headings   |
| 44. | Tyres and tubes excluding those sold to automotive manufacturers or assemblers   | Respective headings   |
| 45. | Motorcycles  | Respective headings   |
| 46. | Auto rickshaws   | Respective headings”; |

(22) in the Sixth Schedule,—

(a) in Table-1, in column (1),—

(i) against Serial No. 2 and 3, in column (2), after the word “preserved”, the expression “, or packed” shall be inserted;

(ii) against Serial No. 19,—

(A) in column (2), after the word “industry”, the expression “, excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name or a trademark” shall be inserted; and

(B) in column (3), the figure “1102.1000,” shall be omitted;

(iii) Serial No. 36 and 37 and entries relating thereto in columns (2) and (3), shall be omitted;

(iv) against Serial No. 52A, in column (2), after the word “Goods”, the expression “, excluding electricity and natural gas,” shall be inserted;

- (v) against Serial No. 72, in column (2), after the word “Meat”, the expression “whether or not fresh, frozen or otherwise, preserved or packed” shall be added;
- (vi) against Serial No. 73A, in column (2), the expression “04.01 and” shall be omitted;
- (vii) against Serial No. 82, in column (2), after the word “offal”, the expression “, excluding those sold in retail packing under a brand name or a trademark” shall be added;
- (viii) against Serial No. 83, in column (2), after the word “fish”, the expression “, excluding those sold in retail packing under a brand name or a trademark” shall be added;
- (ix) against Serial No. 85, in column (2), after the word “milk”, the expression “, excluding that sold in retail packing under a brand name or a trademark” shall be added; and
- (x) after Serial No. 150 and entries relating thereto in columns (1), (2) and (3), following new Serial No and corresponding entries relating thereto shall be added, namely:–

|       |   |                    |
|-------|---|--------------------|
| “151. | (a) Supplies; and<br><br>(b) imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic | Respective heading |
|-------|---|--------------------|

|  |  |  |
|--|--|--|
|  | <p>of Pakistan,-</p> <p>as made till 30<sup>th</sup> June, 2023, to which the provisions of the Act or the notifications issued thereunder, would have not applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018):</p> <p>Provided that, in case of imports, the same shall be allowed clearance by the Customs authorities on presentation of a post-dated cheque for the amount of sales tax payable under the Sales Tax Act, 1990, and the same shall be returned to the importer after presentation of a consumption or installation certificate, as the case may be, in respect of goods imported as issued by the Commissioner Inland Revenue</p> |  |
|--|--|--|

|      |   |                       |
|------|---|-----------------------|
|      | <p>having jurisdiction:</p> <p>Provided further that if plant, machinery and equipment, on which exemption is availed under this serial number, is transferred or supplied outside the tribal areas, the tax exempted shall be paid at applicable rate on residual value</p>  |                       |
| 153. | <p>Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30th June, 2023, to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or cooking oil industries</p> | 2716.0000             |
| 154. | <p>Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and</p>  | Respective headings”; |



|  |  |  |
|--|--|--|
|  | supplies by the manufacturer on which federal excise duty is payable in sales tax mode |  |
|--|--|--|

(b) in Table-2, in column (1),-

- (i) against Serial No. 16, in column (2), the words “and ginned cotton” shall be omitted; and
- (ii) after Serial number 24 and entries relating thereto in columns (1), (2) and (3), the following new Serial No. and corresponding entries relating thereto shall be added, namely:-

|      |                |                               |
|------|----------------|-------------------------------|
| “25. | Cottonseed oil | 1512.2100<br>and<br>1512.2900 |
| 26   | Wheat Bran     | 2302.3000”;                   |

(23) in the Eighth Schedule,-

(a) in Table-1, in column (1),-

- (i) against S. No. 14, for the entries in columns (1), (2), (3), (4) and (5), the following shall be substituted, namely:-

|      |   |                                       |     |   |
|------|---|---------------------------------------|-----|---|
| “14. | Milk and cream,<br>concentrated or<br>containing added<br>sugar or other<br>sweetening matter | 0402.<br>1000<br>and<br>0402.<br>2000 | 10% | Sold in retail<br>packing<br>under a<br>brand<br>name”; |
|------|---|---------------------------------------|-----|---|

- (ii) S. No. 18, 21 and 22 and entries relating thereto in columns (2), (3), (4) and (5) shall be omitted;

- (iii) against S. No. 27, in column (3), for the figure “8432.3090”, occurring three times, the figure “8432.3900” shall be substituted;
- (iv) S. No. 32 and entries relating thereto in columns (2), (3), (4) and (5) shall be omitted;
- (v) against S. No. 56, in columns (4) and (5), for the figure “65”, the figure “70” shall be substituted;
- (vi) after S. No. 58 and entries relating thereto in columns (2), (3), (4) and (5), the following new S. No. and corresponding entries relating thereto shall be added, namely:–

|      |  |   |     |   |
|------|--|---|-----|---|
| “59. | Products of milling industry except wheat and meslin flour | 1101.0010,<br>1101.0020,<br>1102.2000,<br>1102.9000,<br>1103.1100,<br>1103.1300,<br>1103.1900,<br>1104.2200,<br>1104.2300,<br>1104.2900<br>and<br>1104.3000 | 10% | If sold in retail packing under a brand name or trademark |
| 60.  | Fat filled milk  | 1901.9090   | 10% | If sold in retail packing under                           |

|     |  |                                    |   |  |
|-----|--|------------------------------------|---|--|
|     |  |                                    |   | a brand name or trademark  |
| 61. | Silver, in unworked condition  | 7106.1000, 7106.9110 and 7106.9190 | 1% plus 2% value addition   |  |
| 62. | Gold, in unworked condition  | 7108.1100, 7108.1210 and 7108.1290 | 1% plus 2% value addition   |  |
| 63. | Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal. | 71.13                              | 1.5% of value of gold, plus 0.5% of value of diamond, used therein, plus 3% of making charges | No input tax adjustment to be allowed except of the tax paid on gold |
| 64. | Prepared Food, foodstuff and   | Respective headings                | 7.5%  | Supplies only, subject to condition that                             |

|     |   |                        |     |  |
|-----|---|------------------------|-----|--|
|     | sweetmeats<br>supplied by<br>restaurants,<br>bakeries,<br>caterers and<br>sweetmeat<br>shops  |                        |     | no input tax<br>shall be<br>adjusted   |
| 65. | Ginned cotton   | Respective<br>headings | 10% |  |
| 66. | Supplies of<br>finished<br>articles of<br>textile, textile<br>made-ups,<br>leather and<br>artificial<br>leather, as<br>made by<br>retailers | Respective<br>heading  | 15% | If they are<br>integrated with<br>FBR's online<br>system and<br>data is<br>transmitted to<br>the FBR's<br>computerized<br>system in real<br>time in such<br>mode and<br>manner as may<br>be prescribed<br>by the Board |
| 67. | LNG imported  | 2711.1100,             | 5%  | ”;   |

|  |   |           |  |  |
|--|---|-----------|--|--|
|  | for servicing<br>CNG sector<br>and local<br>supplies<br>thereof | 2711.2100 |  |  |
|--|---|-----------|--|--|

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

|     |   |           |           |   |
|-----|---|-----------|-----------|---|
| "2. | Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-- |           |           | - |
|     | A. Not exceeding US\$ 30  | Rs. 135   | Rs. 135   |   |
|     | B. Exceeding US\$ 30 but not exceeding US\$ 100   | Rs. 1,320 | Rs. 1,320 |   |
|     | C. Exceeding US\$ 100 but not exceeding US\$ 200  | Rs. 1,680 | Rs. 1,680 |   |
|     | D. Exceeding US\$ 200 but not exceeding US\$ 350  | Rs. 1,740 | Rs. 1,740 |   |

|  |   |           |           |  |
|--|---|-----------|-----------|--|
|  | E. Exceeding US\$ 350 but<br>not exceeding US\$ 500 | Rs. 5,400 | Rs. 5,400 |  |
|  | F. Exceeding US\$ 500                               | Rs. 9,270 | Rs. 9,270 |  |

”; and

(25) after Ninth Schedule, amended as aforesaid, the following new Schedules shall be added, namely:-

“The

### TENTH SCHEDULE

[See sub-section (1B) of section 3]

The tax on bricks, falling in PCT heading 6901.1000, shall be paid on fixed basis, on monthly return, at the rates specified in Table below:-

**TABLE**

| <b>S.<br/>No.</b> | <b>Region or area</b>  | <b>Tax payable<br/>per month</b> |
|-------------------|--|----------------------------------|
| <b>(1)</b>        | <b>(2)</b>   | <b>(3)</b>                       |
| 1.                | Lahore, Rawalpindi and Islamabad districts   | Rs. 12,500                       |
| 2.                | Attock, Chakwal, Jehlum, Mandi Bahauddin, Sargodha, Gujrat, Sialkot, Narowal, Gujranwala, Hafizabad, Sheikhpura, Kasur, Nankana Sahib, Chiniot, Faisalabad, Jhang, Toba Tek Singh, Okara and Sahiwal districts | Rs. 10,000                       |
| 3.                | Khushab, Mianwali, Bhakar, Layyah, Muzaffargarh, Dera Ghazi Khan, Rajanpur, Multan, Lodhran, Khanewal, Vehari, Bahawalpur, Pakpattan, Bahawalnagar, Rahim Yar Khan districts; and                              | Rs. 7,500                        |

|  |  |  |
|--|--|--|
|  | Sindh, Khyber-Pakhtunkhwa and Baluchistan<br>provinces |  |
|--|--|--|

**The**

**ELEVENTH SCHEDULE**

*[see sub-section (7) of section 3]*

**TABLE**

The rates for withholding or deduction by the withholding agent

| <b>S<br/>No.</b> | <b>Withholding agent</b>   | <b>Supplier<br/>category</b>                             | <b>Rate or extent<br/>of deduction</b>              |
|------------------|--|--|---|
| (1)              | (2)  | (3)  | (4)   |
| 1.               | (a) Federal and provincial government departments; autonomous bodies; and public sector organizations<br><br>(b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001) | Registered persons                                       | 1/5 <sup>th</sup> of Sales Tax as shown on invoice  |
| 2.               | (a) Federal and provincial government departments; autonomous bodies; and public sector organizations<br><br>(b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX          | Person registered as a wholesaler, dealer or distributor | 1/10 <sup>th</sup> of Sales Tax as shown on invoice |

|    |   |   |  |
|----|---|---|--|
|    | of 2001)  |   |  |
| 3. | Federal and provincial government departments; autonomous bodies; and public sector organizations | Unregistered persons                    | Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies |
| 4. | Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)                             | Unregistered persons                    | 5% of gross value of supplies  |
| 5. | Registered persons as recipient of advertisement services   | Person providing advertisement services | Whole of sales tax applicable  |

The

## TWELFTH SCHEDULE

*[See sub-section (2) of section 7A]*

### TABLE

| S. No. | Goods or class of goods   | PCT Heading        | Rate          |
|--------|---|--------------------|---------------|
| (1)    | (2)   | (3)                | (4)           |
| 1.     | All imported goods subject to exclusions as in conditions and procedure given after the | Respective Heading | 3% ad valorem |



|  |       |  |  |
|--|-------|--|--|
|  | Table |  |  |
|--|-------|--|--|

**Procedure and conditions:—**

- (1) The sales tax on account of minimum value addition as payable under this Schedule (hereinafter referred to as value addition tax), shall be levied and collected at import stage on all taxable goods as are chargeable to tax under section 3 of the Act or any notification issued thereunder at the rate specified in the Table in addition to the tax chargeable under section 3 of the Act or a notification issued thereunder:
- (2) The value addition tax under this Schedule shall not be charged on,—
  - (i) Raw materials and intermediary goods meant for use in an industrial process which are subject to customs duty at 16% or 20% ad valorem under First Schedule to the Customs Act, 1969;
  - (ii) The petroleum products falling in Chapter 27 of Pakistan Customs Tariff as imported by a licensed Oil Marketing Company for sale in the country;
  - (iii) Registered service providers importing goods for their in-house business use for furtherance of their taxable activity and not intended for further supply; and
  - (iv) Cellular mobile phones or satellite phones.
- (3) The value addition tax paid at import stage shall form part of input tax, and the importer shall deduct the same from the output tax due for the tax period, subject to limitations and restrictions under the Act, for

determining his net liability. The excess of input tax over output tax shall be carried forwarded to the next tax period as provided in section 10 of the Act.

- (4) In no case, the refund of excess input tax over output tax, which is attributable to tax paid at import stage, shall be refunded to a registered person.
- (5) The registered person, if also dealing in goods other than imported goods, shall be entitled to file refund claim of excess carried forward input tax for a period as provided in section 10 or in a notification issued there under by the Board after deducting the amount attributable to the tax paid at import stage i.e. sum of amounts paid during the claim period and brought forward to claim period. Such deducted amount may be carried forward to subsequent tax period.”.

**12 Amendments of the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001).**- In the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), the following further amendments shall be made, namely:-

- (1) in the Schedule, in column (1),—
  - (a) against S. No. 41, for the words “eighteen and a half”, the word “seventeen” shall be substituted;
  - (b) after S. No. 42 and the entries relating thereto in columns (2), (3) and (4), the following new S. No. and corresponding entries relating thereto shall be added, namely:—

|      |  |           |                 |
|------|--|-----------|-----------------|
| “43. | Advertisement on hoarding boards, pole signs and | 9802.9000 | Sixteen percent |
|------|--|-----------|-----------------|

|     |   |   |                 |
|-----|---|---|-----------------|
|     | signboards, and websites or internet  |   |                 |
| 44. | Services provided by landscape designers  | 9814.4000   | Sixteen percent |
| 45. | Sponsorship services  | 9805.9100   | Sixteen percent |
| 46. | Services provided or rendered for purchase or sale or hire of immovable property  | - -   | Sixteen percent |
| 47. | Services provided or rendered by legal practitioners and consultants  | 9815.2000   | Sixteen percent |
| 48. | Services provided by accountants and auditors   | 9815.3000   | Sixteen percent |
| 49. | Service provided or rendered by Stockbrokers, future brokers and commodity brokers, money exchanger, surveyors, outdoor photographers, event photographers, videographers, art painters, auctioneers (excluding value of goods) and registrar to an issue | 9819.1000,<br>9819.2000,<br>9819.5000,<br>9819.7000,<br>9819.8000,<br>9819.9100,<br>9819.9500<br>and<br>9819.9090 | Sixteen percent |
| 50. | Services provided by race clubs:  | - -   | Sixteen percent |

|     |   |            |                 |
|-----|---|------------|-----------------|
|     | Entry/ admission and other services   |            |                 |
| 51. | Services provided or rendered by corporate law consultants  | 9815.9000  | Sixteen percent |
| 52. | Visa processing services, including advisory or consultancy services for migration or visa application filing services                    | - -        | Sixteen percent |
| 53. | Debt collection services and other debt recovery services   | - -        | Sixteen percent |
| 54. | Supply chain management or distribution (including delivery) services   | - -        | Sixteen percent |
| 55. | Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit | - -        | Sixteen percent |
| 56. | Ready mix concrete services   | - -        | Sixteen percent |
| 57. | Public relations services   | - -        | Sixteen percent |
| 58. | Training or coaching services other than education services   | - -        | Sixteen percent |
| 59. | Cleaning services including   | 9822.2000, | Sixteen         |

|  |                                    |           |           |
|--|------------------------------------|-----------|-----------|
|  | janitorial services, collection of | 9822.3000 | percent”. |
|  | waste and processing of            | and       |           |
|  | domestic waste                     | 9822.9000 |           |

13 **Amendment of Ordinance, XLIX of 2001.**— In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(1) in section 2,—

(A) clause (1A) shall be re-numbered as "(1B)" and after clause (1), the following new clause shall be inserted, namely:—

"(1A) "active taxpayers' list" means the list instituted by the Board under section 181A and includes such list issued by the Azad Jammu and Kashmir Council Board of Revenue or Gilgit-Baltistan Council Board of Revenues";

(B) after clause (5B), the following new clause shall be inserted, namely:-

"(5C) "asset move" means the transfer of an offshore asset to an unspecified jurisdiction by or on behalf of a person who owns, possesses, controls, or is the beneficial owner of such offshore asset for the purpose of tax evasion;";

(C) after clause (22B), the following new clause shall be inserted namely:-

"(22C) "FBR Refund Settlement Company Limited" means the company with this name as incorporated under the

Companies Act, 2017 (XIX of 2017), for the purposes of settlement of income tax refund claims including payment by way of issuing refund bonds under section 171A;"

- (D) clause (23A) shall be omitted;
- (E) clause (35C) shall be omitted;
- (F) after clause (38A), the following new clauses shall be inserted, namely:-

“(38AB) “offshore asset” in relation to a person, includes any movable or immovable asset held, any gain, profit, or income derived, or any expenditure incurred outside Pakistan;

(38AC) “offshore enabler” means a person who owns, possesses, controls, or is the beneficial owner of an offshore asset and does not declare, or under declares or provides inaccurate particulars of such asset to the Commissioners.;

(38AD) “offshore evader” includes any person who, enables, assists, or advises any person to plan, design, arrange or manage a transaction or declaration relating to an offshore asset, which has resulted or may result in tax evasion;”;

(G) after clause (60), the following new clause shall be inserted, namely:-

“(60A) “specified jurisdiction” means any jurisdiction which has committed to automatically exchange information under the Common Reporting Standard with Pakistan;” and

(H) after clause (73), the following new clause shall be inserted, namely:-

“(73A) “unspecified jurisdiction” means a jurisdiction which is not a specified jurisdictions.”;

(2) in section 4B, in sub-section (2), in clause (iv), after the word “computed”, the expression “(other than brought forward depreciation and brought forward business losses)” shall be inserted;

(3) in section 7B, for sub-section (3), the following shall be substituted, namely:—

"(3) This section shall not apply to a profit on debt that—

(a) is exempt from tax under this Ordinance; or

(b) exceeds thirty six million rupees.”;

(4) in section 21, after clause (c), the following new clause shall be inserted, namely:—

"(ca) any amount of commission paid or payable in respect of supply of products listed in the Third Schedule of the Sales Tax Act, 1990, where the amount of commission paid exceeds 0.2 percent of gross amount of supplies thereof unless the person to whom commission is paid or payable, as the case may be, is

registered under the Sales Tax Act, 1990 and is appearing in the active taxpayer list under this Ordinance.";

(5) in section 24,—

(A) for sub-section (4), the following shall be substituted, namely:—

“(4) An intangible that does not have an ascertainable useful life shall be treated as if it had a normal useful life of twenty-five years.”; and

(B) in sub-section (11), after the expression "land)", the expression

"but shall not include self-generated goodwill or any adjustment arising on account of accounting treatment in the manner as may be prescribed" shall be inserted.;

(6) in section 37,—

(A) sub-section (1A) shall be omitted;

(B) after sub-section (3), the following new sub-sections shall be inserted , namely:—

"(3A) Notwithstanding anything contained in sub-section (3), the amount of any gain arising on disposal of immovable property being an open plot shall be computed in accordance with the following formula, namely:—

#### **TABLE**



| <b>S.No.</b> | <b>Holding Period</b>   | <b>Gain</b>    |
|--------------|---|----------------|
| <b>(1)</b>   | <b>(2)</b>  | <b>(3)</b>     |
| 1.           | Where the holding period of open plot does not exceed one year                          | <b>A</b>       |
| 2.           | Where the holding period of open plot is exceeds one year but does not exceed ten years | <b>A x 3/4</b> |
| 3.           | Where the holding period of open plot exceeds ten years                                 | <b>0</b>       |

where **A** is the amount of the gain determined under sub-section (2).

(3B) Notwithstanding anything contained in sub-section (3), the amount of any gain arising on disposal of immovable property being a constructed property shall be computed in accordance with the following formula, namely:—

**TABLE**

| <b>S.No.</b> | <b>Holding Period</b>                            | <b>Gain</b> |
|--------------|--|-------------|
| <b>(1)</b>   | <b>(2)</b>                                       | <b>(3)</b>  |
| 1.           | Where the holding period of constructed property | <b>A</b>    |

|    |  |                |
|----|--|----------------|
|    | does not exceed one year   |                |
| 2. | Where the holding period of constructed property exceeds one year but does not exceed five years | <b>A x 3/4</b> |
| 3. | Where the holding period of constructed property exceeds five years                              | <b>0</b>       |

where **A** is the amount of the gain determined under sub-section (2).";

(7) in section 39, in sub-section (1),—

(a) in clause (k), the word "and" at the end shall be omitted;

(b) in clause (l), for the full stop at the end, a semi colon and the word "and" shall be substituted; and

(c) after clause (l), amended as aforesaid, the following new clause shall be added, namely:—

"(la) subject to sub-section (3), any amount or fair market value of any property received without consideration or received as gift, other than gift received from grandparents, parents, spouse, real brother, real sister, son or a daughter.";

(8) in section 53, in sub-section (2), the expression "removal of anomalies in taxes, development of backward areas," shall be omitted;

(9) in section 62A, in sub-section (1), the expression "being a filer", wherever occurring, shall be omitted;

(10) after section 64B, the following new section shall be inserted, namely:—

**"64C. Tax credit for persons employing fresh graduates.—** (1) A person employing freshly qualified graduates from a university or institution recognized by Higher Education Commission shall be entitled to a tax credit in respect of the amount of annual salary paid to the freshly qualified graduates for a tax year in which such graduates are employed.

(2) The amount of tax credit allowed under sub-section (1) for a tax year shall be computed according to the following formula, namely:—

$$(A/B) \times C$$

where—

**A** is the amount of tax assessed to the person for the tax year before allowance of tax credit under this section;

**B** is the person's taxable income for the tax year; and

**C** is the lessor of —

(a) the annual salary paid to the freshly qualified graduates referred to in sub-section (1) in the year; and

(b) five percent of the person's taxable income for the year;

(3) The tax credit shall be allowed for salary paid to the number of freshly qualified graduates not exceeding fifteen percent of the total employees of the company in the tax year.

(4) In this section, "freshly qualified graduate" means a person who has graduated after the first day of July, 2017 from any institution or university recognized by the Higher Education Commission." ;

(11) in section 65B,—

(A) in sub-section (1), for the full stop, occurring at the end, a colon shall be substituted and thereafter, the following provisos shall be added, namely:—

Provided that for the tax year 2019 the rate of credit shall be equal to five percent of the amount so invested:

Provided further that the provisions of sub-section (5) relating to carry forward of the credit to be deducted from tax payable, to the following tax years, as specified in the said sub-section, shall continue to apply after tax year 2019.

(B) in sub-section (2), for the figure "2021", the figure "2019" shall be substituted;

(12) after section 75, the following new section shall be inserted, namely:—

**"75A. Purchase of assets through banking channel.— (1)**

Notwithstanding anything contained in any other law, for the time being in force, no person shall purchase—

(a) immovable property having fair market value greater than rupees five million; or

- (b) any other asset having fair market value more than one million rupees,

otherwise than by a crossed cheque drawn on a bank or through crossed demand draft or crossed pay order or any other crossed banking instrument showing transfer of amount from one bank account to another bank account.

(2) For the purposes of this section, fair market value means value notified by the Board under sub-section (4) of section 68 or value fixed by the provincial authority for the purposes of stamp duty, whichever is higher.

(3) In case the transaction is not undertaken in the manner specified in sub-section (1),—

- (a) such asset shall not be eligible for any allowance under sections 22, 23, 24 and 25 of this Ordinance; and
- (b) such amount shall not be treated as cost in terms of section 76 of this Ordinance for computation of any gain on sale of such asset.";

(13) in section 82,—

- (a) in clause (a), the word "or", occurring at the end shall be omitted; and
- (b) after clause (a), amended as aforesaid, the following new clause shall be inserted, namely:—

"(ab) is present in Pakistan for a period of, or periods amounting in aggregate to, ninety days or more in the tax year and who, in the four years preceding the tax year, has been in Pakistan for

a period of, or periods amounting in aggregate to, three hundred and sixty-five days or more; or";

(14) after section 99B, the following new section shall be inserted, namely:—

**"99C. Special procedure for certain persons.**— Notwithstanding anything contained in this Ordinance, the Federal Government may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, record keeping, filing of return and assessment in respect of such small businesses, construction businesses, medical practitioners, hospitals, educational institutions and any other sector specified by the Federal Government, in such cities or territories, as may be specified therein.";

(15) after section 100B, the following new section shall be inserted, namely:—

**"100BA. Special provisions relating to persons not appearing in active taxpayers' list.**— (1) The collection or deduction of advance income tax, computation of income and tax payable thereon shall be determined in accordance with the rules in the Tenth Schedule.

(2) The provisions of the Tenth Schedule shall have effect notwithstanding anything to the contrary contained in this Ordinance.";

(16) in section 100C,—

(A) in sub-section (1), in clause (d), for full stop at the end a semicolon shall be substituted and thereafter the following new clauses shall be added, namely:-

"(e) approval of the Commissioner has been obtained as per the requirement of clause (36) of section 2:

Provided that this clause shall take effect from the first day of July, 2020; and

(f) none of the assets of trusts or welfare institutions confers, or may confer, a private benefit to the donors or family, children or author of the trust or his descendents or the maker of the institution or to any other person:

Provided that where such private benefit is conferred, the amount of such benefit shall be added to the income of the donor:"; and

(B) in sub-section (2), clause (c) shall be omitted;

(17) in section 107, in sub-section (1B), after the expression "(XCVI of 2002)"; the expression "subject to clause (a) of sub-section (3) of section 216 of this Ordinance" shall be inserted;

(18) after section 108, the following new sections shall be inserted, namely:—

**"108A. Report from independent chartered accountant or cost and management accountant.—** (1) Where the Commissioner is of the opinion that a transaction has not been declared at arm's length, the Commissioner may obtain report from an independent chartered accountant or cost and management accountant to determine the fair market value of asset, product, expenditure or service at the time of transaction.

(2) The scope, terms and conditions of the report shall be as may be prescribed.

(3) Where the Commissioner is satisfied with the report of the independent chartered accountant or cost and management accountant, the fair market value of asset, product, expenditure or service determined in the report shall be treated as definite information for the purpose of sub-section (8) of section 122.

(4) Where the Commissioner is not satisfied with the report of the independent chartered accountant or cost and management accountant, the Commissioner may record reasons for being not satisfied with the report and seek report from another independent chartered accountant or cost and management accountant, to determine the fair market value of asset, product, expenditure or service at the time of transaction.

(5) The Commissioner shall seek report under sub-section (1) or sub-section (3), as the case may be, with prior approval of the Board.

**108AB. Transactions under dealership arrangements.—** (1) Where a person supplies products listed in the Third Schedule to the Sales Tax Act, 1990 or any other products as prescribed by the Board, under a dealership arrangement with the dealers who are not registered under the Sales Tax Act, 1990 and are not appearing in the active taxpayers' list under this Ordinance, an amount equal to seventy-five percent of the dealer's margin shall be added to the income of the person making such supplies.

(2) For the purposes of operation of this section, ten percent of the sale price of the manufacturer shall be treated as dealers margin.”;



- (19) in section 111, in sub-section (4),—
- (a) in clause (a), for the word "ten", the word "five" shall be substituted; and
  - (b) clause (c) shall be omitted;
- (20) in section 114, in sub-section (1), in clause (b), in sub-clause (iii), for the words "two hundred and fifty", the words "five hundred" shall be substituted;
- (21) in section 118, in sub-section (3), in clause (a), for the expression "31<sup>st</sup> day of August", the expression "30<sup>th</sup> day of September" shall be substituted;
- (22) after the omitted section 120A, the following new section shall be inserted, namely:—

**"120B. Restriction of proceedings.—** (1) Where any person entitled to declare undisclosed assets, undisclosed expenditure and undisclosed sales under the Assets Declaration Act, 2019 declares such assets, expenditures or sales to pay tax, no proceedings shall be undertaken under this Ordinance in respect of such declaration.

(2) Notwithstanding anything contained in any other law, for the time being in force, sub-section (3) of section 216, except the provisions of clauses (a) and (g) of sub-section (3) of section 216, particulars of the persons making declaration under the Assets Declaration Act, 2019 or any information received in any declaration made under the said Act shall be confidential.”;

- (23) in section 134A, in sub-section (2), in clause (ii),—

- (i) in sub-clause (a),—
    - (a) after the word "accountants", the expression ", cost and management accountants" shall be inserted; and
    - (b) after the word "having", the words "minimum ten years" shall be inserted;
  - (ii) in sub-clause (b), in the proviso, after the word "Accountant", wherever occurring, the words "or cost and management accountant" shall be inserted;
- (24) in section 139, sub-section (5) shall be re-numbered as "(7)" and after sub-section (4), the following new sub-sections shall be inserted, namely:—
- "(5) Notwithstanding anything contained in any other law, for the time being in force, where any tax payable by an association of persons in respect of any tax year cannot be recovered from the association of persons, every person who was, at any time in that tax year, a member of the association of persons, shall be jointly and severally liable for payment of the tax due by the association of persons.
- (6) Any member who pays tax under sub-section (5) shall be entitled to recover the tax paid from the association of persons or a share of the tax from any other member.";
- (25) in section 145, after sub-section (4), the following new sub-section shall be added, namely:-

“(5) Notwithstanding anything contained in any other law, for the time being in force, where on the basis of information received from any offshore jurisdiction, the Commissioner has reason to believe that such person who is likely to leave Pakistan may be involved in offshore tax evasion or such person is about to dispose of any such asset, the Commissioner may freeze any domestic asset of the person including any asset beneficially owned by the person for a period of one hundred and twenty days or till the finalization of proceedings including but not limited to recovery proceedings under this Ordinance whichever is earlier.”;

- (26) in section 147A, in sub-section (8), for the words “who was filer”, the words “whose name was appearing in the active taxpayers' list” shall be substituted;
- (27) in section 148,—
- (A) in sub-section (7),—
- (a) for the words "a final" the word "minimum" shall be substituted;
- (b) the expression "except as provided under sub-section (8)" shall be omitted; and
- (B) in sub-section (8A), for the word "final", the word "minimum" shall be substituted;
- (28) in section 151, in sub-section (3), for the word, "final" the word, "minimum" shall be substituted;
- (29) in section 152,—

- (A) in sub-section (1B), for the colon, a full stop shall be substituted and thereafter the proviso shall be omitted;
- (B) for the word, "final", wherever occurring, the word, "minimum" shall be substituted;
- (C) after sub-section (4A), the following new sub-section shall be inserted, namely:—

"(4B) The Commissioner may, in case of payment that constitutes part of an overall arrangement of a cohesive business operation as referred to in paragraph (ii) of sub-clause (g) of clause (41) of section 2, on application made by the person making payment and after making such inquiry, as the Commissioner thinks fit, allow by order in writing, the person to make payment after deduction of tax equal to thirty percent of the tax chargeable on such payment under sub-section (2):

Provided that the credit of the tax so deducted shall be available to the permanent establishment of the non-resident accounting for overall profits arising on the overall cohesive business operation.";

(30) in section 153,—

(A) in sub-section (3),—

(a) for the word "final", wherever occurring. the word "minimum" shall be substituted;

- (b) in clause (a), for the words "be adjustable", the words "not be minimum tax" shall be substituted;
- (c) for clause (b), the following shall be substituted, namely:—
  - “(b) tax deductible shall be a minimum tax on transactions referred to in clause (b) of sub-section (1).”;
- (d) in clause (d), the expression "with effect from tax year 2013 shall be omitted; and
- (e) in clause (e), the expression "with effect from the 1st July, 2016" shall be omitted;
- (B) in sub-section (4), for the word "adjustable", the words "not minimum" shall be substituted;
- (C) sub-section (4A) shall be omitted;
- (31) after omitted section 153A, the following new section shall be inserted, namely:-
  - “**153B. Payment of royalty to resident persons.**— (1) Every person paying an amount of royalty, in full or in part including by way of advance, to a resident person shall deduct tax from the gross amount payable (including Federal excise duty and provincial sales tax, if any) at the rate specified in Division IIIB of Part III of the First Schedule.
  - (2) The tax deductible under sub-section (1) shall be adjustable.”;

(32) in section 161, after sub-section (2), the following new sub-section shall be added, namely:—

“(3) The Commissioner may, after making, or causing to be made, such enquiries as he deems necessary, amend or further amend an order of recovery under sub-section (1), if he considers that the order is erroneous in so far it is prejudicial to the interest of revenue:

Provided that the order of recovery shall not be amended, unless the person referred to in sub-section (1) has been provided an opportunity of being heard.”;

(33) in section 165, after the expression "Chapter XII", wherever occurring, the words "or the Tenth Schedule" shall be inserted;

(34) in section 165A, in sub-section (1),—

(A) in clause (a), the expression “for filers and non-filers” shall be omitted;  
and

(B) in clause (d),—

(a) after the word “exceeding”, the words “one million rupees for filers and” shall be omitted; and

(b) after the words “thousand rupees”, the expression “for non-filers” shall be omitted;

(35) in section 168, sub-section (3) shall be omitted;

(36) in section 169, for sub-section (4), the following shall be substituted, namely:-

“(4) Where the tax collected or deducted is final tax under any provision of this Ordinance and hundred percent higher tax rate has been prescribed for the said tax under the Tenth Schedule, the final tax shall be the tax rate prescribed in the First Schedule and the excess tax collected under the Tenth Schedule specified for persons not appearing in the active taxpayers’ list shall be adjustable in case the return is filed before finalization of assessment as provided in rule 4 of the Tenth Schedule.”;

(37) after section 171, the following new section shall be inserted, namely:-

**“171A. Payment of refund through income tax refund bonds.— (1)**

Notwithstanding anything contained in sections 170 and 171, the income tax refunds payable under this Ordinance may also be paid through income tax refund bonds to be issued by FBR Refund Settlement Company Limited, in book-entry form through an establishment licensed by the Securities and Exchange Commission of Pakistan as a central depository under the Securities Act, 2015 (III of 2015), in lieu of payment to be made through issuance of cheques or bank debit advice.

(2) The Board shall issue a promissory note to FBR Refund Settlement Company Limited, hereinafter referred to as the company, incorporating the details of refund claimants and the amount of refund determined as payable to each for issuance of income tax refund bonds, hereinafter referred to as the bonds, of the same amount.

(3) The bonds shall be issued in values in multiples of one hundred thousand rupees.

(4) The bonds so issued shall have a maturity period of three years and shall bear annual simple profit at ten percent.

(5) The bonds shall be traded freely in the country's secondary markets.

(6) The bonds shall be approved security for calculating the statutory liquidity reserve.

(7) The bonds shall be accepted by the banks as collateral.

(8) There shall be no compulsory deduction of *Zakat* against the bonds and *Sahib-e-Nisab* may pay *Zakat* voluntarily according to *Shariah*.

(9) After period of maturity, the company shall return the promissory note to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

(10) The bonds shall be redeemable in the manner as in sub-section (9) before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.

(11) The refund under sub-section (1) shall be paid in the aforesaid manner to the claimants who opt for payment in such manner.

(12) The Federal Government may notify procedure to regulate the issuance, redemption and other matters relating to the bonds, as may be required.”;



(38) in section 175, after sub-section (6), the following new sub-section shall be inserted, namely:—

“(6A) The Commissioner shall, subject to the condition as may be prescribed, raid any premises where there is reliable information of undeclared gold, bearer security or foreign currency and confiscate the same in order to enforce any provision of this Ordinance.”;

(39) in section 177,—

(A) for sub-section (6), the following shall be substituted, namely:-

“(6) After completion of the audit, the Commissioner shall, after obtaining taxpayer’s explanation on all the issues raised in the audit, issue an audit report containing audit observations and findings.”; and

(B) after sub-section (6), substituted as aforesaid, the following new sub-section shall be inserted, namely:—

“(6A) After issuing the audit report, the Commissioner may, if considered necessary, amend the assessment under sub-section (1) or sub-section (4) of section 122, as the case may be, after providing an opportunity of being heard to the taxpayer under sub-section (9) of section 122.”;

(40) after section 181C, the following new section shall be inserted, namely:—

“**181D. Business licence scheme.**—Every person engaged in any business, profession or vocation shall be required to obtain and display a business licence as prescribed by the Board.”;

(41) in section 182, in sub-section (1), in the Table, in column(1),—

(A) against S.No.1, in column (3),—

(a) for the word “twenty”, wherever occurring, the words, “forty”, shall be substituted; and

(b) after the colon at the end, the following proviso shall be inserted, namely:—

“Provided that If seventy-five percent of the income is from salary and the amount of income under salary is less than five million rupees, the minimum amount of penalty shall be five thousand rupees.”;

(B) against S. No. 1AA, in column (3), for the figure “20,000”, the figure “100,000” shall be substituted;

(C) against S.No.3, in column (3), for the word ‘five”, the word “ten”, shall be substituted;

(D) against S. No. 6, in column (3), for the word “five”, the word “thirty”, shall be substituted;

(E) against S. No. 11, in column (3), for the words “twenty five”, the word, “fifty”, shall be substituted;

(F) against S. No. 12, in column (3), for the words “ twenty five, the words “one hundred”, shall be substituted;

(G) against S. No 15, in column (3), for the words “twenty five”, the word “forty” shall be substituted; and

(H) after S. No. 20 and entries relating thereto in columns (2), (3) and (4), the following new serial numbers and corresponding entries relating thereto shall be inserted, namely:-

|     |   |  |         |
|-----|---|--|---------|
| "21 | Any person who purchases immovable property having fair market value greater than rupees five million through cash or bearer cheque   | Such person shall pay a penalty of five percent of the value of property determined by the Board under sub-section (4) of section 68 or by the provincial authority for the purposes of stamp duty, whichever is higher. | 75A     |
| 22  | Where an offshore tax evader is involved in offshore tax evasion in the course of any proceedings under this Ordinance before any Income Tax authority or the appellate tribunal. | Such person shall pay a penalty of one hundred thousand rupees or an amount equal to two hundred per cent of the tax which the person sought to  | General |

|    |  |  |         |
|----|--|--|---------|
|    |  | evade, whichever is higher.  |         |
| 23 | Where in the course of any transaction or declaration made by a person an enabler has enabled, guided, advised or managed any person to design, arrange or manage that transaction or declaration in such a manner which has resulted or may result in offshore tax evasion in the course of any proceedings under this Ordinance. | Such person shall pay a penalty of three hundred thousand rupees or an amount equal to two hundred per cent of the tax which was sought to be evaded, whichever is higher. | General |
| 24 | Any person who is involved in asset move as defined in clause (5C) of section 2 of the Ordinance from a  | Such person shall pay a penalty of one hundred thousand rupees or an amount equal to one   | General |

|    |   |   |  |
|----|---|---|--|
|    | specified territory to an un-specified territory.   | hundred per cent of the tax whichever is higher.  |  |
| 25 | Where a Reporting Financial Institution fails to comply with any provisions of section 165B of the Ordinance or Common Reporting Standard Rules in Chapter XIIA of Income Tax Rules, 2002.                        | Such Reporting Financial Institution shall pay a penalty of Rs.10, 000 for each default and an additional Rs. 10,000 each month until the default is redressed. |  |
| 26 | Where a Reporting Financial Institution files an incomplete or inaccurate report under provisions of section 165B of the Ordinance and Common Reporting Standard Rules in Chapter XIIA of Income Tax Rules, 2002. | Such Reporting Financial Institution shall pay a penalty of Rs.10, 000 for each default and an additional Rs. 10,000 each month until the default is redressed. |  |

|    |   |   |  |
|----|---|---|--|
|    |   |   |  |
| 27 | Where a Reporting Financial Institution fails to obtain valid self-certification for new accounts or furnishes false self-certification made by the Reportable Jurisdiction Person under Common Reporting Standard Rules in Chapter XIIA of Income Tax Rules, 2002. | Such Reporting Financial Institution shall pay a penalty of Rs.10,000 for each default and an additional Rs. 10,000 each month until the default is redressed.  |  |
| 28 | Where a Reportable Jurisdiction Person fails to furnish valid self-certification or furnishes false self-certification under Common Reporting Standard Rules in Chapter XIIA of Income Tax Rules,   | Such Reportable Jurisdiction Person shall pay a penalty of Rs. 5,000 for each default and an additional Rs. 5,000 each month until the default is redressed.” ; |  |

|  |       |  |  |
|--|-------|--|--|
|  | 2002. |  |  |
|--|-------|--|--|

(42) in section 182A, in sub-section (1),—

(A) in clause (a), for the expression “; and”, at the end, a colon shall be substituted and thereafter the following new proviso shall be inserted, namely:—

“Provided that without prejudice to any other liability under this Ordinance, the person shall be included in the active taxpayers’ list on filing return after the due date, if the person pays surcharge at rupees—

- (i) twenty thousand in case of a company;
- (ii) ten thousand in case of an association of persons;
- (iii) one thousand in case of an individual.”;

(B) in clause (b), for the full stop at the end, a semicolon shall be substituted and thereafter the following new clauses shall be added, namely:—

- “(c) not be issued refund during the period the person is not included in the active taxpayers’ list; and
- (d) not be entitled to additional payment for delayed refund under section 171 and the period the person is not included in the active taxpayers’ list, shall not be counted for computation of additional payment for delayed refund.”;

(43) in section 191, in sub-section (1), after clause (c), the following new clause shall be inserted, namely:-

"(ca) furnish particulars or complete or accurate particulars of persons mentioned in sub-section (1) of section 165;"

(44) after section 192A, the following new section shall be inserted, namely :-

**“192B. Prosecution for concealment of an offshore asset. — (1)**

Any person who fails to declare an offshore asset to the Commissioner or furnishes inaccurate particulars of an offshore asset and revenue impact of such concealment or furnishing of inaccurate particulars is one hundred thousand rupees or more shall commit an offence punishable on conviction with imprisonment up to seven years or with a fine up to two hundred percent of the amount of tax evaded or both.”;

(45) after section 195, the following new sections shall be inserted, namely:-

**“195A. Prosecution for non-compliance with notice under section 116A.—** Any person who, without reasonable excuse, fails to comply with a notice under sub-section (2) of section 116A; shall commit an offence punishable on conviction with imprisonment up to two years or with a fine up to a penalty of two percent of the offshore asset not declared or both.

**195B. Prosecution for enabling offshore tax evasion.—** Any enabler who enables, guides or advises any person to design, arrange or manage a transaction or declaration in such a manner which results in offshore tax evasion, shall commit an offence punishable on conviction with



imprisonment for a term not exceeding seven years or with a fine up to five million rupees or both.”;

(46) in section 215, in sub-section (1),—

(A) the expression “or persons or class of persons (hereinafter called ‘filer’),” shall be omitted; and

(B) for the word, "filer" the word, "person" shall be substituted;

(47) in section 216, after sub-section (6A), the following new sub-sections, shall be inserted, namely:-

“(6B) Nothing contained in sub-section (1) shall prevent the Board from publishing the names of offshore evaders, in the print and electronic media who have evaded offshore tax equal to or exceeding rupees two and half million.

(6C) Nothing contained in sub-section (1) shall prevent the Board from publishing the names of offshore tax enablers, in the print and electronic media who have enabled offshore tax evasion.”;

(48) after section 216, amended as aforesaid, the following new section shall be inserted, namely:—

**"216A. Proceedings against persons.—**(1) Subject to section 227, the Board shall prescribe rules for initiating proceedings including criminal proceedings against any authority mentioned in section 207 and officer of the Directorates General mentioned in Part II and Part III of Chapter XI including any person subordinate to the aforesaid authorities or officers of the Directorates General who willfully and deliberately commits or omits an

act which results in personal benefits and undue advantage to the authority or the person or taxpayer or both.

(2) Where proceedings under sub-section (1) have been initiated against a person or authority, the Board shall simultaneously intimate the relevant Governmental agency to initiate criminal proceedings against the taxpayer.

(3) The proceedings under this section shall be without prejudice to any liability that the authority, person or taxpayer may incur under any other law for the time being in force.

(49) section 227C shall be omitted;

(50) after the omitted section 227C, the following new section shall be inserted, namely:—

**"227D. Automated impersonal tax regime.—** (1) The Board may design an alternate impersonal taxation regime whereby personal interaction will be minimized.

(2) The Board may, by notification in the official Gazette, prescribe the procedure in this behalf.

(3) This section shall be applicable only for low risk and compliant taxpayers as may be prescribed.”;

(51) in section 230E, in the marginal note, for the word "Tar" the word "Tax" shall be substituted;

(52) in section 230F, sub-section (23) shall be omitted;

- (53) after section 230F, amended as aforesaid, the following new sections shall be inserted, namely:—

**“230G. Directorate General of Special Initiative.—** (1) The Directorate General of Special Initiative shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.

- (2) The Board may, by notification in the official Gazette,—
- (a) specify the functions, jurisdiction and powers of the Directorate General of Special Initiative and its officers; and
  - (b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers.

**230H. Directorate General of Valuation.—** (1) The Directorate General of Valuation shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.

- (2) The Board may, by notification in the official Gazette,—
- (a) specify the functions, jurisdiction and powers of the Directorate General of Valuation and its officers; and
  - (b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers.”;

- (54) in section 231B, in sub-section (1A), for the expression “non-filer”, the expression “person whose name is not appearing in the active taxpayers' list” shall be substituted;
- (55) in section 233, for the word, "final", wherever occurring, the word "minimum" shall be substituted;
- (56) in section 234A, in sub-section (3), for the word "final" the word "minimum" shall be substituted;
- (57) in section 236C, in sub-section (3), for the word “three”, the word “five” shall be substituted;
- (58) in section 236P,—
- (a) in sub-section (1), for the expression “non-filer”, the expression “person whose name is not appearing in the active taxpayers' list” shall be substituted; and
- (b) in sub-section (2), for the expression “non-filer”, the expression “person whose name is not appearing in the active taxpayers' list” shall be substituted;
- (59) in section 236U, in sub-section (1), for the expression “non-filers”, the expression “a person whose name is not appearing in the active taxpayers' list” shall be substituted;
- (60) section 236W shall be omitted;
- (61) in the First Schedule,—
- (A) in Part I,—

(a) for Division I, the following shall be substituted, namely:—

**“Division I**

**[Rates of Tax for Individuals and**

**Association of Persons]**

(1) Subject to clause (2), the rates of tax imposed on income of every individual and association of persons except a salaried individual shall be as set out in the following Table, namely:—

**TABLE**

| <b>S. No</b> | <b>Taxable Income</b>  | <b>Rate of Tax</b>                                      |
|--------------|--|---|
| <b>(1)</b>   | <b>(2)</b>   | <b>(3)</b>  |
| 1.           | Where taxable income does not exceed Rs. 400,000                           | 0%  |
| 2.           | Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 600,000   | 5% of the amount exceeding Rs. 400,000                  |
| 3.           | Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000 | Rs. 10,000 plus 10% of the amount exceeding Rs. 600,000 |
| 4.           | Where taxable income exceeds Rs. 1,200,000 but does not                    | Rs. 70,000 plus 15% of the amount exceeding             |

|    |  |  |
|----|--|--|
|    | exceed Rs. 2,400,000   | Rs. 1,200,000  |
| 5  | Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000 | Rs. 250,000 plus 20% of the amount exceeding Rs. 2,400,000   |
| 6  | Where taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000 | Rs. 370,000 plus 25% of the amount exceeding Rs. 3,000,000   |
| 7. | Where taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000 | Rs. 620,000 plus 30% of the amount exceeding Rs. 4,000,000   |
| 8. | Where taxable income exceeds Rs. 6,000,000                                   | Rs. 1,220,000 plus 35% of the amount exceeding Rs. 6,000,000 |

(2) Where the income of an individual chargeable under the head “salary” exceeds seventy-five per cent of his taxable income, the rates of tax to be applied shall be as set out in the following Table, namely:—

**TABLE**

| <b>S. No</b> | <b>Taxable Income</b> | <b>Rate of Tax</b> |
|--------------|-----------------------|--------------------|
| <b>(1)</b>   | <b>(2)</b>            | <b>(3)</b>         |

|    |  |  |
|----|--|--|
| 1. | Where taxable income does not exceed Rs. 600,000                             | 0%   |
| 2. | Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000   | 5% of the amount exceeding Rs. 600,000                       |
| 3. | Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,800,000 | Rs. 30,000 plus 10% of the amount exceeding Rs. 1,200,000    |
| 4. | Where taxable income exceeds Rs. 1,800,000 but does not exceed Rs. 2,500,000 | Rs. 90,000 plus 15% of the amount exceeding Rs. 1,800,000    |
| 5. | Where taxable income exceeds Rs. 2,500,000 but does not exceed Rs. 3,500,000 | Rs. 195,000 plus 17.5% of the amount exceeding Rs. 2,500,000 |
| 6. | Where taxable income exceeds Rs. 3,500,000 but does not exceed Rs. 5,000,000 | Rs. 370,000 plus 20% of the amount exceeding Rs. 3,500,000   |
| 7. | Where taxable income exceeds Rs. 5,000,000 but does not                      | Rs. 670,000 plus 22.5% of the amount                         |

|     |   |  |
|-----|---|--|
|     | exceed Rs. 8,000,000  | exceeding Rs. 5,000,000  |
| 8.  | Where taxable income exceeds Rs. 8,000,000 but does not exceed Rs. 12,000,000 | Rs. 1,345,000 plus 25% of the amount exceeding Rs. 8,000,000     |
| 9.  | Where taxable income exceeds Rs. 12,000,000 but does not exceed Rs.30,000,000 | Rs. 2,345,000 plus 27.5% of the amount exceeding Rs. 12,000,000  |
| 10. | Where taxable income exceeds Rs. 30,000,000 but does not exceed Rs.50,000,000 | Rs. 7,295,000 plus 30% of the amount exceeding Rs. 30,000,000    |
| 11. | Where taxable income exceeds Rs. 50,000,000 but does not exceed Rs.75,000,000 | Rs. 13,295,000 plus 32.5% of the amount exceeding Rs. 50,000,000 |
| 12. | Where taxable income exceeds Rs.75,000,000                                    | Rs. 21,420,000 plus 35% of the amount exceeding Rs.              |



|  |  |              |
|--|--|--------------|
|  |  | 75,000,000"; |
|--|--|--------------|

- (b) in Division II, in clause (i), in the third proviso,—
- (i) for the word “and”, occurring for the first time, a “comma” shall be substituted;
  - (ii) for the expression “thereafter as set out in the following Table, namely:—”, the expression “29% for tax year 2019 and onwards.” shall be substituted; and
  - (iii) the Table shall be omitted.
- (c) in Division III,—
- (i) in paragraph (a), for the figure "7.5" the figure "15" shall be substituted;
  - (ii) in paragraph (b), for the expression " (a) and (c)" the expression "(a) and (d)" shall be substituted;
  - (iii) paragraph (c) and provision thereafter shall be omitted;
  - (iv) after paragraph (c), omitted as aforesaid, the following new paragraph shall be added, namely:—
    - "(d) 25% in the case of a person receiving dividend from a company where no tax is payable by such company due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.";

(d) in Division IIIA, for the Table, the following shall be substituted, namely:—

**“Table**

| <b>S. No.</b> | <b>Profit on debt</b>  | <b>Rate of tax</b> |
|---------------|--|--------------------|
| <b>(1)</b>    | <b>(2)</b>   | <b>(3)</b>         |
| 1.            | Where profit on debt does not exceed Rs.5,000,000                            | 15%                |
| 2.            | Where profit on debt exceeds Rs.5,000,000 but does not exceed Rs.25,000,000  | 17.5%              |
| 3.            | Where profit on debt exceeds Rs.25,000,000 but does not exceed Rs.36,000,000 | 20%                |

(e) in Division VIA, in the Table, in column (1),—

(i) against S.No.5, in column (2), after the figure"2,000,000", the expression "but does not exceed Rs.4,000,000" shall be inserted;

(ii) after S. No. 5 and entries relating thereto in columns (2) and (3), the following new serial numbers and corresponding entries relating thereto shall be inserted, namely:-

|     |                                |                             |
|-----|--------------------------------|-----------------------------|
| “6. | Where the gross amount of rent | Rs.610,000 plus 25 per cent |
|-----|--------------------------------|-----------------------------|

|    |  |   |
|----|--|---|
|    | exceeds Rs.4,000,000 but does not exceed Rs.6,000,000.                               | of the gross amount exceeding Rs.4,000,000                                |
| 7. | Where the gross amount of rent exceeds Rs.6,000,000 but does not exceed Rs.8,000,000 | Rs.1,110,000 plus 30 per cent of the gross amount exceeding Rs.6,000,000  |
| 8. | Where the gross amount of rent exceeds Rs.8,000,000                                  | Rs.1,710,000 plus 35 percent of the gross amount exceeding Rs.8,000,000”; |

(f) in Division VII,—

(i) for the Table, excluding the provisos, the following new Table shall be substituted,—

| "S.No | Period | Tax Year 2015 | Tax Year 2016 | Tax Year 2017 | Tax Years 2018, 2019 and 2020          |                                       |
|-------|--------|---------------|---------------|---------------|--|---------------------------------------|
|       |        |               |               |               | Secur ities acquired before 01.07.2016 | Securiti es acquired after 01.07.2016 |
|       |        |               |               |               |  |                                       |

|     |  |       |       |       |       |             |
|-----|--|-------|-------|-------|-------|-------------|
|     |  |       |       |       | .2016 |             |
| (1) | (2)  | (3)   | (4)   | (5)   | (6)   | (7)         |
| 1.  | Where holding period of a security is less than twelve months  | 12.5% | 15%   | 15%   | 15%   | 15%         |
| 2.  | Where holding period of a security is twelve months or more but less than twenty-four months                                 | 10%   | 12.5% | 12.5% | 12.5% |             |
| 3.  | Where holding period of a security is twenty - four months or more but the security was acquired on or after 1st July, 2013. | 0%    | 7.5%  | 7.5%  | 7.5%  |             |
| 4.  | Where the security was acquired before 1 <sup>st</sup> July, 2013  | 0%    | 0%    | 0%    | 0%    | 0%          |
| 5.  | Future commodity contracts entered into  | 0%    | 0%    | 5%    | 5%    | 5%";<br>and |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  | by the members of<br>Pakistan Mercantile<br>Exchange |  |  |  |  |  |
|--|--|--|--|--|--|--|

(g) in th

(ii) in the fifth proviso, after the full stop at the end, the following explanation shall be added, namely:-

**“Explanation.—** For removal of doubt, it is clarified that, the provisions of this proviso shall be applicable only in case of a mutual fund or collective investment scheme or a REIT scheme.”;

(h) Division VIII shall be omitted; and

(i) in Division IX, in the Table, in column (1), against serial numbers 1 to 4, for the entries in column (3), the following shall respectively be substituted, namely:—

|        |
|--------|
| “0.75% |
| 0.25%  |
| 0.3%   |
| 1.5%”; |

(B) in Part II,—

(a) for the Table, the following shall be substituted, namely—

| <b>"S.<br/>No.</b> | <b>Persons</b>  | <b>Rate</b>  |
|--------------------|---|--|
| <b>(1)</b>         | <b>(2)</b>  | <b>(3)</b>   |
| 1.                 | <p>(i) Industrial undertaking importing remeltable steel (PCT Heading 72.04) and directly reduced iron for its own use;</p> <p>(ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No.ECC-155/12/2004 dated the 9th December, 2004;</p> <p>(iii) Persons importing urea;</p> <p>(iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011</p> | 1% of the import value as increased by customs-duty, sales tax and federal excise duty |

|    |  |  |
|----|--|--|
|    | <p>and importing items covered under S.R.O. 1125(I)/2011 dated the 31st December, 2011;</p> <p>(v) Persons importing Gold;</p> <p>(vi) Persons importing Cotton; and</p> <p>(vii) Persons importing LNG]</p> |  |
| 2. | Persons importing pulses   | 2% of the import value as increased by customs-duty, sales tax and federal excise duty |
| 3. | Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31st December, 2011.                   | 3% of the import value as increased by customs-duty, sales tax and federal excise duty |
| 4. | Persons importing coal   | 4%   |

|    |   |          |
|----|---|----------|
| 5. | Persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan | 4%       |
| 6. | Ship breakers on import of ships  | 4.5%     |
| 7. | Industrial undertakings not covered under S. Nos. 1 to 6  | 5.5%     |
| 8. | Companies not covered under S. Nos. 1 to 7  | 5.5%     |
| 9. | Persons not covered under S. Nos. 1 to 8  | 6%"; and |

(b) in the proviso, the expression "being a filer;", wherever occurring, shall be omitted;

(C) in Part III,—

(a) in Division I,—

(i) in paragraph (a), for the expression "7.5%" the expression "15%" shall be substituted;

(ii) in paragraph (b), the words "for filers" shall be omitted;



- (iii) paragraph (c) and provisos thereafter shall be omitted;
- (b) in Division IA,—
- (i) for the figure “10”, the figure “15” shall be substituted;
  - (ii) the expression “for filers and “17.5%” of the yield or profit paid, for non-filers:” shall be omitted; and
  - (iii) for the proviso, the following shall be substituted, namely:—

"Provided that the rate shall be 10% in cases where yield or profit paid is rupees five hundred thousand rupees or less.";

(c) in Division IB, paragraph (d) shall be omitted;

(d) in Division II,—

- (i) in clause (1), the expression “in case a person is a filer and 13% in case the person is a non-filer” shall be omitted;
- (ii) in clause (4),—
  - (a) in sub-clause (i), the expression “, if the company is a filer and 7% if the company is a non-filer” shall be omitted; and
  - (b) in sub-clause (ii), the expression “, if the person is a filer and 7.75% if the person is a non-filer” shall be omitted;

- (iii) in clause (5), in sub-clause (ii),—
  - (a) in paragraph (a), the expression “, if the company is a filer and 14% if the company is a non-filer” shall be omitted; and
  - (b) in paragraph (b), the expression “, if the person a filer and 17.5% if the person is a non-filer” shall be omitted;
- (iv) in clause (6), in sub-clause (ii),—
  - (a) the expression “in case a person is a filer;” shall be omitted; and
  - (b) the expression “and 13% if the person is a non filer,” shall be omitted;
- (e) in Division III,—
  - (i) in clause (1), in sub-clause (b),—
    - (a) in paragraph (i), the expression “, if the company is a filer and 8% if the company is a non-filer” shall be omitted; and
    - (b) in paragraph (ii), the expression “, if the person is a filer and 9% if the person is a non-filer” shall be omitted;
  - (ii) for clause (2), the following shall be substituted, namely:—

“(2) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be—

- (i) 4% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in clause (133) of Part I of the Second Schedule, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services;
- (ii) in case of rendering of or providing of services other than sub-clause (i),—
  - (a) in case of a company, 8% of the gross amount payable;
  - (b) in any other case, 10% of the gross amount payable; and

- (c) in respect of persons making payments to electronic and print media for advertising services, 1.5% of the gross amount payable;”;
- (iii) in clause (3),—
  - (a) in sub-clause (ii), the expression “, if the company is a filer and 14% if the company is a non-filer” shall be omitted; and
  - (b) in sub-clause (iii), the expression “, if the person is a filer and 15% if the person is a non filer” shall be omitted;
- (f) after the omitted Division IIIA, the following new Division shall be inserted, namely:—

**“Division IIIB**

**Royalty paid to resident persons**

The rate of tax to be deducted under section 153B shall be 15% of the gross amount payable.”;

- (g) in Division V, in clause (a), in the Table, in column (1), —
  - (i) against S.No.5, in column (2), after the figure "2,000,000", the expression "but does not exceed Rs.4,000,000" shall be inserted;

(ii) after S. No.5 and entries relating thereto in columns (2) and (3), the following new serial numbers and corresponding entries relating thereto shall be inserted, namely:-

|     |   |   |
|-----|---|---|
| “6. | Where the gross amount of rent exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000. | Rs. 610,000 plus 25 per cent of the gross amount exceeding Rs. 4,000,000    |
| 7.  | Where the gross amount of rent exceeds Rs. 6,000,000 but does not exceed Rs. 8,000,000  | Rs. 1,110,000 plus 30 per cent of the gross amount exceeding Rs. 6,000,000  |
| 8.  | Where the gross amount of rent exceeds Rs. 8,000,000                                    | Rs. 1,710,000 plus 35 percent of the gross amount exceeding Rs. 8,000,000”; |

(iii) in clause (b), the expression “for filers and 17.5% of the gross amount of rent for non-filers” shall be omitted;

(h) in Division VI, in clause (1), the expression “for filers and 25% of the gross amount paid for non-filers” shall be omitted;

(i) in Division VIA, the expression “for filers and 17.5% for non filers” shall be omitted;

(j) in Division VIB, the expression “for filers and six per cent for non-filers” shall be omitted;

(D) in Part IV,—

(a) for Division II, the following shall be substituted, namely:—

**“Division II**

**BROKERAGE AND COMMISSION**

The rate of tax for deduction or collection under section 233 shall be as set out in the following Table, namely:—

**TABLE**

| <b>S. No.</b> | <b>Person</b>  | <b>Rate of tax</b> |
|---------------|--|--------------------|
| (1)           | (2)  | (3)                |
| 1.            | Advertising agents   | 10%                |
| 2.            | Life insurance agents where commission received is less than Rs. 0.5 million per annum | 8%                 |
| 3.            | Persons not covered in 1 and 2 above   | 12%”;              |

(b) in Division III,—

(i) in clause (1), the expression “for filer and four rupees per kilogram of the laden weight for non-filer” shall be omitted;

(ii) in clause (2), for the Table, the following shall be substituted, namely:—

| <b>"S.<br/>No.</b> | <b>Capacity</b>                                   | <b>Rs. per seat<br/>per annum</b> |
|--------------------|---|-----------------------------------|
| <b>(1)</b>         | <b>(2)</b>  | <b>(3)</b>                        |
| 1.                 | Four or more persons but less than ten persons.   | 50                                |
| 2.                 | Ten or more persons but less than twenty persons. | 100                               |
| 3.                 | Twenty persons or more.                           | 300";                             |

(iii) for clause (3), the following shall be substituted, namely:—

“(3) In case of other private motor vehicles shall be as set out in the following Table, namely:—

| <b>S. No.</b> | <b>Engine Capacity</b> | <b>Rs. per seat<br/>per annum</b> |
|---------------|------------------------|-----------------------------------|
| <b>(1)</b>    | <b>(2)</b>             | <b>(3)</b>                        |
| 1.            | upto 1000cc            | Rs. 800                           |
| 2.            | 1001cc to 1199cc       | Rs. 1,500                         |

|    |                  |              |
|----|------------------|--------------|
| 3. | 1200cc to 1299cc | Rs. 1,750    |
| 4. | 1300cc to 1499cc | Rs. 2,500    |
| 5. | 1500cc to 1599cc | Rs. 3,750    |
| 6. | 1600cc to 1999cc | Rs. 4,500    |
| 7. | 2000cc & above   | Rs. 10,000”; |

(iv) in clause (4), for the Table, the following shall be substituted, namely:—

| "S.<br>No. | Engine Capacity  | Rs. per seat<br>per annum |
|------------|------------------|---------------------------|
| (1)        | (2)              | (3)                       |
| 1.         | upto 1000cc      | Rs. 10,000                |
| 2.         | 1001cc to 1199cc | Rs. 18,000                |
| 3.         | 1200cc to 1299cc | Rs. 20,000                |
| 4.         | 1300cc to 1499cc | Rs. 30,000                |
| 5.         | 1500cc to 1599cc | Rs. 45,000                |
| 6.         | 1600cc to 1999cc | Rs. 60,000                |
| 7.         | 2000cc & above   | Rs. 120,000”;             |



- (c) in Division VI, for the expression “non-filer”, the words “the person whose name is not appearing in the active taxpayers’ list” shall be substituted;
- (d) in Division VIA, for the expression “non-filer”, the words “the person whose name is not appearing in the active taxpayers’ list” shall be substituted;
- (e) in Division VII,—
- (i) for clause (1), the following shall be substituted, namely:—

“(1) The rate of tax under sub-sections (1) and (3) of section 231B shall be as set out in the following Table:—

| S. No. | Engine capacity  | Rs. per seat per annum |
|--------|------------------|------------------------|
| (1)    | (2)              | (3)                    |
| 1.     | upto 850cc       | Rs. 7,500              |
| 2.     | 851cc to 1000cc  | Rs. 15,000             |
| 3.     | 1001cc to 1300cc | Rs. 25,000             |
| 4.     | 1301cc to 1600cc | Rs. 50,000             |
| 5.     | 1601cc to 1800cc | Rs. 75,000             |

|    |                  |               |
|----|------------------|---------------|
| 6. | 1801cc to 2000cc | Rs. 100,000   |
| 7. | 2001cc to 2500cc | Rs. 150,000   |
| 8. | 2501cc to 3000cc | Rs. 200,000   |
| 9. | Above 3000cc     | Rs. 250,000”; |

(ii) for clause (2), the following shall be substituted, namely:—

“(2) The rate of tax under sub-sections (2) of section 231B shall be as follows:—

| S. No. | Engine Capacity  | Rs. per seat per annum |
|--------|------------------|------------------------|
| (1)    | (2)              | (3)                    |
| 1.     | upto 850cc       | -                      |
| 2.     | 851cc to 1000cc  | Rs. 5,000              |
| 3.     | 1001cc to 1300cc | Rs. 7,500              |
| 4.     | 1301cc to 1600cc | Rs. 12,500             |
| 5.     | 1601cc to 1800cc | Rs. 18,750             |
| 6.     | 1801cc to 2000cc | Rs. 25,000             |

|    |                  |              |
|----|------------------|--------------|
| 7. | 2001cc to 2500cc | Rs. 37,500   |
| 8. | 2501cc to 3000cc | Rs. 50,000   |
| 9. | Above 3000cc     | Rs. 62,500”; |

- (f) in Division VIII, the expression “for filers and 15% of the gross sale price of any property or goods sold by auction for non-filers” shall be omitted;
- (g) in Division X, the expression “for filers and 2 % of the gross amount of the consideration received for non-filers” shall be omitted;
- (h) for Division XIV, the following shall be substituted, namely:—

**“Division XIV**

**Advance tax on sale to distributors, dealers or wholesalers**

The rate of collection of tax under section 236G shall be as set out in the following table, namely:—

**TABLE**

| S. No. | Category of sale       | Rate of tax |
|--------|------------------------|-------------|
| (1)    | (2)                    | (3)         |
| 1.     | Fertilizers            | 0.7%        |
| 2.     | Other than fertilizers | 0.1%”;      |

- (i) for Division XV, the following shall be substituted, namely:—

## “Division XV

### Advance tax on sale to retailers

The rate of collection of tax under section 236H on the gross amount of sales shall be as set out in the following table, namely:—

**TABLE**

| S. No. | Category of sale | Rate of tax |
|--------|------------------|-------------|
| (1)    | (2)              | (3)         |
| 1.     | Electronics      | 1%          |
| 2.     | Others           | 0.5%”;      |

- (j) in Division XVA, the expression “for filers and 1% for non-filers” shall be omitted;
- (k) for Division XVII, the following shall be substituted, namely:—

## “Division XVII

### Advance tax on dealers, commission agents and *arhatis*, etc.

The amount of collection of tax under section 236J shall be as set out in the following Table, namely:—

**TABLE**

| Group or Class   | Amount of tax<br>(per annum) |
|------------------|------------------------------|
| Group or Class A | Rs. 100,000                  |

|                    |              |
|--------------------|--------------|
| Group or Class B   | Rs. 75,000   |
| Group or Class C   | Rs. 50,000   |
| Any other category | Rs. 50,000”; |

(l) for Division XVIII, the following shall be substituted, namely:—

**““Division XVIII**

**Advance tax on purchase of immovable property**

The rate of tax to be collected under section 236K shall be 1% of the fair market value.”;

(m) in Division XXI, for the expression “non-filer”, the words “persons who are not appearing in the active taxpayers’ list” shall be substituted;

(n) in Division XXV, for the expression “non-filer”, the words “persons who are not appearing in the active taxpayers’ list” shall be substituted;

(o) in Division XXVI, for the expression “non-filers and 0% for filers”, the words “ persons who are not appearing in the active taxpayers’ list” shall be substituted;

(p) in Division, XXVII, the expression “for filers and 3% for non-filers” shall be omitted;

(61) in the Second Schedule,—

(A) in Part I,—

- (a) in clause (39A), after the word "as", the words and commas "internal security allowance, compensation in lieu of bearer allowance," shall be inserted;
- (b) in clause (61), after sub-clause (liv), the following new clause shall be added, namely:—
- "(lv) Layton Rahmatullah Benevolent Trust (LRBT).  
(lvi) Akhuwat.";
- (c) in clause (66), after clause (lxv), the following new clauses shall be added, namely:—
- "(lxvi) Akhuwat.  
(lxvii) Audit Oversight Board."
- (d) in clause (99A), in the proviso, after the figure "2020" at the end, a colon shall be added and thereafter a new proviso shall be added, namely:—
- "Provided further that the profit and gains on sale of immovable property to a rental REIT scheme shall be exempt up to the 30<sup>th</sup> day of June, 2021."
- (d) in clause (103C), for the words "has availed", the words "is eligible for" shall be substituted.;
- (e) after clause (114), the following new clause shall be added, namely:—

"(114B) Profit and gains accruing to persons mentioned in proviso to sub-section (1) of section 236C in respect of first sale of immovable property acquired from or allotted by the Federal Government or Provincial Government or any authority duly certified by the official allotment authority, and the property acquired or allotted is in recognition of services rendered by the Shaheed or the person who dies in service.";

- (f) after the omitted clause (145), the following new clause shall be added, namely:—

“(146) Any income which was not chargeable to tax prior to the commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) of any individual domiciled or company and association of persons resident in the Tribal Areas forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1<sup>st</sup> day of June, 2018 to the 30<sup>th</sup> day of June, 2023 (both days inclusive); and

- (B) in Part III,—

- (a) in clause (2),—

- (i) the words “training and” shall be omitted;
- (ii) for the figure “40”, the figure “25” shall be substituted;
- and

(iii) for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be inserted, namely:—

“Provided that this clause shall not apply to teachers of medical profession who derive income from private medical practice or who receive share of consideration received from patients.”;

(b) after clause (9), the following new clause shall be added, namely:—

"(9A) The amount of tax payable on income chargeable under the head, "Capital Gains" on disposal of immovable property shall be reduced by fifty percent on the first sale of immovable property acquired or allotted to ex-servicemen and serving personnel of Armed Forces or ex-employees or serving personnel of Federal and Provincial Governments, being original allottees of the immovable property, duly certified by the allotment authority.";

(C) in Part IV,—

(a) in clause (43E), for the figure “2.5”, the figure “3” shall be substituted;

(b) clauses (81) and (81A) shall be omitted;

(c) clause (94) shall be omitted;

(d) clause (105) shall be omitted;



- (e) after clause (109), the following new clause shall be added, namely;—

“(110) The provisions of sections in Division III of Part V of Chapter X and Chapter XII of this Ordinance for deduction or collection of withholding tax which were not applicable prior to commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) shall not apply to individual domiciled or company and association of persons resident in the Tribal Areas forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1<sup>st</sup> day of June, 2018 to the 30th day of June, 2023 (both days inclusive).”;

- (62) in the Third Schedule, in Part II, in paragraph (1), the expression “and 15% for buildings” shall be omitted;

- (63) in the Fourth Schedule, after rule 6D, the following new rule shall be inserted, namely:—

“**6E.** Notwithstanding anything contained in this Schedule, the Commissioner shall be authorized to examine and amend the amount of income as disclosed in the financial statement presented to the Securities and Exchange Commission of Pakistan with respect to commission paid and claimed for losses.”;

- (64) in the Seventh Schedule,—

- (A) in rule 1,—

- (a) in clause (c), after the second proviso, the following explanation shall be added, namely:—

*“Explanation.—* For removal of doubt, it is clarified that—

- (i) provision for advances and off balance sheet items allowed under this clause, at the rate of 1 percent or 5 percent, as the case may be, shall be exclusive of reversals of such provisions;
- (ii) reversal of “bad debts” classified as “doubtful” or “ loss” are taxable as the respective provisions have been allowed under this clause; and
- (iii) with effect from tax year 2020 and onward; reversal of “bad debts” classified as “ loss” are taxable as the respective provisions have been allowed under this clause.”

- (b) in clause (d), after the expression, ""sub-standard"", the expression "or "doubtful"" shall be inserted;

- (c) in clause (e), the expression "as 'doubtful' or" shall be omitted;

- (d) after clause (h), the following explanation shall be added, namely:—

*“Explanation.—* For removal of doubt, it is clarified that nothing contained in this Schedule shall be so construed as to

restrict power of Commissioner, while conducting audit of the income tax affairs under section 177, to call for record or such other information and documents as he may deem appropriate in order to examine accounts and records to conduct enquiry into expenditure, income, assets and liabilities of a banking company and all provisions of this Ordinance shall be applicable accordingly.";

- (B) after omitted rule 6B, the following new rule shall be inserted, namely:—

**"6C. Enhanced rate of tax on taxable income from Federal Government securities.—** (1) The taxable income arising from additional income earned from additional investment in Federal Government securities for the tax years 2020 and onwards, shall be taxed at the rate of 37.5% instead of the rate provided in Division II of Part I of the First Schedule-

(2) A banking company shall furnish a certificate from external auditor along with accounts while e-filing return of Income certifying the amount of such money invested in Federal Government securities in preceding tax year, additional investments made for the tax year and net mark-up earned from such additional investments for the tax year.

(3) Notwithstanding anything contained in this Ordinance, the Commissioner may require the banking company to furnish details of

the investments in Federal Government securities to determine the applicability of the enhanced rate of tax.

(4) "Additional income earned" means any average earned in addition to average amount of such income earned from investment in Federal Government securities by the bank for the tax year.

(5) The taxable income arising from additional investment under sub-rule (1) shall be determined according to the following formula, namely:-

Taxable income subject to enhanced rate of tax = **A x B/C**

Where-

**A** is taxable income of the banking company;

**B** is net mark up income earned from such additional income earned for the tax year as declared in the annual accounts; and

**C** is total of the net mark-up and non mark-up income of the banking company as per accounts.";

(C) in rule (7C), for full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:—

"Provided that brought forward losses, if any, shall be excluded from income computed under this Schedule for the purpose of section 4B of this Ordinance."; and

(D) in rule 7D, in sub-rule (1), the words "interest income" shall be omitted;

- (65) after the Ninth Schedule, the following new Schedule shall be added,  
namely:-

**"THE TENTH SCHEDULE**

(See section 100BA)

**RULES FOR PERSONS NOT APPEARING IN THE ACTIVE TAXPAYERS' LIST**

**1. Rate of deduction or collection of tax**—Where tax is required to be deducted or collected under any provision of this Ordinance from persons not appearing in the active taxpayers' list, the rate of tax required to be deducted or collected, as the case may be, shall be increased by hundred percent of the rate specified in the First Schedule to this Ordinance.

**2. Persons not required to file return or statement.**—(1) Where the withholding agent is satisfied that a person not appearing in the active taxpayers' list was not required to file a return of income under section 114, or a statement under sub-section (4) of section 115, as the case may be, he shall before collecting or deducting tax under this Ordinance, furnish to the Commissioner a notice in writing electronically setting out—

- (a) the name, CNIC or NTN and address of the person not appearing in the active taxpayers' list;
- (b) the nature and amount of the transaction on which tax is required to be collected or deducted; and
- (c) reason on the basis of which it is considered that the person was not required to file return or statement, as the case may be.

(2) The Commissioner, on receipt of a notice under sub-rule (1), shall within thirty days pass an order accepting the contention or making the order under sub-rule (3).

(3) Where the withholding agent has notified the Commissioner under sub-rule (1) and the Commissioner has reasonable grounds to believe that the person not appearing in the active taxpayers' list was required to file return or statement, as the case may be, the Commissioner may, by an order in writing, direct the withholding agent to deduct or collect tax under rule 1:

Provided that in case the Commissioner does not pass any order within thirty days of receipt of notice under sub-rule (1), the Commissioner shall be deemed to have accepted the contention under sub-rule (2) and approval shall be treated to have been granted.

**3. Provisional assessment.—**(1) Where for a tax year a person's tax has been collected or deducted in accordance with rule 1 and the person fails to file return of income or statement, as the case may be, for that tax year within the due date provided in section 118 or as extended by the Board, the Commissioner shall notwithstanding anything contained in sub-sections (3) and (4) of section 114 or sub-section (5) of section 115, within sixty days of the due date provided in section 118 or as extended by the Board make a provisional assessment of the taxable income of the person and issue a provisional assessment order specifying the taxable income assessed and tax due thereon.

(2) In making the provisional assessment under sub-rule (1), the Commissioner shall impute taxable income on the amount of tax deducted or

collected under rule 1 by treating the imputed income as concealed income for the purposes of clause (d) of sub-section (1) of section 111.

**4. Finalization or abatement of provisional assessment.**—(1) The provisional assessment under rule 3, shall be treated as the final assessment order after the expiry of forty-five days from the date of service of order of provisional assessment and the provisions of this Ordinance shall apply accordingly.

(2) The provisional assessment shall stand abated and shall be taken to be assessment finalized under sub-section (1) of section 120 where the returns of income for the relevant tax year and the preceding tax year along with prescribed forms, statements or documents are filed by the person within a period of forty-five days of receipt of provisional assessment order.

(3) Where returns have been filed before provisional assessment or under sub-rule (2), the tax deducted or collected under rule 1 shall be adjustable against the tax payable in the return filed for the relevant tax year.

5. Where the provisional assessment has been treated as final assessment under sub-rule (1) of rule 4, the Commissioner may within thirty days of the final assessment initiate proceedings for imposition of penalties under section 182 on account of non-furnishing of return and concealment of income.

6. For the purposes of this Schedule, imputed income means—

(a) income for individuals and association of persons which would have resulted in the amount of tax given in paragraph (1) of

Division I of the First Schedule equal to the tax collected or deducted under rule 1 for not appearing in the active taxpayers' list; or

- (b) income for companies which would have resulted in the amount of tax given in Division II of the First Schedule equal to the tax collected or deducted at the higher rate under rule 1 for not appearing in the active taxpayers' list.

7. Where the withholding agent fails to furnish in the withholding statement complete or accurate particulars of persons not appearing on active taxpayers' list, the Commissioner shall initiate proceedings under sections 182 and 191 against the withholding agent within thirty days of filing of withholding statement under section 165.

8. **Amendment of assessment.**— (1) The Commissioner may amend an assessment order where on the basis of definite information acquired from an audit or otherwise, the Commissioner is satisfied that—

- (a) any income chargeable to tax has escaped assessment; or
- (b) total income has been under-assessed, or assessed at too low a rate, or has been the subject of excessive relief or refund; or
- (c) any amount under a head of income has been misclassified.

(2) Notwithstanding the provisions of sub-rule (1), where a provisional assessment has been treated as final assessment or where in response to the provisional assessment, return has been filed within forty-five days or where assessment has been amended under sub-rule (1) and the



assessment order is considered erroneous in so far it is prejudicial to the interest of revenue, the Commissioner may, after making or causing to be made, such enquiries as he deems necessary, amend the assessment order.

(3) For the purposes of sub-rule (1), "definite information" shall have the same meaning as defined in sub-section (8) of section 122.

**9. Provisions of Ordinance to apply**—The provisions of this Ordinance not specifically dealt with in the aforesaid rules shall apply, *mutatis mutandis*, in the case of proceedings against the persons not appearing on active taxpayers' list.

10. The provisions of this Schedule shall not apply on tax collectible or deductible in case of the following sections:-

- (a) tax deducted under section 149;
- (b) tax deducted under section 152 other than sub-section (1), (1AA), (2), (2A)(b) and (2A)(c) of section 152
- (c) tax collected or deducted under section 154;
- (d) tax deducted under section 155;
- (e) tax deducted under section 156B.
- (f) tax deducted under section 231A;
- (g) tax deducted under section 231AA;
- (h) tax collected under section 233AA;
- (i) tax deducted under section 235;
- (j) tax deducted under section 235A;

- (k) tax collected under section 235B;
- (l) tax collected under section 236B;
- (m) tax collected under section 236D;
- (n) tax collected under section 236F;
- (o) tax collected under section 236I;
- (p) tax collected under section 236J ;
- (q) tax collected under section 236L;
- (r) tax collected under section 236P;
- (s) tax collected under section 236Q;
- (t) tax collected under section 236R;
- (u) tax collected under section 236U;
- (v) tax collected under section 236V;
- (w) tax collected under section 236X."

**14 Amendments of the Federal Excise Act, 2005.**- In the Federal Excise Act, 2005, the following further amendments shall be made, namely:-

- (1) in section 2, in clause (23a), for the words "Federal Government", the expression "Board, with the approval of the Minister-in-charge," shall be substituted;
- (2) in section 3, after sub-section (5), the following new sub-section shall be inserted, namely:-

“(5A) In respect of goods, specified in the Fourth Schedule, the minimum production for a month shall be determined on the basis of a single

or more inputs as consumed in the production process as per criterion specified in the Fourth Schedule and if minimum production so determined exceeds the actual supplies for the month, such minimum production shall be treated as quantity supplied during the month and the liability to pay duty shall be discharged accordingly.”;

- (3) in section 7, in sub-section (2), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;
- (4) in section 16, for sub-section (2), the following shall be substituted, namely:–

“(2) The Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt subject to such conditions as may be specified therein, any goods or class of goods or any services or class of services from the whole or any part of the duty leviable under this Act.”;
- (5) in section 19, in sub-section (2),–
  - (a) in clause (b), the word "and" at the end shall be omitted;
  - (b) in clause (c), after the semi-colon at the end, the word “and” shall be added, and thereafter, following new clause shall be added, namely:–

“(d) a person who sells cigarettes in retail at a price lower than the retail price plus the amount of sales tax as printed thereon,”;
- (6) after section 19, amended as aforesaid, the following new section shall be inserted, namely:–

**“19A. Proceedings against persons.–** (1) Subject to section 41, the Board shall prescribe rules for initiating criminal proceedings against any authority mentioned in section 29 including any person subordinate to the aforesaid authorities, who wilfully and deliberately commits or omits an act which results in personal benefits and undue advantage to the authority or the person or taxpayer or both.

(2) Where proceedings under sub-section (1) have been initiated against a person or authority, the Board shall simultaneously intimate the relevant government agency to initiate criminal proceedings against the taxpayer.

(3) The proceedings under this section shall be without prejudice to any liability that the authority, person or taxpayer may incur under any other law for the time being in force.

(7) in section 22, in sub-section (13), for the words “Federal Government”, the expression “Board, with the approval of the Minister-in-charge,” shall be substituted;

(8) In the First Schedule,–

(i) in Table, in column (1),–

(a) against S. No. 1, in column (4), for the figure “sixteen”, the figure “seventeen” shall be substituted;

(b) for S. No. 2, and entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:–

|     |                                |                    |  |
|-----|--------------------------------|--------------------|--|
| “2. | Vegetable ghee and cooking oil | Respective heading |  |
|-----|--------------------------------|--------------------|--|

|  |                           |  |                                      |
|--|---------------------------|--|--------------------------------------|
|  | (a) in retail packing     |  | Seventeen per cent of retail price   |
|  | (b) not in retail packing |  | Seventeen per cent <i>ad val.</i> ”; |

(c) against S. No. 4, 5 and 6, in column (4), for the words “eleven and half”, the word “fourteen” shall be substituted;

(d) against S. No. 7, in column (2), after the word “tobacco”, following explanation shall be added, namely:–

**“Explanation:–** The duty payable under this serial number shall always be borne by the cigarette manufacturer and the burden thereof shall not be passed on to the tobacco grower in any manner.”;

(e) for S. No. 9 and 10 and the entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:–

|     |  |       |  |
|-----|--|-------|--|
| “9. | Locally produced cigarettes if their on-pack printed retail price exceeds five thousand nine hundred and sixty | 24.02 | Rupees five thousand two hundred per thousand cigarettes |
|-----|--|-------|--|

|     |  |       |   |
|-----|--|-------|---|
|     | rupees per thousand cigarettes.  |       |   |
| 10. | Locally produced cigarettes if their on-pack printed retail price does not exceed five thousand nine hundred and sixty rupees per thousand cigarettes. | 24.02 | Rupees one thousand six hundred and fifty per thousand cigarettes”; |

- (f) S. No. 10a and entries relating thereto in columns (2), (3) and (4) shall be omitted;
- (g) against S. No. 13, in column (4), for the words “one rupee and fifty paisa”, the words “two rupees” shall be substituted;
- (h) against S. No. 31, in column (4), for the words “Seventeen rupees and eighteen paisa per hundred cubic meters”, the expression “ten rupees per Million British Thermal Unit (MMBTu)” shall be substituted;
- (i) S. No. 54 and entries relating thereto in columns (2), (3) and (4) shall be omitted;
- (j) for S. No. 55B and entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:—

|      |   |       |  |
|------|---|-------|--|
| “55B | Locally manufactured or assembled motor cars, SUVs and other motor vehicles, principally designed for the | 87.03 |  |
|------|---|-------|--|

|  |  |  |                     |
|--|--|--|---------------------|
|  | transport of persons (other than those of headings 87.02), including station wagons and racing cars: |  |                     |
|  | (a) of cylinder capacity up to 1000cc  |  | 2.5% <i>ad val.</i> |
|  | (b) of cylinder capacity from 1001cc to 2000cc   |  | 5% <i>ad val.</i>   |
|  | (c) of cylinder capacity 2001cc and above  |  | 7.5% <i>ad val.</i> |

(k) after S. No. 56 and the entries relating thereto in columns (2), (3) and (4), the following new serial numbers and corresponding entries relating thereto shall be added, namely:–

|     |   |                     |   |
|-----|---|---------------------|---|
| “57 | Fruit juices, syrups and squashes, waters containing added sugar or sweetening matter etc. excluding mineral and aerated waters | Respective headings | Five percent of retail price.           |
| 58  | Steel Billets, ingots, ship plates, bars and other long re-rolled products  | Respective headings | Seventeen percent <i>ad val.</i> ”; and |

- (I) after Table-I, under the existing Restriction-1-Reduction, after the figure “9” the expression “and 10” shall be inserted; and
- (II) in Table II, in column (1), against S. No. 3, in column (2), under clause (a),-
  - (i) against sub-clause (i), in column (4), for the words “Two thousand”, the words “fifteen hundred” shall be substituted; and
  - (ii) against sub-clause (ii), in column (4), for the words “One thousand two hundred and fifty”, the words “nine hundred” shall be substituted.

(9) in Second Schedule, in the table, in column (1), after omitted serial number 3 and entries relating thereto, the following new serial number and entries relating thereto shall be added in columns (1), (2) and (3), namely:-

|     |  |                       |
|-----|--|-----------------------|
| “4. | Steel Billets, ingots, ship plates, bars and other long re-rolled products | Respective headings“; |
|-----|--|-----------------------|

- (10) in the Third Schedule, in Table-II, in column (1), against serial number 2, in column (2),-
- (a) the clause (i) shall be omitted; and
  - (b) in clause (ii), after the word “or”, the word “terrestrial” shall be substituted; and

(11) after Third Schedule, the following new schedule shall be added, namely:-

**“FOURTH SCHEDULE”**

**(Minimum Production)**

*[See sub-section (5A) of section 3]*

**1. Minimum production of steel products.—**



The minimum production for steel products shall be determined as per criterion specified against each in the Table below:

**Table**

| <b>S. No.</b> | <b>Product</b>  | <b>Production criteria</b>                            |
|---------------|---|---|
| <b>(1)</b>    | <b>(2)</b>  | <b>(3)</b>  |
| 1.            | Steel billets and ingots                              | One metric ton per 700 kwh of electricity consumed    |
| 2.            | Steel bars and other re-rolled long profiles of steel | One metric ton per 110 kwh of electricity consumed    |
| 3.            | Ship plates   | 75% of the weight of the vessel imported for breaking |

**Procedure and conditions:–**

- (i) Both actual and minimum production, and the local supplies shall be declared in the monthly return. In case, the minimum production exceeds actual supplies for the month, the liability to pay duty shall be discharged on the basis of minimum production:

Provided that in case, in a subsequent month, the actual supplies exceed the minimum production, the registered person shall be entitled to get adjustment of excess duty on account of excess of minimum production over actual supplies:

Provided further that in a full year, as per financial year of the company or registered person, or period starting from July to June next year, in other cases, the duty actually paid shall not be less than the liability determined on the basis of minimum production for that year:

Provided also that in case of ship-breaking, the liability against minimum production, or actual supplies, whichever is higher, shall be deposited on monthly basis on proportionate basis depending upon the time required to break the vessel.

- (ii) The Board, may notify minimum values for steel products as mentioned in the Table above in exercise of powers under sub-section (5) of section 12.
- (iii) The payment of FED on ship plates in aforesaid manner does not absolve ship breakers of any tax liability in respect of items other than ship plates obtained by ship-breaking.
- (iv) The melters and re-rollers employing self-generated power shall install a tamperproof meter for measuring their consumption. Such meter shall be duly locked in room with keys in the custody of a nominee of the Commissioner Inland Revenue having jurisdiction. The officers Inland Revenue having jurisdiction shall have full access to such meter.
- (v) The minimum production of industrial units employing both distributed power and self-generated power shall be determined on the basis of total electricity consumption.

15 **Assets Declaration Act, 2019.**— There is hereby enacted Assets Declaration Act, 2019, in the manner as follows:—

**AN**

**ACT**

*to provide for voluntary declaration of undisclosed assets, sales and expenditure*

WHEREAS there is a reportedly large scale non-declaration of assets, sales and expenditure;

AND WHEREAS it is expedient to make provisions for declaration of such assets, sales and expenditure for the purposes hereinafter appearing;

AND WHEREAS it is expedient to—

- (a) allow the non-documented economy's inclusion in the taxation system; and
- (b) serve the purpose of economic revival and growth by encouraging a tax compliant economy;

It is hereby enacted as follows:—

**1. Short title, extent and commencement.**— (1) This Act shall be called the Assets Declaration Act, 2019.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

**2. Definitions.**—(1) In this Act, unless there is anything repugnant in the subject or context,—

(a) "Board" shall have the same meaning as defined in clause (8) of section 2 of the Income Tax Ordinance, 2001 (XLIX of 2001);

(b) "court of law" means a High Court or Supreme Court of Pakistan;

(c) "declarant" means a person making a declaration under section 3;

(d) "holder of public office" means a person as defined in the Voluntary Declaration of Domestic Assets Act, 2018 or his *benamidar* as defined in the *Benami* Transactions (Prohibition) Act, 2017 (V of 2017) or their spouses and dependents;

(e) "undisclosed assets" means all domestic and foreign assets of every kind the value of which has been unreported, under-reported or understated and includes *benami* assets as defined in the *Benami* Transactions (Prohibition) Act, 2017 (V of 2017);

- (f) “undisclosed expenditure” means any unexplained or unaccounted expenditure under the provisions of the Income Tax Ordinance, 2001 (XLIX of 2001) up to the tax year 2018, which has not been declared in the return of income or for which a return of income has not been filed and such expenditure is not accounted for;
  - (g) “undisclosed sales” means sales or supplies chargeable to sales tax or goods or services subject to federal excise duty under the Sales Tax Act, 1990 or the Federal Excise Act, 2005, respectively, which were not declared or have been under-declared up to the 30<sup>th</sup> June, 2018.
- (2) All other words and expressions used but not defined in this Act shall have the same meaning assigned thereto under the Income Tax Ordinance, 2001 (XLIX of 2001), the Sales Tax Act, 1990, the Federal Excise Act, 2005, the *Benami* Transactions (Prohibition) Act, 2017(V of 2017) and the rules made thereunder.

**3. Declaration of undisclosed assets, sales and expenditure.**— (1) Subject to the provisions of this Act, any person may make, on or before the 30<sup>th</sup> June, 2019, a declaration only in respect of any—

- (a) undisclosed assets, held in Pakistan and abroad, acquired up to the 30<sup>th</sup> June, 2018;
- (b) undisclosed sales made up to the 30<sup>th</sup> June, 2018;
- (c) undisclosed expenditure incurred up to the 30<sup>th</sup> June, 2018; or
- (d) *benami* assets acquired or held on or before the date of declaration.

**Explanation.**— It is clarified that the benefit under this Act shall also be available where—

- (a) any proceedings have been initiated or are pending or where any income has been assessed under the Income Tax Ordinance, 2001 (XLIX of 2001), which are relatable to undisclosed assets or expenditure except where the matter has attained finality; and
- (b) any proceedings have been initiated or are pending or have been adjudicated under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, which are relatable to any undisclosed sales or supplies except where the matter has attained finality.

**4. Charge of tax and default surcharge.—** (1) The undisclosed assets shall be chargeable to tax and default surcharge at the value mentioned in section 5 and at the rates specified in the Schedule to this Act.

(2) The undisclosed sales and expenditure shall be chargeable to tax and default surcharge at the rates specified in the Schedule to this Act.

**5. Value of assets.—**Value of assets,—

- (a) in case of domestic immovable properties shall be the cost of acquisition but shall not be less than—
  - (i) 150% of the FBR value notified under sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001);  
or
  - (ii) 150% of the DC value, where FBR value has not been notified or the FBR value is less than the DC value; or
  - (iii) 150% of FBR value notified under sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001) for land and 150% of DC value for constructed property, where FBR value has not been notified for constructed property.

- (b) in case of all other assets, shall be the price which the assets would ordinarily fetch on sale in the open market on the date of declaration but in no case shall be less than the cost of acquisition of the asset:

Provided that in case of foreign assets, the fair market value shall be determined at the exchange rate prevalent on the date of declaration.

**Explanation.—** It is clarified as follows—

- (a) in case any declarant has already filed a declaration in respect of any immovable property under the Income Tax Ordinance, 2001 (XLIX of 2001), or the Voluntary Declaration of Domestic Assets Act, 2018 and wishes to enhance the declared value of the said immovable property, he may file a declaration under this Act in terms of the value mentioned in section 5 and above; and
- (b) in case a person has already filed a declaration in respect of any immovable property which is in line with section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), or the Voluntary Declaration of Domestic Assets Act, 2018 no further proceedings or action shall be initiated against him in view of the provisions of this Act, in particular section 5 thereof.

**6. Time for payment of tax.—** (1) The due date for payment of tax chargeable under this Act shall be on or before the 30<sup>th</sup> June, 2019:

Provided that after the due date under this sub-section, the tax shall be paid on or before the 30<sup>th</sup> June, 2020 along with default surcharge at the rates given in clause (2) of the Schedule to this Act.

(2) The tax in respect of foreign assets or foreign currency held in Pakistan shall be paid in foreign currency according to the procedure prescribed by the State Bank of Pakistan, in the mode and manner provided in section 9.

(3) If a person fails to pay tax and default surcharge according to this section, the declaration made shall be void and shall be deemed to have never been made under this Act.

(4) Notwithstanding the provisions of clause (g) of section 11, in case of outstanding demand at the time of filing of declaration, the declarant may pay the amount of such tax determined by the Officer of Inland Revenue, under the provisions of the Sales Tax Act, 1990 or the Income Tax Ordinance, 2001 (XLIX of 2001), or the Federal Excise Act, 2005, without payment of default surcharge and penalty.

(5) Where a person declares undisclosed sales and in case of undisclosed assets or undisclosed expenditures resulting from such sales, he is also required to declare such assets or such expenditures or both and pay tax at the rates specified in the Schedule to this Act on such assets or expenditures or both in addition to tax on such sales.

(6) Where the declarant has paid tax under this section, no tax shall be payable by the declarant under the Income Tax Ordinance, 2001 (XLIX of 2001), in respect of undisclosed assets and undisclosed expenditures.

(7) Where the declarant has paid tax under this section, no tax shall be payable by the declarant under the Sales Tax Act, 1990 or the Federal Excise Act, 2005 in respect of undisclosed sales.

**7. Incorporation in books of account.—**(1) Where a declarant has paid tax under section 6 in respect of undisclosed assets, sales and expenditure the declarant shall be entitled to incorporate such assets, sales or expenditure in his return, wealth statement or financial statement irrespective of the fact that the asset, sales or expenditure were relatable to a year which is barred by time for the purpose of revision of return of income or wealth statement, as the case may be.

(2) No allowance, credit or deduction under any law for the time being in force shall be available for assets so incorporated.

**8. Conditions for declaration.—** The declaration made shall be valid, if—

- (a) cash held by the declarant is deposited into a bank account in the manner specified at the time of declaration and is retained in such bank account up to the 30<sup>th</sup> June, 2019; or
- (b) the foreign currency held in Pakistan declared under section 3 is deposited into declarant's own foreign currency bank account at the time of declaration and is retained in such account till the 30<sup>th</sup> June, 2019; or
- (c) the repatriated foreign liquid asset is deposited into declarant's own Pak Rupee account or his foreign currency bank account in Pakistan or is invested into Pakistan *Banao* Certificates or any foreign currency denominated bonds issued by the Federal Government; or
- (d) foreign liquid assets not repatriated to Pakistan shall be deposited in declarant's foreign bank account on or before the 30<sup>th</sup> June, 2019.



**9. Mode and manner of repatriation of assets held outside Pakistan and payment of tax thereon.**—The State Bank of Pakistan shall notify the mode and manner of—

- (a) repatriation of assets to Pakistan;
- (b) deposit of tax in foreign currency through State Bank of Pakistan; and
- (c) method of conversion of value of assets held outside Pakistan in Pak Rupees.

**10. Tax paid not refundable.**— Any amount of tax or default surcharge paid under the provisions of this Act shall not be refundable.

**11. Act not to apply to certain persons, assets or proceedings.**— The provisions of this Act shall not apply to—

- (a) holders of public office;
- (b) a public company as defined under clause (47) of section 2 of the Income Tax Ordinance, 2001 (XLIX of 2001);
- (c) any proceeds or assets that are involved in or derived from the commission of a criminal offence;
- (d) gold, precious metals, precious stones or jewelry;
- (e) bearer prize bonds;
- (f) bearer securities, bearer shares, bearer certificates, bearer bonds or any other bearer assets; or
- (g) proceedings pending in any court of law.

**12. Declaration not admissible in evidence.**— Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under this Act shall be admissible in evidence against the

declarant for the purpose of any proceedings relating to imposition of penalty or adverse action or for the purposes of prosecution under any law.

**13. Misrepresentation.**— Notwithstanding anything contained in this Act, where a declaration has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed to have been never made under this Act.

**14. Confidentiality.**— (1) Notwithstanding any other law for the time being in force including the Right of Access to Information Act, 2017 (XXXIV) and sub-section (3) of section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001), except the provisions of clauses (a) and (g) of sub-section (3) of section 216 of the Income Tax Ordinance, 2001(XLIX of 2001), particulars of any person making a declaration under this Act or any information received in any declaration made under this Act shall be confidential.

**15. Power to make rules.**— The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act including the manner, procedure, payment of tax and conditions under which the declaration under this Act shall be filed.

**16. Act to override other laws.**— The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

**17. Removal of difficulties.**— (1) If any difficulty arises in giving effect to the provisions of this Act, the Federal Government may, by notification in the official Gazette, remove such difficulty as is not inconsistent with the provisions of this Act.

**18. Revision of declaration.**— Any person who, having filed a declaration, hereinafter referred to as the “original declaration”, discovers any omission, mistake,

computational error or wrong statement therein, may file revised declaration within the due date specified in section 3, subject to the condition that the value of asset or tax thereon shall be not less than the value of asset and tax thereon, declared in the original declaration.

**19. Repeal.**— The Assets Declaration Ordinance, 2019 (III of 2019) is hereby repealed from the date of commencement of this Act.

**THE SCHEDULE**

*[see section 4]*

**Rates of Tax**

(1) The rates of tax imposed on undisclosed assets, sales and expenditures shall be as specified in the following Table, namely: —

**TABLE**

| <b>S. No.</b> | <b>Undisclosed assets, sales or expenditure</b> | <b>Rate of tax</b> |
|---------------|---|--------------------|
| <b>(1)</b>    | <b>(2)</b>                                      | <b>(3)</b>         |
| 1.            | Domestic immovable properties                   | 1.5%               |
| 2.            | Foreign liquid assets not repatriated           | 6%                 |
| 3.            | Unexplained expenditure                         | 4%                 |
| 4.            | Undisclosed Sales                               | 2%                 |
| 5.            | All other assets                                | 4%                 |

**Rates of Default Surcharge**

(2) The amount of tax under clause (1) of the Schedule shall be increased by a default surcharge, by amount as specified in column (3) of the following Table, namely:—

**TABLE**

| <b>S. No.</b> | <b>Time of payment of tax</b>  | <b>Rate of default surcharge</b> |
|---------------|--|----------------------------------|
| <b>(1)</b>    | <b>(2)</b>   | <b>(3)</b>                       |
| 1.            | If the tax is paid after the 30 <sup>th</sup> June, 2019 and on or before the 30 <sup>th</sup> September, 2019     | 10% of the tax amount            |
| 2.            | If the tax is paid after the 30 <sup>th</sup> September, 2019 and on or before the 31 <sup>st</sup> December, 2019 | 20% of the tax amount            |
| 3.            | If the tax is paid after the 31 <sup>st</sup> December, 2019 and on or before the 31 <sup>st</sup> March, 2020     | 30% of the tax amount            |
| 4.            | If the tax is paid after the 31 <sup>st</sup> March, 2020 and on or before the 30 <sup>th</sup> June, 2020         | 40% of the tax amount            |

16 **Amendments in the Finance Supplementary (Second Amendment) Act, 2019 (III of 2019).**- In the Finance Supplementary (Second Amendment) Act, 2019 (III of 2019), in section 6, for the TABLE, the following shall be substituted, namely:-

**“TABLE**

| <b>S.No.</b> | <b>Mobile Phones having C&amp;F Value (US Dollars)</b> | <b>Rate of levy per set in Pak Rupees</b> |
|--------------|--|---|
| <b>(1)</b>   | <b>(2)</b>   | <b>(3)</b>                                |
| 1            | Up to 30   | Nil                                       |
| 2            | Above 30 and up to 100                                 | Nil                                       |
| 3            | Above 100 and up to 200                                | 400                                       |
| 4            | Above 200 and up to 350                                | 1200                                      |

|   |                         |        |
|---|-------------------------|--------|
| 5 | Above 350 and up to 500 | 2800   |
| 6 | Above 500               | 5600". |