



**REANDA**

**Reanda Haroon Zakaria Associates**

Tax | Legal | Advisory



**For Clients Only**

## **COMMENTS ON FINANCE BILL – 2021**

The information contained in this booklet has been prepared on the basis of Finance Bill 2021 and is not intended to be advice on any particular matter. No person should act on the basis of any matter contained in this publication without seeking appropriate professional advice. The amendments proposed by this bill become effective from **01<sup>st</sup> July 2021** unless specified otherwise after having been enacted as Finance Act 2021 with or without modification.

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**REANDA HAROON ZAKARIA ASSOCIATES**

Dated: **June 11, 2021**

**BUDGET 2021  
AT A GLANCE**

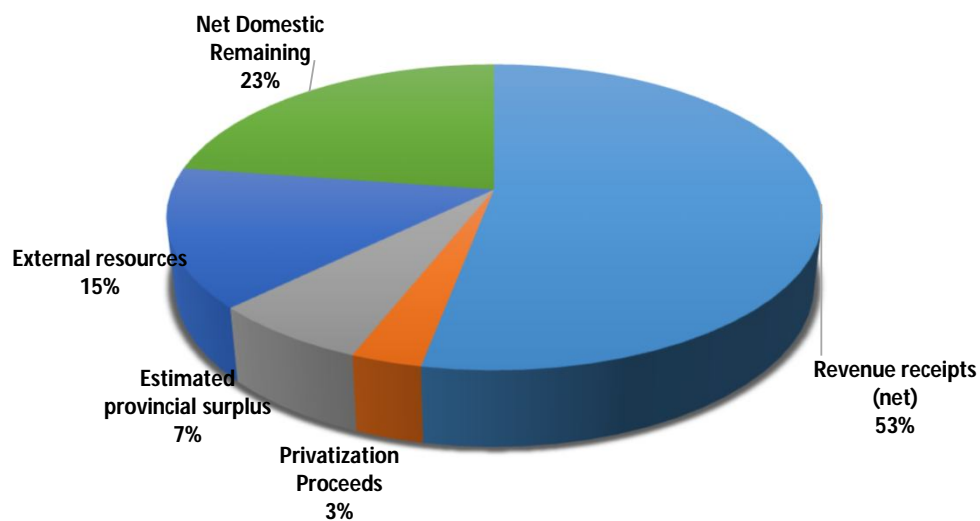
=== Rupees in Billion ===  
**2021-22**      **2020 -21**  
                          **Revised**

**RESOURCES**

**Internal resources**

Revenue receipts (net)		
Direct tax	2,182	1,789
Indirect tax	3,647	2,902
Non tax revenue	2,080	1,704
Less: Provincial share	(3,412)	(2,704)
Privatization Proceeds	252	
Estimated provincial surplus	570	242
	<b><u>5,319</u></b>	<b><u>3,933</u></b>
External resources	1,246	1,323
	<b><u>6,565</u></b>	<b><u>5,256</u></b>

Net Domestic Remaining	1,922	1,704
	<b><u>8,487</u></b>	<b><u>6,960</u></b>



**EXPENDITURES**

Current expenditures	7,523	6,687
Development expenditures (PSDP)	964	654
	<b><u>8,487</u></b>	<b><u>7,341</u></b>

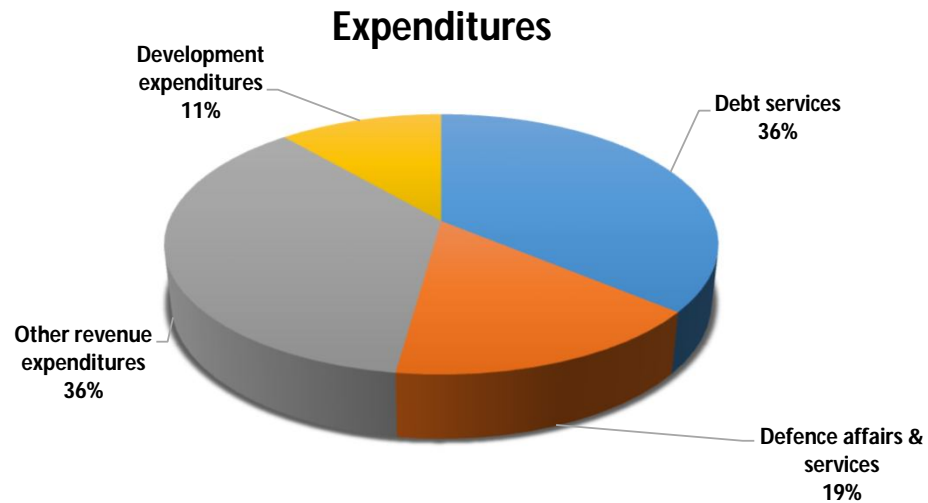
=== Rupees in Billion ===

**Revenue Receipts (Gross)**

	<b><u>2021-22</u></b>	<b><u>2020 -21</u></b> <b><u>Revised</u></b>
Direct tax	2,182	1,789
Indirect tax		
Customs	785	700
Sales Tax	2,506	1,927
Federal Excise	356	275
	<b><u>5,829</u></b>	<b><u>4,691</u></b>

**EXPENDITURES**

Debt services	3,060	2,851
Defence affairs & services	1,370	1,295
Other revenue expenditures	3,093	2,541
	<b><u>7,523</u></b>	<b><u>6,687</u></b>
Development expenditures	964	654
	<b><u>8,487</u></b>	<b><u>7,341</u></b>



# Finance Bill 2021

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## **SALIENT FEATURES**

### **FINANCE BILL 2021**

Amendment in Income Tax Ordinance, 2001, Sales Tax Act, 1990, Customs Act, 1969 and under Federal Excise Act, 2005 shall have effect on the next day of assent given to this Act by the President of the Islamic Republic of Pakistan, rest of amendments shall come into force from the first day of July, 2021.

### **INCOME TAX ORDINANCE, 2001**

- Special regime for export of services at par with export of goods to be taxed @ 1% under final tax regime.
- Expansion of scope of withholding tax collection from supply chain below manufacturers and importers of specified sectors (sections 236G and 236H).
- Broadening of scope of withholding agents for the purpose of collection of withholding tax on commission income (section 233).
- Streamlining withholding tax collection on sale and purchase of immoveable property (section 236C and 236K).
- Rationalization of withholding tax regime for exporters.
- Taxability of profit on debt component of GP fund and other such funds.
- Exemption to Special Economic Zone Enterprises from payment of minimum tax.

## **SALIENT FEATURES**

- Ten years tax exemption for Special Technology Zone Authority, Zone Developers and Zone Enterprises.
- Tax exemption on the import of capital goods and dividend income of private funds from investment in special technology zone enterprise.
- Introduction of special tax regime for manufacturing SMEs.
- Exemption from tax on income of deep conversion new refineries and BMR projects of existing refineries for 10 years.
- Withdrawal of power of tax authorities to conduct inquiry under section 122(5A).
- Adjustment of business loss against property income.
- Reduced rate of withholding tax of 3% on oilfield services, warehousing services, logistic services, collateral management services and telecommunication services.
- Inclusion of telecommunication services in definition of industrial undertaking.
- Unconditional grant of exemption from tax to certain organizations.
- Withdrawal of power of Commissioner to reject advance tax estimates presented by taxpayer.
- Non recognition of gain/loss on disposal of assets to non-residents under gift from relative, inheritance and agreement to live apart.

- Reduction in tax rate on capital gain tax on disposal of securities from 15% to 12.5%.
- Reduction in tax liability by 25% for women entrepreneurs.
- Exemption from tax on import of books and agriculture equipment.
- Exemption from tax for bagasse fired power generating units and reduced rate of tax on dividend income from such projects.
- Extension in time limits for availing tax benefits under section 100D and Eleventh Schedule vide Income Tax (Amendment) Ordinance 2021 dated 21.02.2021 made part of the bill.
- Strengthening mechanism of Alternate dispute resolution.
- Automated issuance of exemption certificates if application is not disposed by Commissioner within 15 days.
- Delegation of power of Federal Government to Board with the approval of Federal Minister in-charge.
- Removal of requirement of updating tax profile.
- Streamlining measure for monitoring of withholding taxes requiring taxpayers to file online statement along with reconciliation.
- Establishment of Directorate of compliance Risk Management in FBR.



## **SALIENT FEATURES**

- Seeks to tax interest income on normal rate of tax in case interest income exceeds Rs.5 million.
- Threshold limit in case of individual and AOP for chargeability of minimum tax enhanced from ten million to hundred million.
- Minimum tax on turnover is proposed to be reduced from 1.5% to 1.25%.
- Income from property shall be subject to normal tax regime.
- Seeks to tax income deriving from co-operative society shall be computed under head of income from business.
- Seeks to tax excess amount of consideration over cost in case of sale of immovable property under head of capital gain.
- That the payment of WWF and WPPF under any provincial law shall qualify for the purpose of deductible allowance.
- Tax credit on installation of point-of-sale machines.
- Notification of business bank accounts made mandatory.
- Measures for the documentation of business of used cars.
- Harmonization of procedure for investigation and prosecution of offences under domestic tax laws.
- Taxable capital gain on disposal of immovable property exceeds Rs.5 million shall be subject to normal tax rate.
- Tax credit for specified industrial undertakings shall be allowed at the rate of 25% of the eligible investment amount subject to condition laid down in the provision.

- No separate notice for concealment of income is required to be issued.
- No time limit for filing of return in case of foreign income or foreign assets of any person.
- Amended order to be finalized within one hundred twenty days of issuance of show cause notice.
- Power to arrest in case of concealment of income.
- Seeks to introduce E-hearing system.
- The withholding tax in case of banking transaction done away.

**SALES TAX ACT-1990**

- The minimum annual threshold of turnover from all supplies for cottage industry is proposed to be increased from Rs. 3 million to Rs. 10 million.
- The threshold of shop area in case of furniture outlet/showrooms is proposed to be increased from 1000 square feet to 2000 square feet for inclusion in tier-1 retailer.
- The retailer who has acquired point of sale accepting payment through debit or credit cards from banking companies or any other digital payment service provider authorized by State Bank of Pakistan is also included in the definition of tier-1 retailer.
- The sale of goods through online marketplace is proposed to be brought into the sales tax net by deeming the online market place as supplier in respect of third party sales through their platform.
- It is proposed to re-define the time of supply whereby the delivery of goods shall be treated as supply only.
- Public quoted limited companies are proposed to be excluded from the purview of section 8B.
- It is proposed to enhance time limit for issuance of show cause notice under section 11(5) of the Sales Tax Act, 1990.
- It is proposed to prescribe rules for determining transfer pricing of taxable supplies between associates to reflect fair market value in arm's length transactions.
- A separate section introduced for allowing extension of time for furnishing of return.

- For specified goods, it is proposed that it may be made mandatory for manufacturers of such goods to obtain brand license for each separate brand or SKU.
- To provide relief to the registered persons, the benefit of compensation for delayed payment of refund is also proposed to be extended to those persons in whose case order under section 66 is passed.
- For facilitation purpose, the concept of constructive payment is proposed to be introduced in section 73 by allowing the registered person to make the adjustment of payables and receivables in case of same party with the approval of the Commissioner Inland Revenue.
- It has been proposed to charge sales tax on supply of Sugar at standard rate on MRP except where it is supplied as an industrial raw material to pharmaceutical, beverage and confectionery industries.
- Zero-rating is proposed to be withdrawn from Petroleum Crude Oil, parts/components of zero-rated plant and machinery, import of plant and machinery by petroleum and gas sector and supply, repair and maintenance of ships.
- Sixth Schedule is proposed to be streamlined and exemptions on import of goods other than relating to basic food items, health and education are proposed to be withdrawn.
- It has been proposed to charge sales tax on supply of Ice and water at standard rate.

## **SALIENT FEATURES**

- It has been proposed to change the regime of supply of Edible oil including vegetable ghee and cooking oil from 'FED in Sales tax mode' by making it taxable under Sales Tax Act, 1990 at standard rate.
- It has been proposed to change the regime of supply of Steel billets, ingots, ship plates bars and other long re-rolled profiles from 'FED in Sales tax mode' by making it taxable under Sales Tax Act, 1990 at standard rate.
- To encourage IT industry in the country, import of plant, machinery and raw material by Special Technology Zone is proposed to be exempted from sales tax.
- Exemption on import of CKD kits for electric vehicles by manufacturers granted by Tax Laws (Amendment) Ordinance, 2021 is proposed to be incorporated in the Sixth Schedule.
- Reduced rate of sales tax @ 1% on locally supply of electric vehicles granted vide Tax Laws (Amendment) Ordinance, 2021 is proposed to be incorporated in the Sixth Schedule.
- For establishment of Border Sustenance Markets, exemption from sales tax is proposed to be granted on food related and other consumable goods.
- Eighth Schedule is proposed to be streamlined and reduced rates other than relating to basic food items, health and education are proposed to be brought into standard regime.
- Reclaimed lead and used lead batteries is an unorganized sector. Therefore, entire amount of sales tax in respect of sales of such

goods is proposed to be withheld at source under Eleventh Schedule.

- Small cars upto engine capacity of 850cc may be exempted from value added tax besides reducing sales tax rate from 17% to 12.5%.
- Exemption from value addition tax on import of CKD kits of electric vehicles (4 wheelers) i.e. small car/SUVs, 4 wheelers electric small cars/ SUVs with 50 KW battery in CBU conditions and electric vehicles (2-3 wheelers and HCVs) in CBU condition is proposed to be incorporated in the Twelfth Schedule.

**FEDERAL EXCISE ACT, 2005**

- Seeks to impose duty on mobile phone calls exceeding three minutes, SMS message and internet data usage.
- Seeks to exclude Edible and Vegetable Oil and Steel billets from FED in sales tax mode and chargeable to standard rate of sales tax .
- Seeks to impose duty on electronically heated tobacco products.
- Seeks to facilitate people of tribal areas located in FATA/PATA by giving exemption from levy of FED on industrial units.
- Seeks to exempt Federal Excise Duty on electric vehicles (4 wheelers).
- Seeks to reduce duty by 1% on telecommunication services.
- Seeks to exclude from FED on payment made on account of Merchant Discount Rate (MDR).
- Seeks to establish Border Sustenance Markets by giving exemption from federal excise duty on food related and other consumable goods.
- Seeks to exempt from FED on small cars having engine capacity of 850CC.
- Seeks to introduce new Export Facilitation Scheme, 2021 by granting exemption on import and Zero Rating on local supplies and other parts, plant & machinery and components.
- Seeks to withdraw FED on juices.
- Seeks to insert provisions regarding sharing of data with foreign countries on reciprocal basis in order to provide mechanism and assistance in recovery cases.
- Seeks to insert mandatory condition for obtaining license of brand names for specified manufactured goods.

**CUSTOMS ACT, 1969**

- Seeks to remove anomalies and restructure the tariff headings.
- Seeks to reduce and exempt duties on import of goods falling under PCT Heading 589 and 328.
- Seeks to reduce / exempt duties on import of flat rolled products of HRC and stainless steel.
- Seeks to reduce / exempt duties on inputs / raw material of food processing industry.
- Seeks to reduce / exempt duties on raw material, accessories, plant, machinery and equipment of pharmaceutical sector.
- Seeks to reduce duties on unquoted paper and paper board for printing and graphic art industries.
- Seeks to reduce / exempt duties on veterinary medicine and feed for dairy sector.
- Seeks to reduce / exempt duties on various goods relating to tourism industries, footwear industry and poultry industry and for manufacturer of aseptic plastic packaging.
- Seeks to exempt additional customs duty on import of raw material for cables, optical fiber manufacturers.
- Seeks to reduce / exempt duties on raw material of paint and chemical including artificial leather, furniture, boiler and cops manufacturing industries.
- Seeks to reduce / exempt duties on inputs for electronic manufacturing industries.



## **SALIENT FEATURES**

- Seeks to extend the exemption from duties in import of COVID-19 related items for further six months.
- Seeks to exempt duties on life saving drugs, import of grain storage hermetic bags and cocoons.
- Seeks to rationalize tariff structure of automobile sector.
- Seeks to increase RD in import of non-essential / luxury items.
- Seeks to rationalize RD on import of mobile phone to encourage import substitution.
- Seeks to reduce RD on import of cocoa paste, butter and powder being industrial input goods.
- Seeks to provide facilities to the exporters in order to boost the export.
- Seeks to reduce RD on export of molasses, skin, and hides.
- Seeks to introduce concept of common bonded warehousing to encourage small and medium enterprises.
- Seeks to empower Customs Authorities to facilitate trade and remove the certain procedural requirements for importers.
- Seeks to increase the period of validity of advance ruling from the current one year to three years.
- Seeks to provide the platform of classification committee in order to resolve the dispute relating to classification.
- Seeks to enlarge the definition of smuggling by adding the activity of retailing of unlawful goods.
- Seeks to increase the amount of fine of penalty in case of repeated offence.
- Seeks to introduce electronic assessment.

## INCOME TAX

*The amendments are applicable from date of assent by the President of Pakistan.*

SECTION	PRESENT POSITION	PROPOSED AMENDMENT THROUGH FINANCE BILL 2021
2(1B)	<p>"amalgamation" means the merger of one or more banking companies or non-banking financial institutions, 6 [or insurance companies,] 7 [or companies owning and managing industrial undertakings] 8 [or companies engaged in providing services and not being a trading company or companies] in either case 9 [at least one of them] being a public company, or a company incorporated under any law, other than Companies Ordinance, 1984 (XLVII of 1984), for the time being in force, (the company or companies which so merge being referred to as the "amalgamating company" or companies and the company with which they merge or which is formed as a result of merger, as the "amalgamated company") in such manner that</p>	<p><i>Consequential to the repeal of Companies Ordinance, 1984, the following amendment has been proposed.</i></p> <p>"amalgamation" means the merger of one or more banking companies or non-banking financial institutions, 6 [or insurance companies,] 7 [or companies owning and managing industrial undertakings] 8 [or companies engaged in providing services and not being a trading company or companies] in either case 9 [at least one of them] being a public company, or a company incorporated under any law, other than <b>Companies Act, 2017 (XIX of 2017)</b> for the time being in force, (the company or companies which so merge being referred to as the "amalgamating company" or companies and the company with which they merge or which is formed as a result of merger, as the "amalgamated company") in such manner that</p>

2(10A)	<b>Non-Existent</b>	<p><i>The following new definition has been proposed to be inserted.</i></p> <p>business bank account means a bank account utilized by the taxpayer for business transaction declared to the Commissioner through original or modified registration form prescribed under section 181</p>
2(13AA)	<b>Non-Existent</b>	<p><i>The following new definition has been proposed to be inserted.</i></p> <p><i>“(13AA) concealment of income includes –</i></p> <p><i>(a) the suppression of any item of receipt liable to tax in whole or in part, or failure to disclose income chargeable to tax;</i></p> <p><i>(b) claiming any deduction or any expenditure not actually incurred; and</i></p> <p><i>(c) any act referred to in sub-section (1) of section 111.</i></p>

2(13AA)		<p><i>Explanation.- For the removal of doubt, it is clarified that where any item of receipt declared by the taxpayer is claimed as exempt from tax, or where any deduction in respect of any expenditure is claimed, mere disallowance of such claim shall not constitute concealment of income or the furnishing of inaccurate particulars of income, unless it is proved that the taxpayer deliberately claimed exemption from tax in respect of the aforesaid item of receipt or claimed deduction in respect of such expenditure not actually incurred by him.</i></p>
2(29)	<p>"income" includes any amount chargeable to tax under this Ordinance, any amount subject to collection 3 [or deduction] of tax under section 148, 4 [150, 152(1), 153, 154, 156, 156A, 233, 233A,] 5 [.] sub-section (5) of section 234 6 and 8 any amount treated as income under any provision of this Ordinance] and any loss of income.</p>	<p><i>Consequential to the omission of section 233A definition of the income has been amended as under:</i></p> <p>"income" includes any amount chargeable to tax under this Ordinance, any amount subject to collection 3 [or deduction] of tax under section 148, 4 [150, 152(1), 153, 154, 156, 156A, 233, 233A,] 5 [.] sub-section (5) of section 234 6 7 &amp; 8 [any amount treated as income under any provision of this Ordinance] and any loss of income.</p>

2(29C)	"Industrial undertaking" means Non-Existent	<p><i>It has been proposed to include Telecommunication companies into Industrial Undertaking.</i></p> <p><b>"Industrial undertaking" means</b>  <b>"(c) telecommunication companies operating under the license of Pakistan Telecommunication Authority (PTA)</b></p>
2(30AD)	Non-Existent	<p><i>The following new definition has been proposed to be inserted</i></p> <p><b>Information Technology (IT) services include software development, software maintenance, system integration, web design, web development, web hosting and network design; and</b></p>
2(30AE)	Non-Existent	<p><i>The following new definition has been proposed to be inserted:</i></p> <p><b>IT enabled services include inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, Human Resource (HR) services, telemedicine centers, data entry operations, cloud computing services, data storage services, locally produced television programs and insurance claims processing;</b></p>

2(59A)	<b>Non-Existent</b>	<p><i>It has been proposed to insert separate tax regime for SMEs. Accordingly, following new definition clause is proposed:</i></p> <p>“small and medium enterprise” means a person who is engaged in manufacturing as defined in clause (iv) of subsection (7) of section 153 of the Ordinance and his business turnover in a tax year does not exceed two hundred and fifty million rupees:</p> <p>Provided that if annual business turnover of a small and medium enterprise exceeds two hundred and fifty million rupees, it shall not qualify as small and medium enterprise in the tax year in which annual turnover exceeds that turnover or any subsequent tax year.</p>
59(AB)	<b>“Small Company” means</b>	<p><i>Consequential to the insertion of separate tax regime for SMEs, the definition of small company is proposed to be amended as under:</i></p> <p>(iv) is not a small and medium enterprise as defined in clause (59A)</p>

62(A)	<p><b>"startup" means,—</b></p>	<p><i>It has been proposed to confer power to the board to notify any person or class of person as startup</i></p> <p><b>"startup" means,—</b></p> <p>(ii) any business of a person or class of persons, subject to the conditions as the <b>Board with the approval of Federal Minister-in-charge</b> may, by notification in the official Gazette, specify</p>
7B	<p><b>Tax on profit on debt.—</b></p> <p>(3) This section shall not apply to a profit on debt that –</p> <p>(a).....</p> <p>(b) exceeds thirty six million Rupees</p>	<p><i>It has been proposed to restrict limit of profit on debt taxable under final tax regime to five million rupees.</i></p> <p>(3) This section shall not apply to a profit on debt that –</p> <p>(a).....</p> <p>(b) exceeds <b>five</b> million Rupees</p>

12(2)(c)	<p>12. Salary.—</p>	<p><i>It has been proposed to include any allowance paid on fixed basis into definition of salary.</i></p> <p>“Explanation.— For removal of doubt, it is clarified that the allowance solely expended in the performance of employee’s duty does not include –</p> <p>(i) allowance which is paid in monthly salary on fixed basis or percentage of salary;</p> <p>(ii) allowance which is not wholly, exclusively, necessarily or actually spent on behalf of the employer.</p>
15(6)(7)	<p><b>15. Income from property</b></p> <p>(6) Income under this section derived by an individual or an association of persons shall be liable to tax at the rate specified in Division VIA of Part I of the First Schedule.</p> <p>(7) The provisions of sub-section (1), shall not apply in respect of an individual or association of persons who derive income chargeable to tax under this section not exceeding two hundred thousand rupees in a tax year and does not derive taxable income under any other head.</p>	<p><i>It has been proposed to omit separate tax regime in case of income from property.</i></p> <p><b>Omitted</b></p>



15A	<p><b>15A. Deductions in computing income chargeable under the head "Income from Property".—</b></p> <p>(1) In computing the income of a [company] chargeable to tax under the head "Income from Property" for a tax year, a deduction shall be allowed for the following expenditures or allowances, namely</p>	<p><i>It has been proposed that deductions in computing income from property shall also be allowed to individual and Association of Person.</i></p> <p><b>15A. Deductions in computing income chargeable under the head "Income from Property".—</b></p> <p>(1) In computing the income of a <b>person</b> chargeable to tax under the head "Income from Property" for a tax year, a deduction shall be allowed for the following expenditures or allowances, namely</p>
18(1)(b)	<p><b>18. Income from business.—</b></p>	<p><i>The following new self-explanatory explanation has been proposed to be inserted</i></p> <p><b>18. Income from business.—</b>  <b>Explanation. – For the removal of doubt it is clarified that income derived by co-operative societies from the sale of goods, immoveable property or provision of services to its members is and has always been chargeable to tax under the provisions of this Ordinance.</b></p>

20(1A)	<p><b>20. Deductions in computing income chargeable under the head “Income from Business”.—</b></p> <p>(1A) Subject to this Ordinance, where animals which have been used for the purposes of the business or profession otherwise than as stock-in-trade and have died or become permanently useless for such purposes, the difference between the actual cost to the taxpayer of the animals and the amount, if any, realized in respect of the carcasses or animals.</p>	<p><i>The following amendment has been proposed for the purpose of clarification.</i></p> <p><b>20. Deductions in computing income chargeable under the head “Income from Business”.—</b></p> <p>(1A) Subject to this Ordinance, where animals which have been used for the purposes of the business or profession otherwise than as stock-in-trade and have died or become permanently useless for such purposes, <b>a deduction shall be allowed equal to</b> the difference between the actual cost to the taxpayer of the animals and the amount, if any, realized in respect of the carcasses or animals.</p>
22(13)(d)	<p><b>22. Depreciation.—</b></p> <p>(13) For the purposes of this section, —</p> <p>...</p> <p>(d) where the consideration received on the disposal of immovable property exceeds the cost of the property, the consideration received shall be treated as the cost of the property.</p>	<p><i>It has been proposed that gain arising in excess of the cost of the depreciable immovable property shall be taxable under section 37.</i></p> <p><b>22. Depreciation.—</b></p> <p>(13) For the purposes of this section, —</p> <p>...</p> <p>(d) where the consideration received on the disposal of immovable property exceeds the cost of the property, <b>the excess amount shall be taxable under section 37.</b></p>

23A	23A. First Year Allowance.	<i>It has been proposed to omit the section 23A.</i>
37(1A)(2)	37. Capital gains.— ...	<p><i>It has been proposed that capital gain as computed under sub-section 3A in excess of Rupees Five million shall be taxable at normal rate. The clarification has also been proposed for taxability of habitual sale &amp; purchase of immovable property.</i></p> <p><b>Capital gains-</b></p> <p>...</p> <p>Provided that where the taxable gain on disposal of immoveable property exceeds five million rupees, it shall be chargeable to tax under sub-section (1) of this section and provisions of sub-section (3) shall not apply. However, the taxable gain shall be calculated while taking into consideration the benefit of holding period as provided in sub-section (3A).</p>

37(1A)(2)		Explanation.- For removal of doubt, it is clarified that where a person is habitually engaged in transactions of sale and purchase of immoveable property or such sale and purchase is adventure in the nature of trade and business, the provisions of this sub-section shall not apply and the income from such transactions shall be chargeable under the head Income from Business.
37(4A)(d)	<b>37. Capital gains.--</b> (4A) Where the capital asset becomes the property of the person.	<i>The following new self-explanatory proviso has been proposed to be inserted.</i>  "Provided that, if the capital asset acquired through gift is disposed of within two years of acquisition and the Commissioner is satisfied that such gift arrangement is a part of tax avoidance scheme, then the provisions of sub-section (3) of section 79 shall apply for the purpose of determining the cost of asset in the hands of recipient of the gift
39(1a)	<b>39. Income from other sources</b>  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, brother, sister, son or a daughter	<i>It has been proposed to extend scope of gift to relatives as defined in section 35.</i> <b>39.Income from other sources</b> 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 <b>relative as defined in sub-section (5) of section 85.</b>

53(2)	<p><b>53(2) Exemptions and tax concessions in the Second Schedule.</b></p> <p>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, protection of national.....</p>	<p><i>The following amendment has been proposed to confer board with the power to issue notification in respect of exemption under Second Schedule.</i></p> <p><b>53(2) Exemptions and tax concessions in the Second Schedule.</b></p> <p>The <b>[Board with the approval of the Federal Minister-in-charge may, from time to time, pursuant to the approval of the Economic Coordination Committee of the Cabinet]</b> whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national.....</p>
56(1)	<p><b>56. Set off of losses.—</b> (1) Subject to sections 58 and 59, where a person sustains a loss for any tax year under any head of income specified in section 11, the person shall be entitled to have the amount of the loss set off against the person's income, if any, chargeable to tax under any other head of income [except income under the head salary or income from property] for the year.</p>	<p><i>It has been proposed to include income from property for set off of losses.</i></p> <p><b>56. Set off of losses.—</b> (1) Subject to sections 58 and 59, where a person sustains a loss for any tax year under any head of income specified in section 11, the person shall be entitled to have the amount of the loss set off against the person's income, if any, chargeable to tax under any other head of income <b>except income under the head salary</b> for the year.</p>

57(4)(5)	<p><b>57. Carry forward of business losses.</b></p> <p>(4) The loss attributable to deductions allowed under sections 22, 23, 23A, 23B and 24 that has not been set off against income, the loss not set off shall be set off against fifty percent of the person's balance income chargeable under the head "income from business" after setting off loss under sub-section</p> <p>(1), in the following tax year and so on until completely set off: Provided that such loss shall be set off against hundred percent of the said balance income if the taxable income for the year is less than ten million Rupees.</p> <p>(5) In determining whether a person's deductions under sections 22, 23, 4 [23A, 23B] and 24 have been set off against income, the deductions allowed under those sections shall be taken into account last.</p>	<p><i>Consequential to the omission of Section 23A, the following amendment has been proposed.</i></p> <p><b>57. Carry forward of business losses</b></p> <p>(4) The loss attributable to deductions allowed under sections 22, 23, 23B and 24 that has not been set off against income, the loss not set off shall be set off against fifty percent of the person's balance income chargeable under the head "income from business" after setting off loss under sub-section</p> <p>(1), in the following tax year and so on until completely set off: Provided that such loss shall be set off against hundred percent of the said balance income if the taxable income for the year is less than ten million Rupees.</p> <p>(5) In determining whether a person's deductions under sections 22, 23, 23B and 24 have been set off against income, the deductions allowed under those sections shall be taken into account last.</p>
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60A	<p><b>60A. Workers' Welfare Fund.—</b> A person shall be entitled to a deductible allowance for the amount of any Workers' Welfare Fund paid by the person in tax year under Workers' Welfare Fund Ordinance, 1971 (XXXVI of 1971)</p>	<p><i>It has been proposed that deductible allowance shall also be allowed where payment is made under provincial law.</i></p> <p><b>60A. Workers' Welfare Fund.—</b> A person shall be entitled to a deductible allowance for the amount of any Workers' Welfare Fund paid by the person in tax year under Workers' Welfare Fund Ordinance, 1971 (XXXVI of 1971) <b>"or under any law relating to the Workers' Welfare Fund enacted by Provinces after the eighteenth Constitutional amendment Act, 2010"</b></p> <p><b>"Provided that this section shall not apply in respect of any amount of Workers' Welfare Fund paid to the Provinces by a trans-provincial establishment."</b></p>
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60B	<p><b>60B. Workers' Participation Fund.—</b>  A person shall be entitled to a deductible allowance for the amount of any Workers' Participation Fund paid by the person in a tax year in accordance with the provisions of the Companies Profit (Workers' Participation) Act, 1968 (XII of 1968)</p>	<p><i>It has been proposed that deductible allowance shall also be allowed where payment is made under provincial law.</i></p> <p><b>60B. Workers' Participation Fund.—</b>  A person shall be entitled to a deductible allowance for the amount of any Workers' Participation Fund paid by the person in a tax year in accordance with the provisions of the Companies Profit (Workers' Participation) Act, 1968 (XII of 1968) <b>or under any law relating to the Workers' Profit Participation Fund enacted by Provinces after the eighteenth Constitutional amendment Act, 2010"</b></p> <p><b>"Provided that this section shall not apply in respect of any amount of Workers' Profit Participation Fund paid to the province by a trans-provincial establishment.</b></p>
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61	<p><b>61.Charitable donations.—</b>          (1) A person shall be entitled to a tax credit in respect of any sum paid, or any property given by the person in the tax year as a donation to —          (a) any board of education or any university in Pakistan established by, or under, a Federal or a Provincial law;          (b) any educational institution, hospital or relief fund established or run in Pakistan by Federal Government or a Provincial Government or a Local Government; or          (c) any non-profit organization.</p>	<p><i>Consequential to the omission of clause (61) and insertion of Thirteen Schedule amendment has been proposed as under:</i></p> <p><b>61.Charitable donations.—</b>          (1) A person shall be entitled to a tax credit in respect of any sum paid, or any property given by the person in the tax year as a donation, <b>voluntary contribution or subscription to</b>          (a) any board of education or any university in Pakistan established by, or under, a Federal or a Provincial law;          (b) any educational institution, hospital or relief fund established or run in Pakistan by Federal Government or a Provincial Government or a Local Government; or          (c) any non-profit organization <b>or any person eligible for tax credit under section 100C of this Ordinance; or</b>          (d) entities, organizations and funds mention in the Thirteenth Schedule to this Ordinance..</p>
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64D	Non-Existent	<p><b>"64D. Tax credit for point of sale machine.–</b> (1) Any person who is required to integrate with Board's computerized system for real time reporting of sale or receipt, shall be entitled to tax credit in respect of the amount invested in purchase of point of sale machine.</p> <p>(2) The amount of tax credit allowed under sub-section (1) for a tax year in which point of sale machine is installed, integrated and configured with the Board's computerized system shall be lesser of –</p> <p>(a) amount actually invested in purchase of point of sale machine; or</p> <p>(b) rupees one hundred and fifty thousand per machine.</p> <p>(3) For the purpose of this section, the term point of sale machine means a machine meant for processing and recording the sale transactions</p>
65C	Tax credit for enlistment.	<i>The proposed amendment seeks to omit tax credit on enlistment.</i>
65D	Tax credit for newly established industrial undertakings.	<i>The proposed amendment seeks to omit redundant section for tax credit.</i>

65F	Non-Existent	<p><i>The following amendment seeks to provide tax credit on certain persons instead of exemptions available under second schedule</i></p> <p><b>65F Tax credit for certain persons.-</b> (1) Income of following taxpayers shall be allowed a tax credit equal to one hundred per cent of the tax payable under any provisions of this Ordinance including minimum and final taxes for the period, to the extent, upon fulfillment of conditions and subject to limitations detailed as under: -</p> <p>(a) persons engaged in coal mining projects in Sindh supplying coal exclusively to power generation projects;</p> <p>(b) a startup as defined in clause (62A) of section 2 for the tax year in which the startup is certified by the Pakistan Software Export Board and the next following two tax years;</p> <p>(c) persons deriving income from exports of computer software or IT services or IT enabled services upto the period ending on the 30th day of June, 2025:</p> <p>Provided that eighty per cent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels.</p>
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65F		<p>(2) The tax credit under sub-section (1) shall be available subject to fulfillment of the following conditions, where applicable, namely:-</p> <p>(a) return has been filed ;</p> <p>(b) withholding tax statements for the relevant tax year have been filed in respect of those provisions of the Ordinance, where the person is a withholding agent; and</p> <p>(c) sales tax returns for the tax periods corresponding to relevant tax year have been filed if the person is required to file Sales Tax Return under any of the Federal or Provincial sales tax laws.</p>
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65G	Non-Existent	<p><i>The proposed amendment seeks to provide tax credit of specified industrial undertakings.</i></p> <p><b>65G Tax credit for specified industrial undertakings.-</b> (1) When making certain eligible capital investments as specified in sub-section (2), the eligible taxpayers defined in sub-section (3) shall be allowed to take an investment tax credit of twenty-five percent of the eligible investment amount, against tax payable under the provisions of this Ordinance including minimum and final taxes. The tax credit not fully adjusted during the year of investment shall be carried forward to the subsequent tax year subject to the condition that it may be carried forward for a period not exceeding two years.</p> <p>(2) For the purposes of this section, the eligible investment means investment made in purchase and installation of new machinery, buildings, equipment, hardware and software, except self-created software and used capital goods</p>
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65G	<p>(3) For the purpose of this section, eligible person means —</p> <p>(a) green field industrial undertaking as defined in clause (27A) of section 2 engaged in —</p> <p>(i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition; or</p> <p>(ii) ship building:</p> <p>Provided that the person incorporated between the 30th day of June, 2019 and the 30<sup>th</sup> day of June, 2024 and the person is not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project; and (b) industrial undertaking set up by the 30th day of June 2023 and engaged in the manufacture of plant, machinery, equipment and items with dedicated use (no multiple uses) for generation of renewable energy from sources like solar and wind, for a period of five years beginning from the date such industrial undertaking is set up.</p>
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79	<p><b>Non-recognition rules.—</b>                      (2) Sub-section (1) shall not apply where the person acquiring the asset is a non-resident person at the time of the acquisition.</p>	<p><i>The proposed amendment seeks to reduce scope of sub-section (2) where scope of non-recognition rules were not to be applied in case of non-resident person.</i></p> <p><b>79. Non-recognition rules.—</b>                      ...                      (2) Sub-section (1) shall not apply where the person acquiring the asset is a non-resident person at the time of the acquisition <b>in respect of disposal of an asset as mentioned in clauses (d), (e) and (f)</b></p>
99B	<p><b>Special procedure for small traders and shopkeepers:-</b>                      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, filing of return and assessment in respect of such small traders and shopkeepers, in such cities or territories, as may be specified therein.</p>	<p><i>The proposed amendment seeks to confer power to the Board to issue notification in this section.</i></p> <p><b>99B. Special procedure for small traders and shopkeepers:-</b>                      Notwithstanding anything contained in this Ordinance the <b>Board with the approval of the Minister-in-charge</b> may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, filing of return and assessment in respect of such small traders and shopkeepers, in such cities or territories, as may be specified therein.</p>

99C	<p><b>Special procedure for certain persons.-</b> 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 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</p>	<p><i>The proposed amendment seeks to confer power to the Board to issue notification in this section.</i></p> <p><b>99C. Special procedure for certain persons.-</b> Notwithstanding anything contained in this Ordinance, the <b>Board with the approval of the Minister-in-charge</b> 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 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.</p>
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100	<p><b>Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits.—</b></p> <p>(3) The profits and gains of any business which consists of, or includes, the exploration and extraction of such mineral deposits of a wasting nature (not being petroleum or natural gas) as may be specified in this behalf by the Federal Government carried on by a person in Pakistan shall be computed in accordance with the rules in Part II of the Fifth Schedule.</p>	<p><i>The proposed amendment seeks to confer power to the Board to issue notification in this section.</i></p> <p><b>100. Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits.—</b></p> <p>(3) The profits and gains of any business which consists of, or includes, the exploration and extraction of such mineral deposits of a wasting nature (not being petroleum or natural gas) as may be specified in this behalf by the <b>Board with the approval of the Minister-in-charge</b> carried on by a person in Pakistan shall be computed in accordance with the rules in Part II of the Fifth Schedule.</p>
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100C	<p><b>Tax credit for certain persons.-</b>  (1) The income of Non-profit organizations, trusts or welfare institutions, as mentioned in sub-section (2) shall be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance, subject to the following conditions, namely:-  (a) return has been filed;  (b) tax required to be deducted or collected has been deducted or collected and paid;  (c) withholding tax statements for the immediately preceding tax year have been filed;  (d) the administrative and management expenditure does not exceed 15% of the total receipts: Provided that clause (d) shall not apply to a non-profit organization, if—  (i) charitable and welfare activities of the non-profit organization have commenced for the first time within last three years; and  (ii) total receipts of the non-profit organization during the tax year are less than one hundred million Rupees;(e) approval of Commissioner has been obtained as per the requirement of clause (36) of section 2:</p>	<p>It has been proposed to substitute section 100C as under:</p> <p><b>100C. Tax credit for charitable organizations.—</b>  (1) The persons mentioned in sub-section (2) shall be allowed a tax credit equal to one hundred percent of tax payable under any of the provisions of this Ordinance including minimum and final taxes in respect of incomes mentioned in sub-section (3) subject to the conditions and limitations laid down in sub-section (4).  (2) The provisions of this section shall apply to the following persons, namely:—  (a) persons specified in Table - II of clause (66) of Part I of the Second Schedule to this Ordinance;  (b) a trust administered under a scheme approved by the Federal Government and established in Pakistan exclusively for the purposes of carrying out such activities as are for the welfare of ex-employees and serving personnel of the Federal Government or a Provincial Government or armed forces including civilian employees of armed forces and their dependents where the said trust is administered by a committee nominated by the Federal Government or a Provincial Government;</p>
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100C	<p>Provided that this clause shall take effect from the first day of July, 2020;</p> <p>(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 descendants 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</p> <p>(g) a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner.</p> <p>(1A) Notwithstanding anything contained in sub-section (1), surplus funds of non-profit organizations, trusts or welfare institutions shall be taxed at a rate of ten percent.</p> <p>(1B) For the purpose of sub-section (1A), surplus funds mean funds or monies:</p> <p>(a) not spent on charitable and welfare activities during the tax year;</p> <p>(b) received during the tax year as donations, voluntary contributions, subscriptions and other incomes;</p>	<p>(c) a trust;</p> <p>(d) a welfare institution registered with Provincial or Islamabad Capital Territory (ICT) social welfare department;</p> <p>(e) a not for profit company registered with the Securities and Exchange Commission of Pakistan under section 42 of the Companies Act, 2017;</p> <p>(f) a welfare society registered under the provincial or Islamabad Capital Territory (ICT) laws related to registration of co-operative societies;</p> <p>(g) a waqf registered under Mussalman Waqf Validating Act, 1913 (VI of 1913) or any other law for the time being in force or in the instrument relating to the trust or the institution;</p> <p>(h) a university or education institutions being run by nonprofit organization existing solely for educational purposes and not for the purposes of profit;</p> <p>(i) a religious or charitable institution for the benefit of public registered under any law for the time being in force; and</p> <p>(j) international non-governmental organizations (INGOs) approved by the Federal Government.</p>
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<p>(c) which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year; and (d) are not part of restricted funds.</p> <p>Explanation.- For the purpose of this sub-section, "restricted funds" mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.</p> <p>(2) Persons and incomes eligible for tax credit under this section include-</p> <p>(a) any income of a trust or welfare institution or non-profit organization from donations, voluntary contributions, subscriptions, house property, investments in the securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities:</p> <p>Provided that in the case of income under the head "income from business", the exemption in respect of income under the said head shall not exceed an amount which bears to the income, under the said head, the same proportion as the said amount bears to the aggregate of the incomes from the aforesaid sources of income.</p>	<p>(3) The following income is eligible for tax credit, namely:—</p> <p>(a) income from donations, voluntary contributions and subscriptions;</p> <p>(b) income from house property;</p> <p>(c) income from investments in the securities of the Federal Government;</p> <p>(d) profit on debt from scheduled banks and microfinance banks;</p> <p>(e) grant received from Federal, Provincial, Local or foreign Government;</p> <p>(f) so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities:</p> <p>Provided that in the case of income under the head "income from business", only so much of such income shall be eligible for tax credit under this section that bears the same proportion as the said amount of business income bears to the aggregate of income from all sources; and</p> <p>(g) any income of the persons mentioned in clauses (a), (b) and (h) of sub-section (2) of this section.</p>
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100C	<p>(b) a trust administered under a scheme approved by the Federal Government in this behalf and established in Pakistan exclusively for the purposes of carrying out such activities as are for the benefit and welfare of—</p> <p>(i) ex-servicemen and serving personnel, including civilian employees of the Armed Forces, and their dependents; or</p> <p>(ii) ex-employees and serving personnel of the Federal Government or a Provincial Government and their dependents, where the said trust is administered by a committee nominated by the Federal Government or, as the case may be, a Provincial Government;</p> <p>(c) ...</p> <p>(d) income of a university or other educational institution being run by a non-profit organization existing solely for educational purposes and not for purposes of profit;</p>	<p>(4) Eligibility for tax credit shall be subject to the following conditions, namely:-</p> <p>(a) return has been filed;</p> <p>(b) tax required to be deducted or collected has been deducted or collected and paid;</p> <p>(c) withholding tax statements for the relevant tax year have been filed;</p> <p>(d) the administrative and management expenditure does not exceed 15% of the total receipts: Provided that clause (d) shall not apply to a nonprofit organization, if-</p> <p>(i) charitable and welfare activities of the nonprofit organization have commenced for the first time within last three years; or</p> <p>(ii) total receipts of the non-profit organization during the tax year are less than one hundred million Rupees;</p> <p>(e) approval of Commissioner has been obtained as per requirement of clause (36) of section 2: Provided that the condition of approval in respect of persons mentioned in Table — II of clause (66) of Part I of the Second Schedule to this Ordinance, shall take effect from the first day of July, 2022 and the requirements of clause (36) of section 2, shall not be applicable for earlier years;</p>
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100C	<p>(e) any income which is derived from investments in securities of the Federal Government, profit on debt from scheduled banks and microfinance banks, grant received from Federal Government or Provincial Government or District Governments, foreign grants and house property held under trust or other legal obligations wholly, or in part only, for religious or charitable purposes and is actually applied or finally set apart for application thereto:</p> <p>Provided that nothing in this clause shall apply to so much of the income as is not expended within Pakistan:</p> <p>Provided further that if any sum out of the amount so set apart is expended outside Pakistan, it shall be included in the total income of the tax year in which it is so expended or of the year in which it was set apart, whichever is the greater, and the provisions of section 122 shall not apply to any assessment made or to be made in pursuance of this proviso.</p>	<p>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 descendants 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 a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner.</p> <p>(5) Notwithstanding anything contained in sub-section (1), surplus funds of organizations to which this section applies shall be taxed at a rate of ten percent.</p> <p>(6) For the purpose of sub-section (5), surplus funds mean funds or monies —</p>
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100C	<p><b>Explanation.—</b> Notwithstanding anything contained in the Mussalman Wakf Validating Act, 1913 (VI of 1913), or any other law for the time being in force or in the instrument relating to the trust or the institution, if any amount is set apart, expended or disbursed for the maintenance and support wholly or partially of the family, children or descendents of the author of the trust or the donor or, the maker of the institution or for his own maintenance and support during his life time or payment to himself or his family, children, relations or descendents or for the payment of his or their debts out of the income from house property dedicated, or if any expenditure is made other than for charitable purposes, in each case such expenditure, provision, setting apart, payment or disbursement shall not be deemed, for the purposes of this clause, to be for religious or charitable purposes; or (f) any income of a religious or charitable institution derived from voluntary contributions applicable solely to religious or charitable purposes of the institution: Provided that nothing contained in this clause shall apply to the income of a private religious trust which does not ensure for the benefit of the public.</p>	<p>(a) not spent on charitable and welfare activities during the tax year;</p> <p>(b) received during the tax year as donations, voluntary contributions, subscriptions and other incomes;</p> <p>(c) which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year; and</p> <p>(d) are not part of restricted funds.</p> <p><b>Explanation.-</b> For the purpose of this clause, "restricted funds" mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor or funds received in kind.</p>
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100E	Non-Existent	<p><i>The proposed amendment seeks to provide special tax regime for SMEs.</i></p> <p><b>100E. Special provisions relating to small and medium enterprises.-</b></p> <p>(1) For tax year 2021 and onwards, the tax payable by a small and medium enterprise as defined in clause (59A) of section 2 shall be computed and paid in accordance with rules made under the Fourteenth Schedule.</p> <p>(2) The Board may prescribe a simplified return for a small and medium enterprise</p>
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107(1)	<p><b>Agreements for the avoidance of double taxation and prevention of fiscal evasion.</b></p> <p>(1) The Federal Government may enter into a tax treaty, a tax information exchange agreement, a multilateral convention, an inter-governmental agreement or similar agreement or mechanism for the avoidance of double taxation or for the exchange of information for the prevention of fiscal evasion or avoidance of taxes including automatic 3 [and spontaneous] exchange of information with respect to taxes on income imposed under this Ordinance or any other law for the time being in force and under the corresponding laws in force in that country and may, by notification in the official Gazette, make such provisions as may be necessary for implementing the said instruments.”;] and]</p>	<p><i>It has been proposed to provide legislative cover to recovery of tax under agreements for the avoidance of double taxation.</i></p> <p><b>107. Agreements for the avoidance of double taxation and prevention of fiscal evasion.</b></p> <p>(1) The Federal Government may enter into a tax treaty, a tax information exchange agreement, a multilateral convention, an inter-governmental agreement or similar agreement or mechanism for the avoidance of double taxation or for the exchange of information for the prevention of fiscal evasion or avoidance of taxes <b>or assistance in the recovery of taxes</b> including automatic 3 [and spontaneous] exchange of information with respect to taxes on income imposed under this Ordinance or any other law for the time being in force and under the corresponding laws in force in that country and may, by notification in the official Gazette, make such provisions as may be necessary for implementing the said instruments.”;] and]</p>
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111(5)	<p><b>Unexplained income or assets.</b></p> <p><b>Non-Existent</b></p>	<p><i>Clarification has been proposed to be inserted to undo judgement of honorable Sindh High Court reported as <b>2017 PTD 1839</b>, whereby issuance of separate notice u/s.111 was made mandatory.</i></p> <p><b>111. Unexplained income or assets.</b></p> <p>Explanation.– For the removal of doubt, a separate notice under this section is not required to be issued if the explanation regarding nature and sources of amount credited or the investment of money, valuable article, or the funds from which expenditure was made has been confronted to the taxpayer through a notice under sub-section (9) of section 122 of this Ordinance.”.</p>
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113(1)	<p><b>113. Minimum tax on the income of certain persons.-</b>  (1) This section shall apply to a resident company, [permanent establishment of a non-resident company,] an individual (having turnover of [ten] million rupees or above in the tax year [2017] or in any subsequent tax year) and an association of persons (having turnover of 6 [ten] million rupees or above in the tax year 7 [2017] or in any subsequent tax year)] where, for any reason whatsoever allowed under this Ordinance, including any other law for the time being in force—</p>	<p><i>It has been proposed to extend threshold of turnover for the purpose of levy of minimum tax.</i></p> <p><b>113. Minimum tax on the income of certain persons.-</b>  (1) This section shall apply to a resident company, permanent establishment of a non-resident company, an individual (having turnover of <b>hundred</b> million rupees or above in the tax year 2017 or in any subsequent tax year) and an association of persons (having turnover of <b>hundred</b> million rupees or above in the tax year 2017 or in any subsequent tax year) where, for any reason whatsoever allowed under this Ordinance, including any other law for the time being in force—</p>
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113(2)(a)	<p>(2) Where this section applies:</p> <p>(a) the aggregate of the person's turnover as defined in sub-section (3) for the tax year shall be treated as the income of the person for the year chargeable to tax;</p>	<p><i>The following new self-explanatory amendment is proposed.</i></p> <p>(2) Where this section applies:</p> <p>(a) the aggregate of the person's turnover as defined in sub-section (3) for the tax year shall be treated as the income of the person for the year chargeable to tax;</p> <p><b>Explanation.- For the removal of doubt, it is clarified that the definition of turnover covers receipts from all business activities in line with expression "turnover from all sources" used in sub-section (1) including but not limited to receipts from sale of immoveable property where such receipt is taxable under the head Income from Business;"</b></p>
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113(2)(c)	<p><b>(2) Where this section applies:</b></p> <p>Provided that the amount under this clause shall be carried forward and adjusted against tax liability for [five] tax years immediately succeeding the tax year for which the amount was paid.</p>	<p><i>It has been proposed that minimum tax shall also be carried forward in case of loss which was previously not allowed in the light of judgement of Honorable High Court of Sindh reported as 2013 PTD 1420</i></p> <p><b>(2) Where this section applies:</b></p> <p><b>“Provided that if tax is paid under sub-section (1) due to the fact that no tax is payable or paid for the year, the entire amount of tax paid under sub-section (1) shall be carried forward for adjustment in the manner stated aforesaid:</b></p> <p><b>Provided further that the amount under this clause shall be carried forward and adjusted against tax liability for five 65 tax years immediately succeeding the tax year for which the amount was paid.”</b></p>
114(1)(ad)	<p><b>114. Return of income. —</b></p> <p>(ad) any welfare institution approved under clause (58) of Part I of the Second Schedule;</p>	<p><i>Pursuant to the omission of clause (58) of Part I consequently amendment has been proposed.</i></p> <p><b>Omitted.</b></p>

114(5)	Non-Existent	<p><i>It has been proposed to empower, the Commissioner to issue notice for filing of return of income for <b>ANY TAX YEAR</b> where the Commissioner is satisfied that person has foreign assets or income.</i></p> <p><b>“Provided further that the time-limitation provided under this sub-section shall not apply if the Commissioner is satisfied on the basis of reasons to be recorded in writing that a person who failed to furnish his return has foreign income or owns foreign assets”.</b></p>
114(6)	Non-Existent	<p><i>The following self-explanatory proviso is proposed to be inserted.</i></p> <p><b>“Provided that Commissioner may waive this condition if Commissioner is satisfied that filing of revised accounts or audited accounts is not necessary;”</b></p>
114A	<p><b>“114A. Taxpayer’s profile.-(1)</b> Subject to this Ordinance, the following persons shall furnish a profile, namely:-</p>	<p><i>It is proposed to omit section 114A whereby certain persons were required to file taxpayer profile.</i></p>

120(1)(a) & (b)	<p>(a) the Commissioner shall be taken to have made an assessment of taxable income for that tax year, and the tax due thereon, equal to [the respective amounts adjusted under sub-section (2A)];</p> <p>(b) the return shall be taken for all purposes of this Ordinance to be an assessment order issued to the taxpayer by the Commissioner on the day the [adjustments were made under sub-section (2A)]</p>	<p><i>It has been proposed that operation of sub-section 2A shall apply from the date as notified by the board.</i></p> <p><b>120. Assessments.—</b></p> <p>(a) the Commissioner shall be taken to have made an assessment of taxable income for that tax year, and the tax due thereon.</p> <p>(b) the return shall be taken for all purposes of this Ordinance to be an assessment order issued to the taxpayer by the Commissioner on the day the <b>return was furnished</b></p> <p><b>"Provided that until the date specified under the fourth proviso to sub-section (2A) is notified, this subsection shall be in force as if sub-section (2A) is not in operation:</b></p> <p><b>Provided further that once the date under the fourth proviso to sub-section (2A) is notified, clauses (a) and (b) shall only apply when the provisions of subsection (2A), if invoked, are first complied with:</b></p>
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120(1)(b)		<p><b>Provided further once compliance is made under the second proviso,— (i) the adjusted amount under sub-section (2A) shall be construed to be the tax payable and due under clause (a);and (ii) the date of the compliance under sub-section (2A) shall be the date for the purposes of clause (b)."</b></p>
120(2A)	<p>A return of income furnished under sub-section (2) of section 114 shall be processed through automated system to arrive at correct amounts of total income, taxable income and tax payable by making adjustments for-</p>	<p><i>It has been proposed that operation of sub-section 2A shall apply from the date as notified by the board.</i></p> <p><b>(2A)</b> A return of income furnished under sub-section (2) of section 114 shall be processed through automated system to arrive at correct amounts of total income, taxable income and tax payable by making adjustments for-</p> <p><b>"Provided also that the provisions of this sub-section shall apply from the date notified by the Federal Board of Revenue in the official Gazette.";</b></p>



122(5A)	<p><b>Amendment of assessments.</b></p> <p>...</p> <p>(5A) Subject to sub-section (9), the Commissioner may after making, or causing to be made, such enquiries as he deems necessary, amend, or further amend, an assessment order, if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of revenue</p>	<p><i>It has been proposed to amend sub-section (5A) to done away condition of enquiry for the purpose of amendment under sub-section 5A.</i></p> <p><b>122. Amendment of assessments.</b></p> <p>...</p> <p>(5A) Subject to sub-section (9), the Commissioner may or further amend, an assessment order, if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of revenue</p>
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122(9)	(9) No assessment shall be amended, or further amended, under this section unless the taxpayer has been provided with an opportunity of being heard.	<p><i>It has been proposed to provide time limit for passing of order after issuance of show cause notice.</i></p> <p><i>(9) No assessment shall be amended, or further amended, under this section unless the taxpayer has been provided with an opportunity of being heard.</i></p> <p><b><i>“Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, so however, such extended period shall in no case exceed ninety days. This proviso shall be applicable to a show cause notice issued on or after the first day of July, 2021.</i></b></p>
122(9)		<p><b>Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or agreed assessment proceedings under 68 section 122D or the time taken through adjournment by the taxpayer not exceeding sixty days shall be excluded from the computation of the period specified in the first proviso.”</b></p>

122A(5)	<p>Revision by the Commissioner.</p> <p>Non-Existent</p>	<p><i>It has been proposed to provide time limit for passing of order after any order is remanded back by the Commissioner.</i></p> <p><b>122A. Revision by the Commissioner.</b></p> <p><b>(5) If any order is remanded back to any lower authority by the Commissioner for modification, alteration, implementation of directions or de novo proceedings, the order giving effect to the directions of the Commissioner shall be issued within one hundred and twenty days.</b></p>
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134A(1)	<p><b>Alternative Dispute Resolution.—</b>          (1) Notwithstanding any other provision of this Ordinance, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to          (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;          (b) the extent of waiver of default surcharge and penalty; or          (c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any court of law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law is involved having effect on other cases</p>	<p><i>The following new self-explanatory proviso is proposed to be inserted.</i></p> <p><b>134A. Alternative Dispute Resolution.—</b>          (1) Notwithstanding any other provision of this Ordinance, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to          (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;          (b) the extent of waiver of default surcharge and penalty; or          (c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any court of law or an Appellate Authority, except or where interpretation of question of law is involved having effect on other cases.</p> <p><b>Provided that if the issue involves a mixed question of fact and law, the Board, while taking into consideration all relevant facts and circumstances, shall decide whether or not ADRC may be constituted.</b></p>
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134(1A)	<b>Non-Existent</b>	<p><i>The following new self-explanatory sub-section is proposed to be inserted.</i></p> <p><b>(1A) The application for dispute resolution shall be accompanied by an initial proposition for resolution of the dispute, from which proposition, the taxpayer would not be entitled to retract.”;</b></p>
134(2)	<p><b>(2)</b> The Board may, after examination of the application of an aggrieved person, appoint a committee, within sixty days of receipt of such application in the Board, comprising,—</p>	<p><i>It has been proposed to reduce time limit for appointment of committee</i></p> <p><b>(2)</b> The Board may, after examination of the application of an aggrieved person, appoint a committee, within <b>thirty</b> days of receipt of such application in the Board, comprising,—</p>
134(4)	<p><b>(4)</b> The Committee appointed under sub-section (2) shall examine the issue and may, if it deemed necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within one hundred and twenty days of its appointment.</p>	<p><i>It has been proposed to reduce time frame for resolution of dispute by the committee.</i></p> <p><b>(4)</b> The Committee appointed under sub-section (2) shall examine the issue and may, if it deemed necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within <b>sixty</b> days of its appointment extendable by another thirty days for the reasons to be recorded in writing of its appointment.</p>

134(5)	(5) The Committee may, in case of hardship, stay recovery of tax payable in respect of dispute pending before it for a period not exceeding one hundred and twenty days in aggregate or till the decision of the committee or its dissolution, whichever is earlier.	<i>It has been proposed that automatic stay shall be available where a committee has been formed.</i>  <b>(5) The recovery of tax shall be stayed on the constitution of committee till the final decision or dissolution of the committee, whichever is earlier.</b>
134(6A)	<b>Non-Existent</b>	<i>The following new self-explanatory sub-section has been proposed to be inserted.</i>  <b>(6A) If the committee fails to decide within the period mentioned in sub section (4), the Board shall dissolve the committee by an order in writing and may re-constitute another committee and the provisions of sub-sections (2), (3), (4), (5) and (6) shall apply mutatis mutandis to the second committee"</b>

137(2)	Due date for payment of tax	<p><i>It has been proposed that where any tax is due as a result of order passed under sub-section (1)&amp;(4) of section 124, the same shall be payable immediately.</i></p> <p><b>"Provided further that due date for payment of tax payable specified in sub-section (2) of this section shall not apply in case of an assessment order passed under sub-section (1) or sub-section (4) of section 124 of this Ordinance and that tax payable as a result 71 of order passed under sub-section (1) or sub-section (4) of section 124 shall be payable immediately."</b></p>
146C	Non-Existent	<p><i>The following new self-explanatory section is proposed to be inserted.</i></p> <p><b>146C. Assistance in the recovery and collection of taxes.– The provisions of sections 138, 138A, 138B, 139, 140, 141, 142, 143, 144, 145, 146, 146A, and 146B shall mutatis mutandis apply in respect of assistance in collection and recovery of taxes in pursuance of a request from a foreign jurisdiction under a tax treaty, a multilateral convention, an intergovernmental agreement or similar arrangement or mechanism.</b></p>

147(6)	<p><b>Advance tax paid by the taxpayer</b></p> <p>Provided further that where the Commissioner is not satisfied with the documentary evidence provided or where an estimate of the amount of tax payable is not accompanied by details mentioned in the first proviso, the Commissioner may reject the estimate after providing an opportunity of being heard to the taxpayer and the taxpayer shall pay advance tax according to the formula contained in sub-section (4).</p>	<p><i>It has been proposed to withdraw the power of Commissioner to reject estimate of advance tax provided by the taxpayer.</i></p> <p><b>Omitted</b></p>
150	<p>Every [person] paying a dividend shall deduct tax from the gross amount of the dividend paid at the rate specified in [Division I of Part III] of the First Schedule.</p>	<p><i>The consequential amendment is proposed after omission of 236S.</i></p> <p><b>150. Dividends. —</b> Every [person] paying a dividend shall deduct tax from the gross amount of the dividend paid <b>collect tax from the amount of dividend in specie</b> at the rate specified in [Division I of Part III] of the First Schedule.</p>
150A	<p><b>Return on investment in Sukuks</b> Every special purpose vehicle or a company, at the time of]making payment of a return on investment in sukuks to a sukuk holder shall deduct tax from the gross amount of return on investment at the rate specified in Division IB of Part III of the First Schedule.</p>	<p><i>It has been proposed to merge section 150A with section 151.</i></p>



151(1A)	<p><b>Non-Existent</b></p>	<p><i>The consequential amendment is proposed after omission of 150A.</i></p> <p><b>(1A) Every special purpose vehicle or a company, at the time of making payment of a return on investment in sukuks to a sukuk holder shall deduct tax from the gross amount of return on investment at the rate specified in Division IB of Part III of the First Schedule.</b></p>
152(1B)(1BB)(1BBB)	<p><b>152. Payments to non-residents.</b></p> <p>(1B) The tax [deductible] under sub-section (1A) shall be a [minimum] tax on the income of a non-resident person arising from a contract.</p> <p>(1BB) The tax [deductible] under sub-section (1AA) shall be a [minimum] tax on the income of the non-resident person arising out of such payment.</p> <p>(1BBB) The tax deductible under sub-section (1AAA) shall be minimum tax on the income of non-resident person arising out of such payment.</p>	<p><i>It has been proposed to merge section 152A with section 152.</i></p> <p><b>152. Payments to non-residents</b></p> <p>(1B) The tax deductible under sub-sections (1A), (1AA) and (1AAA) shall be a minimum tax on the income of the nonresident persons in respect of payments mentioned therein.</p> <p>(1BA) Every person responsible for making payment directly or through an agent or intermediary to a non-resident person for foreign produced commercial for advertisement on any television channel or any other media, shall deduct tax at the rate of twenty percent from the gross amount paid. The tax deducted under this sub-section shall be final tax on the income of non-resident person arising out of such payment</p>

152(1D)	Non-Existent	<p><i>The consequential amendment is proposed after omission of 152DA.</i></p> <p><b>"(1DA)</b> Every banking company maintaining a Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) shall deduct tax from capital gain arising on the disposal of debt instruments and government securities and certificates (including Shariah compliant variant) invested through aforesaid accounts at the rate specified in Division II of Part III of the First Schedule.</p>
152(1DB)&(1E)	Non-Existent	<p><i>The consequential amendment is proposed after omission of 150A.</i></p> <p><b>(1DB)</b> Every special purpose vehicle or a company, at the time of making payment of a return on investment in sukuku to a nonresident sukuk holder shall deduct tax from the gross amount of return on investment at the rate specified in Division IB of Part III of the First Schedule."</p> <p><b>"(1E)</b> The tax deductible under sub-sections (1D), (1DA) and (1DB) shall be a final tax in respect of persons and income mentioned therein</p>

152A	<p><b>152A. Payment for foreign produced commercials.–</b></p> <p>(1) Every person responsible for making payment directly or through an agent or intermediary to a non-resident person for foreign produced commercial for advertisement on any television channel or any other media shall deduct tax at the rate of twenty percent from the gross amount paid.</p> <p>(2) The tax deductible under sub-section (1), shall be final tax on the income of non-resident person arising out of such payment.</p>	<p><i>It has been proposed to merge section 152A with section 152.</i></p> <p><b>Omitted</b></p>
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153(4)	<p><b>153. Payments for goods, services and contracts.</b></p> <p>Provided that the Commissioner shall issue certificate for payment under clause (a) of sub-section (1) without deduction of tax within fifteen days of filing of application to a public company listed on a registered stock exchange in Pakistan if advance tax liability has been discharged:</p> <p>Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days to the aforesaid public listed company and the certificate shall be automatically processed and issued by Iris:</p>	<p><i>It has been proposed that scope of automatic issue of tax exemption certificate to be enhanced to all companies.</i></p> <p>Provided that the Commissioner shall issue certificate for payment under clause (a) of sub-section (1) without deduction of tax within fifteen days of filing of application to a <b>company</b> if advance tax liability has been discharged:</p> <p>Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days to the aforesaid company and the certificate shall be automatically processed and issued by Iris</p>
153(5)(b)	<p>(5) Sub-section (1) shall not apply to-</p> <p>(b) payments made to traders of yarn by the taxpayers specified in the zero-rated regime of sales tax (as provided under clause (45A) of Part-IV of the Second Schedule);</p>	<p><i>The proposed amendment seeks to omit withholding tax exemption on yarn traders.</i></p>

153B	<p><b>153B. Payment of royalty to resident persons.-</b></p> <p>(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.</p> <p>(2) The tax deductible under subsection (1) shall be adjustable.]</p>	<p><i>The proposed amendment seeks to omit withholding tax on payment of royalty to resident persons.</i></p>
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154A	Non-Existent	<p><i>The following self-explanatory section is proposed to be inserted.</i></p> <p><b>154A. Export of Services.–</b></p> <p>(1) Every authorized dealer in foreign exchange shall, at the time of realization of foreign exchange proceeds on account of the following, deduct tax from the proceeds at the rates specified in Division IVA of Part III of the First Schedule –</p> <p>(a) exports of computer software or IT services or IT enabled services in case tax credit under section 65F is not available;</p> <p>(b) services or technical services rendered outside Pakistan or exported from Pakistan;</p> <p>(c) royalty, commission or fees derived by a resident company from a foreign enterprise in consideration for the use outside Pakistan of any patent, invention, model, design, secret process or formula or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided to such enterprise; (d) construction contracts executed outside Pakistan; and (e) other services rendered outside Pakistan as notified by the Board from time to time; (2) The tax deductible under this section shall be a final tax on</p>
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154A		<p>the income arising from the transactions referred to in this section, upon fulfilment of the following conditions</p> <p>(a) return has been filed;</p> <p>(b) withholding tax statements for the relevant tax year have been filed; and (c) sales tax returns under Federal or Provincial laws have been filed, if required under the law; (d) no credit for foreign taxes paid shall be allowed.</p> <p>(3) The provisions of sub-section (2) shall not apply to a person who does not fulfill the specified conditions or who opts not to be subject to final taxation:</p> <p>Provided that the option shall be exercised every year at the time of filing of return under section 114.</p> <p>(4) Where a taxpayer, while explaining the nature and source of any amount, investment, money, valuable article, expenditure, referred to in section 111, takes into account any source of income which is subject to final tax in accordance with the provisions of this section, he shall not be entitled to take credit of a sum that can be reasonably attributed to the business activity or activities mentioned in sub-section (1).</p> <p>5) The Board in consultation with State Bank of Pakistan shall prescribe mode, manner and procedure of payment of tax under this section.</p>
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		(6) The Board shall have power to include or exclude certain services( for applicability of provisions of this section.”;
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159(1)(c)	<p><b>159. Exemption or lower rate certificate.—</b>  (1) Where the Commissioner is satisfied that an amount to which Division II or III of this Part 2 [or Chapter XII] applies is –    (c) is subject to hundred percent tax credit under section 100C the Commissioner shall, upon application in writing by the person, [in the prescribed form] issue the person with an exemption or lower rate certificate.</p>	<p><i>The proposed amendment seeks to enhance power of Commissioner to issue exemption certificate where income of the taxpayer is subject to 100% tax credit.</i></p> <p><b>159. Exemption or lower rate certificate.—</b>  (1) Where the Commissioner is satisfied that an amount to which Division II or III of this Part 2 [or Chapter XII] applies is –    (c) is subject to hundred percent tax credit under section <b>under this Ordinance</b> the Commissioner shall, upon application in writing by the person, [in the prescribed form] issue the person with an exemption or lower rate certificate.</p> <p><b>Provided that in case of a company, the Commissioner shall issue exemption or lower rate certificate under this section within fifteen days of filing of application by the company: Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days from filing of application by the aforesaid company and the certificate shall be automatically processed and issued by Iris:</b></p>
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159(1)(c)		<i>Provided also that the Commissioner may modify or cancel the certificate issued automatically by Iris on the basis of reasons to be recorded in writing after providing an opportunity of being heard.</i>
165(7)	<p><b>165. Statements.—</b></p> <p><b>Non-Existent</b></p>	<p><i>The proposed amendment seeks to make prescribed person liable to file annual statement of withholding tax within 30 days of end of tax year.</i></p> <p>(7) Every prescribed person collecting tax under Division II of this Part, Chapter XII or the Tenth Schedule or deducting tax from a payment under Division III of this Part, Chapter XII or the Tenth Schedule shall, e-file to the Commissioner an annual statement for the relevant tax year within thirty days of the end of tax year in addition to statement to be filed under sub-section (6) of this section.</p>

165(8)		<p><i>The proposed amendment seeks to make prescribed person liable to file reconciliation of tax deduction by due date of filing of return of income.</i></p> <p>(8) Every prescribed person collecting tax under Division II of this Part or Chapter XII, the Tenth Schedule or deducting tax from a payment under Division III of this Part, Chapter XII or the Tenth Schedule shall also e-file to the Commissioner a statement in the prescribed form reconciling the amounts mentioned in annual statement filed under sub-section (7) with the amounts declared in the return, audited accounts or financial statements by the due date of filing of return of income as provided under section 118 of the Ordinance."</p>
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170A	<p><b>170. Refunds</b></p> <p><b>Non-Existent</b></p>	<p><i>The following new self-explanatory section is proposed to be inserted.</i></p> <p><b>170A. Electronic processing and electronic issuance of Refunds by the Board.–</b></p> <p>Notwithstanding anything contained in section 170 of this Ordinance, commencing from tax year 2021, the Board may process and issue refund to the taxpayer who has filed the return of income without requiring refund application by the taxpayer to the extent of tax credit verified by the Board's computerized system as may be prescribed.</p> <p>The refund amount sanctioned under this section shall be electronically transferred in the taxpayer's notified bank account.";</p>
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182(1)	<p><i>The amendment has been proposed as under in Sr. No. (1) to reduce penalty in case taxable income does not exceeds Rs eight hundred thousand or where the return if filed within three years:</i></p> <p><b>Provided further that if taxable income is up-to eight hundred thousand Rupees, the minimum amount of penalty shall be five thousand Rupees:</b></p> <p><b>Provided also that the amount of penalty shall be reduced by 75%, 50% and 25% if the return is filed within one, two and three months respectively after the due date or extended due date of filing of return as prescribed under the law.</b></p> <p><i>The amendment has been proposed whereby penalty for late filing of withholding statement has been reduced as under:</i></p> <p><b>Provided that where it stands established that no tax was required to be deducted or collected during the relevant period, minimum amount of penalty shall be ten thousand Rupees.</b></p> <p><i>The amendment has been proposed whereby penalty for late or non filing of taxpayer profile has been omitted.</i></p> <p><i>The amendment has been proposed to enhance penalty to Rs. 100,000 for contravention of provision of section 181AA.</i></p> <p><i>The amendment has been proposed under Sr. No. (6) as under:</i></p> <p><b>Provided that no penalty shall be imposed to the extent of the tax shortfall occurring as a result of the taxpayer taking a reasonably arguable position on the application of this Ordinance to the taxpayer's position.</b></p> <p><i>The amendment has been proposed under Sr. No. (10) &amp; (11) whereby penalty is proposed to be reduced by to fifty percent for producing fake record before the Officer of Inland Revenue or who obstruct the access of Officer of Inland Revenue to the premises or record.</i></p>
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182(1)

*It has been proposed to insert new penalty clause specifying penalty for failure to declare business bank account as under:*

**Such person shall pay a penalty of Rs. 10,000 for each day of default since the date of submission of application for registration or date of opening of undeclared business bank account whichever is later:**

**Provided that if penalty worked out as aforesaid is less than Rs.100,000 for each undeclared bank account, such person shall pay a penalty of Rs.100,000 for each undeclared business bank account:**

**Provided further that this provision shall be applicable from the first day of October 2021 during which period the taxpayer may update their registration forms.**

182(2)	<p>(2) The penalties specified under sub-section (1) shall be applied in a consistent manner and no penalty shall be payable unless an order in writing is passed by the Commissioner, Commissioner (Appeals) or the Appellate Tribunal after providing an opportunity of being heard to the person concerned:</p>	<p><i>The proposed amendment seeks to insert explanation whereby establishing mens-rea is declared not be necessity for levy of penalty.</i></p> <p>(2) The penalties specified under sub-section (1) shall be applied in a consistent manner and no penalty shall be payable unless an order in writing is passed by the Commissioner, Commissioner (Appeals) or the Appellate Tribunal after providing an opportunity of being heard to the person concerned:</p> <p><b>Explanation.— For the removal of doubt, it is clarified that establishing mens rea is not necessary for levying of penalty under this section</b></p>
182A	<p><b>182A. Return not filed within due date.—</b>                      (1) Notwithstanding anything contained in this Ordinance, where a person fails to file a return of income under section 114 by the due date as specified in section 118 or by the date as extended by the Board under section 214A or extended by the Commissioner under section 119, as the case may be, such person shall—</p>	<p><i>The proposed amendment seeks to omit penal provision with regard to late filing of return of income.</i></p> <p><b>Omitted</b></p>

191(1)(g)	Prosecution for non-compliance with certain statutory obligations.	<p><i>It has been proposed that non-declaration of business bank accounts as defined in section 2(10A) shall be prosecutable offense.</i></p> <p><b>191. Prosecution for non-compliance with certain statutory obligations. —</b></p> <p>(g) declare business bank account(s) in the registration form or updated registration form or return of income or wealth statement.</p>
202	<b>202. Power to compound offences</b>	<i>It has been proposed to omit the said section.</i>
203	<b>203. Trial by Special Judge.</b>	<i>It has been proposed to omit the said section.</i>



203A	Non-Existent	<p><i>It has been proposed to insert new section from 203A to 203H providing powers to officer of inland revenue to arrest any person for concealment of income.</i></p> <p><b>"203A. Power to arrest and prosecute.–</b></p> <p>(1) An officer of Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue or any other officer of equal rank authorised by the Board in this behalf, who on the basis of material evidence has reason to believe that any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, may cause arrest of such person.</p> <p>(2) All arrests made under this Ordinance shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).</p>
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203A		<p>(3) Notwithstanding anything contained in sub-sections (1) and (2) or any other provision of this Ordinance, where any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, the Chief Commissioner with the prior approval of the Board may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Ordinance.</p> <p>(4) Where the person suspected of offence of concealment of income or any offence warranting prosecution under this Ordinance is a company, every director or officer of that company whom the authorized officer has reason to believe is personally responsible for actions of the company contributing to offence of concealment of income or any offence warranting prosecution under this Ordinance shall be liable to arrest:</p> <p>Provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Ordinance.</p>
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203B		<p><b>203B. Procedure to be followed on arrest of a person.–</b></p> <p>(1) When an officer of Inland Revenue authorized in this behalf arrests a person under section 203A, he shall immediately intimate the fact of the arrest of that person to the Special Judge who may direct such officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly</p> <p>(2) Notwithstanding anything contained in the sub-section (1), any person arrested under this Ordinance shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.</p>
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203B		<p>(3) When any person is produced under sub-section (2) before the Special Judge, he may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit:</p> <p>Provided that nothing herein contained shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Ordinance.</p>
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203B		<p>(4) When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorising his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before, the Special Judge and he shall be so taken.</p> <p>(5) Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Judicial Magistrate from remanding any such person to the custody of an officer of Inland Revenue holding inquiry against that person if such officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order: Provided that the period of such custody shall not exceed more than fourteen days</p>
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203B		<p>(6) When any person is arrested under this Ordinance, an officer of Inland Revenue shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty four hours of his arrest, excluding the time necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody</p> <p>(7) While holding an inquiry under sub-section (6), an officer of Inland Revenue shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Ordinance</p>
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203B		<p>(8) If an officer of Inland Revenue, after holding an inquiry as aforesaid, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior</p> <p>(9) The Special Judge to whom a report has been made under subsection, (8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence before the Special Judge, whenever such Officer is so directed by him.</p>
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		<p>(10) An officer of Inland Revenue empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Ordinance, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day and, such register or authenticated copies of its aforesaid entries shall be produced</p> <p>(11) After completing the inquiry, an officer of Inland Revenue shall, as early as possible, submit to Special Judge a complaint in the same form and manner in which the officer in-charge of a police station submits a report, before a court</p> <p>(12) Magistrate of the first class may record any statement or confession during inquiry under this Ordinance, in accordance with the provisions of section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).</p>
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		(13) Without prejudice to the foregoing provisions of this section, Board, with the approval of the Federal Minister-in-charge, may, by notification in the official Gazette, authorize any other officer working under the Board to exercise the powers and perform the functions of an officer of Inland Revenue under this section, subject to such conditions, if any, that it may deem fit to impose.
203C	Non-Existent	<p><b>203C. Special Judges.–</b></p> <p>(1) The Federal Government shall by notification in the official Gazette, appoint as many Special Judges as it considers necessary and, where it appoints more than one Special Judge, it shall specify in the notification the headquarter of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Ordinance.</p> <p>(2) No person shall be appointed as a Special Judge unless he is or has been a Sessions Judge.</p>

203D	Non-Existent	<p><b>203D. Cognizance of Offences by Special Judges.</b>–</p> <p>Notwithstanding anything contained in this Ordinance or any other law for the time being in force, a Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable under this Ordinance upon-</p> <p>(a) a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or</p> <p>(b) receiving a complaint or information of facts constituting such offence made or communicated by any person; or</p> <p>(c) his own knowledge acquired during any proceeding before him under this Ordinance or under any other law for the time being in force.</p> <p>(2) Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with the trial of the accused</p>
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203D		<p>(3) Upon the receipt of a complaint or information under clause (b), or acquired in the manner referred to in clause (c) of sub-section (1), the Special Judge may, before issuing a summon or warrant for appearance of the person complained against, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, or direct any magistrate or any officer of Inland Revenue or any police officer to hold such inquiry and submit a report, and such Magistrate or officer shall conduct such inquiry and make report accordingly.</p> <p>4) If, after conducting such inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that there is –</p> <p>(a) no sufficient ground for proceeding, he may dismiss the complaint, or</p> <p>(b) sufficient ground for proceeding, he may proceed against the person complained against in accordance with law.</p>
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203D		(5) A special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).
203E	Non-Existent	<p><b>203E. Special Judge, etc. to have exclusive jurisdiction.–</b></p> <p>Notwithstanding anything contained in this Ordinance or in any other law for the time being in force no,–</p> <p>(a) court other than the Special Judge having jurisdiction, shall try an offence punishable under this Ordinance;</p> <p>(b) other court or officer, except in the manner and to the extent specifically provided for in this Ordinance, shall exercise any power, or perform any function under this Ordinance;</p> <p>(c) court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Ordinance; and</p>

203E		(d) no court, other than the Special Judge or the High Court, shall entertain any application or petition or pass any order or give any direction under chapters XXXVII, XXXIX, XLIV or XLV of the aforesaid Code.
203F	Non-Existent	<p><b>203F. Provisions of Code of Criminal Procedure, 1898, to apply.–</b></p> <p>(1) The provision of the Code of Criminal procedure, 1898 (Act V of 1898), so far as they are not inconsistent with the provisions of this Ordinance, shall apply to the proceedings of the court of a Special Judge and such court shall be deemed to be a court of Sessions for the purpose of the said Code and the provisions of Chapter XXIIA of the foresaid Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Ordinance.</p> <p>(2) For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence punishable under this Ordinance were one of the offences referred to in sub-section (1) of section 337 of the said Code</p>

203G	Non-Existent	<p><b>203G. Transfer of cases.–</b></p> <p>(1) Where more than one Special Judge are appointed within the territorial jurisdiction of a High Court, the High Court, and where not more than one Special Judge is so appointed, the Federal Government, may by order in writing direct the transfer, at any stage of the trial, of any case from the court of one Special Judge to the Court of another Special Judge for disposal, whenever it appears to the High Court or, as the case may be, the Federal Government, that such transfer may promote the ends of justice or tend to the general convenience of the parties or witnesses.</p> <p>(2) In respect of a case transferred to a Special Judge under subsection (1), such Special Judge shall not by reason of the said transfer, be bound to recall and rehear any witness whose evidence has been recorded in the case before the transfer and may act upon the evidence already recorded or produced before the court which tried the case before the transfer.</p>
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203H	Non-Existent	<p><b>203H. Place of Sittings.—</b> A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.</p>
204	<p><b>Power to tender immunity from prosecution.—</b> (1) The Federal Government may, for the purpose of obtaining the evidence of any person appearing to have been directly or indirectly concerned in, or privy to the concealment of income or to the evasion of tax, tender to such person immunity from prosecution for any offence under this Ordinance or under the Pakistan Penal Code (Act XLV of 1860), or under any other Federal Law on condition of the person making full and true disclosure of the whole circumstances relating to the concealment of income or evasion of tax.</p>	<p><i>It has been proposed to confer power to the board to issue notification in this section.</i></p> <p><b>204. Power to tender immunity from prosecution.—</b> (1) The <b>Board with the approval of the Minister-in-charge</b> may, for the purpose of obtaining the evidence of any person appearing to have been directly or indirectly concerned in, or privy to the concealment of income or to the evasion of tax, tender to such person immunity from prosecution for any offence under this Ordinance or under the Pakistan Penal Code (Act XLV of 1860), or under any other Federal Law on condition of the person making full and true disclosure of the whole circumstances relating to the concealment of income or evasion of tax.</p>

222A(2)	<p><b>222A. Fee and service charges.- Non-Existent</b></p>	<p><i>The following new self-explanatory sub-section is proposed to be inserted</i></p> <p><b>222A. Fee and service charges.-</b>  <b>(2) The Board may authorize and prescribe the manner in which fee and service charges collected including by ventures of public-private partnership under this section are expended."</b></p>
225	<p><b>Proceedings against companies under liquidation.</b>          Notwithstanding anything contained in section 316 of the Companies Ordinance, 1984 (XLVII of 1984), leave of the Court shall not be required for continuing with or commencing any proceeding under this Ordinance against a company in respect of which a winding up order has been made or Provisional Liquidator appointed.</p>	<p><i>The following new self-explanatory section is proposed to be inserted.</i></p> <p><b>225. Proceedings against companies under liquidation. —</b>          Notwithstanding anything contained in <b>section 310 of the Companies Act, 2017 (XIX of 2017)</b> leave of the Court shall not be required for continuing with or commencing any proceeding under this Ordinance against a company in respect of which a winding up order has been made or Provisional Liquidator appointed.</p>



227E	Non-Existent	<p><i>The following new self-explanatory sub-section is proposed to be inserted</i></p> <p><b>227E. E-hearing.–</b>          (1) The Board may design and prescribe e-hearing module for the purpose of conducting hearings, granting opportunity of being heard and electronically receiving any information for the purpose of this Ordinance.</p> <p>(2) The recording of e-hearing proceedings shall be admissible as evidence before any forum or court of law for the purpose of this Ordinance.</p> <p>(3) The Board may make rules for the purpose of this section.</p>
230I	159(1)(c)	<p><i>The following new self-explanatory sub-section is proposed to be inserted</i></p> <p><b>"230I. Directorate General of Compliance Risk Management.–</b>          (1) The Directorate General of Compliance Risk Management 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.</p>

		<p>(2) The Board may, by notification in the official Gazette –</p> <p>(a) specify the functions, jurisdiction and powers of the Directorate General of Compliance Risk Management and its officers; and</p> <p>(b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers</p>
231A	<b>231A. Cash withdrawal from a bank</b>	<i>It has been proposed to omit withholding tax on cash withdrawal</i>
231AA	<b>231AA. Advance tax on transactions in bank</b>	<i>It has been proposed to omit withholding tax on banking transactions</i>
231B(2A)	<b>231B. Advance tax on private motor vehicles.—</b>	<p><i>The proposed amendment seeks to insert withholding tax on sale of motor vehicles prior to registration to curb "own money" .</i></p> <p><b>(2A) Every motor vehicle registration authority of Excise and Taxation Department shall, at the time of registration, collect tax at the rates specified in Division VII of Part IV of the First Schedule, if the locally manufactured motor vehicle has been sold prior to registration by the person who originally purchased it from the local manufacturer."</b></p>

233(1)	<p><b>Brokerage and commission.</b></p> <p>(1) Where any payment on account of brokerage or commission is made by the Federal Government, a Provincial Government, Local Government, a company or an association of persons constituted by, or under any law hereinafter called the "principal" to a person (hereinafter called the "agent"), the principal shall deduct advance tax at the rate specified in Division II of Part IV of the First Schedule from such payment.</p>	<p><i>The proposed amendment seeks to extend scope of prescribed person for withholding tax on commission.</i></p> <p><b>233. Brokerage and commission.</b></p> <p>(1) Where any payment on account of brokerage or commission is made by the Federal Government, a Provincial Government, Local Government, a company or an association of persons <b>or individual having turnover of hundred million rupees or more</b> hereinafter called the "principal" to a person (hereinafter called the "agent"), the principal shall deduct advance tax at the rate specified in Division II of Part IV of the First Schedule from such payment.</p>
23	<b>Collection of tax by a stock exchange registered in Pakistan</b>	<i>The proposed amendment seeks to omit redundant section.</i>
23	<b>233AA. Collection of tax by NCCPL</b>	<i>The proposed amendment seeks to omit collection of tax by NCCPL.</i>
234A	<b>234A CNG Stations</b>	<i>The proposed amendment seeks to omit withholding tax on supply of gas to CNG stations.</i>

235(1)	<p><b>Electricity consumption.-</b>          (1) There shall be collected advance tax at the rates specified in [Division IV of] Part-IV of the First Schedule on the amount of electricity bill of a commercial or industrial consumer</p>	<p><i>The proposed amendment seeks to collect advance tax on domestic electricity bills exceeding Rs. Twenty five thousand from persons not appearing in ATL.</i></p> <p><b>235. Electricity consumption.-</b>          (1) There shall be collected advance tax at the rates specified in [Division IV of] Part-IV of the First Schedule on the amount of electricity bill of a commercial or industrial <b>or domestic</b> consumer</p> <p><b>Provided that the provisions of sub-section (1) shall not apply to a domestic consumer of electricity if his name appears on the Active Taxpayers' List."</b></p>
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235(3)	(3) Advance tax under this section shall not be collected from a person who produces a certificate from the Commissioner that his income during tax year is exempt from tax or that he has discharged advance tax liability for the tax year.	<p><i>The proposed seeks to enhance power of the Commissioner to issue certificate for exemption from collection of withholding tax on electricity in case income of the taxpayer is subject to final or minimum tax.</i></p> <p>(3) Advance tax under this section shall not be collected from a person who produces a certificate from the Commissioner that his income during tax year is exempt from tax or that he has discharged advance tax liability for the tax year <b>under section 147 or whose entire income is subject to final tax regime or minimum tax regime under any provisions of this Ordinance other than this section</b></p>
235A	<b>Domestic electricity consumption.-</b>	<i>The proposed amendment seeks to omit withholding tax on domestic electricity consumption other than those covered under section 235.</i>
236B	<b>Advance tax on purchase of air ticket.—</b>	<i>The proposed amendment seeks to omit withholding tax on air tickets.</i>

236C	<p><b>Advance Tax on sale or transfer of immovable Property.—</b></p> <p>Explanation,—For removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties</p>	<p><i>The proposed amendment seeks to extend scope of withholding agent for the purpose of collection of tax under section 236C and seeks to treat tax collection as final tax liability for non-resident persons.</i></p> <p>Explanation,—For removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society, <b>public and private real estate projects registered/governed under any law, joint ventures, private commercial concerns</b> and registrar of properties.</p> <p><b>Provided further that if the seller or transferor is a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) who had acquired the said immovable property through a Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan,</b></p>
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236C		the tax collected under this section from such persons shall be final discharge of tax liability in lieu of capital gains taxable under section 37 earned by the seller or transferor from the property so disposed of."
236G	<p><b>Advance tax on sales to distributors, dealers and wholesalers.—</b></p> <p>(1) Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to distributors, dealers and wholesalers, shall collect advance tax at the rate specified in Division XIV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.</p>	<p><i>The proposed amendment seeks to enhance scope of said section.</i></p> <p><b>236G. Advance tax on sales to distributors, dealers and wholesalers.—</b></p> <p>(1) Every manufacturer or commercial importer of <b>pharmaceuticals, poultry and animal feed, edible oil and ghee, battery, tyers, varnishes, chemicals, cosmetics, IT equipment,</b> electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to distributors, dealers and wholesalers, shall collect advance tax at the rate specified in Division XIV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.</p>

236H	<p><b>Advance tax on sales to retailers.—</b></p> <p>(1) Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to retailers, and every distributor or dealer to another wholesaler in respect of the said sectors, shall collect advance tax at the rate specified in Division XV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.</p>	<p><i>The proposed amendment seeks to enhance scope of said section.</i></p> <p><b>236H. Advance tax on sales to retailers.—</b></p> <p>(1) Every manufacturer, distributor, dealer, wholesaler or commercial importer of <b>pharmaceuticals, poultry and animal feed, edible oil and ghee, battery, tyers, varnishes, chemicals, cosmetics, IT equipment</b>, electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to retailers, and every distributor or dealer to another wholesaler in respect of the said sectors, shall collect advance tax at the rate specified in Division XV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.</p>
236H A	<p><b>236HA. Tax on sale of certain petroleum products</b></p>	<p><i>The propose amendment seeks to omit withholding tax on petroleum products.</i></p>



236K	<p><b>Advance tax on purchase or transfer of immovable property.—</b></p> <p>Explanation,—For removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties</p>	<p><i>The proposed amendment seeks to extend scope of withholding agent for the purpose of collection of tax under section 236C and seeks to treat tax collection as final tax liability for non-resident persons.</i></p> <p>Explanation,—For removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society, <b>public and private real estate projects registered/governed under any law, joint ventures, private commercial concerns</b> and registrar of properties.</p>
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236K(2)	(2) The advance tax collected under sub-section (1) shall be adjustable	<b>Provided that if the buyer or transferee is a non-resident individual holding a Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) who has acquired the said immovable property through a Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan, the tax collected under this section from such persons shall be final discharge of tax liability for such buyer or transferee.</b>
236K(3)	(3) Any person responsible for collecting payments in installments for purchase or allotment of any immovable property where the transfer is to be effected after making payment of all installments, shall at the time of collecting installments collect from the allottee or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule Non-Existent	<i>The proposed amendment seeks to clarify that no further tax shall be collected where advance tax has been collected through installments.</i>  <b>Provided that where tax has been collected along with installments, no further tax under this section shall be collected at the time of transfer of property in the name of buyer from whom tax has been collected in installments which is equal to the amount payable in this section.</b>
236L	<b>236L. Advance tax on purchase of international air ticket</b>	<i>The proposed amendment seeks to omit withholding tax provision.</i>

236P	<b>236P. Advance tax on banking transactions otherwise than through cash</b>	<i>The proposed amendment seeks to omit withholding tax provision.</i>
23	<b>236S. Dividend in specie</b>	<i>It has been proposed to merge section 236S with section 150.</i>
236	<b>236V. Advance tax on extraction of minerals</b>	<i>The proposed amendment seeks to omit withholding tax provision.</i>
236Y	<b>236Y. Advance tax on persons remitting amounts abroad through credit or debit or prepaid cards.—</b>	<i>The proposed amendment seeks to omit withholding tax provision.</i>
242	<b>Non-Existent</b>	<p><i>It has been proposed to insert saving clause in respect of provisions omitted.</i></p> <p><b>242. Benefits of repealed provisions.—</b>  The existing beneficiaries of exemptions or concessionary provisions of the Ordinance, already expired or expiring, on thirtieth day of June, 2021 or repealed by Tax Laws (Second Amendment) Ordinance, 2021 shall continue to enjoy benefits of the repealed provisions for the periods prescribed therein and subject to conditions and limitations specified therein.</p>

**INCOME TAX**

*The amendments are applicable from date of assent by the President of Pakistan.*

**First Schedule  
Division IIIA  
Rate for Profit on Debt**

The rate of tax for profit on debt imposed under section 7B shall be 15%.

**Division IIIB  
Rate of Tax on Return on investment in sukuks received from a special  
purpose vehicle**

Omitted

**Division VII  
Capital Gain On Disposal Of Securities**

S.No	Period	2018, 2019 and 2020				Tax Year 2022 and Onwards
		Securities acquired before 01-07-2016		Securities acquired after 01-07-2016		Filer
		Filer	Non- filer	Filer	Non- filer	
1	Where holding period is less than 12 months	15%	30%	15%	30%	12.5%
2	Where holding period is 12 months or more but less than 24 months	12.5%	25.0%			
3	where holding period is 24 months or more but security was	7.5%	15.0%			

	acquired on or after 1st of July 2013					
4	Where the security was acquired before 1st of July 2013	0%	0%	0%	0%	0%
5	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	5%	10%	5%	10%	5%

### Division VIII

#### Tax on Capital Gains on disposal of Immovable Property

The rate of tax to be paid under sub-section (1A) of section 37 shall be five percent.

### Division IX

#### Minimum tax under section 113

S.No	Person(s)	Minimum Tax as percentage of the person's turnover for the year
1	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.) (b) Pakistani Airlines; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.	0.75%
2	(a) Oil refineries (b) Motorcycle dealers registered under the Sales Tax Act, 1990	0.50%

3	(a) Distributors of pharmaceutical products, fast moving consumer goods and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; (d) Tier-1 retailers of fast moving consumer goods who are integrated with Board or its computerized system for real time reporting of sales and receipts; (e) Person's turnover from supplies through ecommerce including from running an online marketplace as defined in clause (38B) of section 2. (f) Persons engaged in the sale and purchase of used vehicles	0.25%
4	In all other cases.	1.25%

### Division III

#### Payments for goods or services

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

(a) in the case of the sale of rice, cotton seed or edible oils, 1.5% of the gross amount payable; or

Explanation.— For removal of doubt, it is clarified that “cotton seed and edible oils” means cotton seed oil and edible oils;

(b) in the case of sale of goods including toll manufacturing,—

(i) in case of a company, 4% of the gross amount payable;  
and

(ii) in any other case, 4.5% of the gross amount payable,

(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) 3% 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 **Section 65F**, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, warehousing services, services rendered by asset management companies, data services provided under licence issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) 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, **oilfield services, telecommunication services, warehousing services, collateral management services, travel and tour 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.

**Explanation:--** The tax rate under this sub-paragraph shall be applicable only to a service provider whose services are subjected to withholding tax on gross receipts and the service provider has not agitated taxation of gross receipts before any court of law.

(3) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be-

- (i) 10% of the gross amount payable in case of sportspersons;
- (ii) in case of a company, 7% of the gross amount payable ; and
- (iii) in any other case, 7.5% of the gross amount payable

#### **Division IVA Exports of Services**

The rate of tax to be deducted under section 154A shall be one percent of the proceeds of the export.

#### **Division V Income from property**

Sr. No	Gross amount of rent	Rate of tax
(1)	(2)	(3)
1	Where the gross amount of rent does not exceed Rs. 300,000	Nil
2	Where the gross amount of rent exceeds Rs. 300,000 but does not exceed Rs. 600,000	5 per cent of the gross amount exceeding Rs. 300, 000
3	Where the gross amount of rent exceeds Rs. 600,000 but does not exceed Rs. 2,000,000	Rs. 15,000 plus 10 per cent of the gross amount exceeding Rs. 600, 000
4	Where the gross amount of rent exceed Rs. 2,000,000	Rs. 155,000 plus 25 per cent of the gross amount exceeding Rs. 2,000, 000";



### Division IV Electricity consumption

- (1) The rate of collection of tax from commercial and industrial consumers from gross amount of bills shall be as set out in the following Table, namely :-

S.No	Gross amount of Bill	Tax
1	upto Rs. 500	Rs. 0
2	exceeds Rs. 500 but does not exceed Rs. 20,000	10% of the amount
3	exceeds Rs.20,000	Rs. 1950 plus 12%of the amount exceeding Rs. 20,000 for commercial consumers Rs. 1950 plus 5% of the amount exceeding Rs. 20,000 for

- (2) The rate of tax to be collected on domestic electricity consumption shall be—

- (i) zero percent the amount of monthly bill is less than Rs.25,000; and  
(ii) 7.5% if the amount of monthly bill is Rs. 25,000 or more;

### Division IV Telephone Users

Rates of collection of tax under section 236, —	
5 [(a) in the case of a telephone subscriber 10% of the (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs.1000.	
“(b) (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs.1000. in the case of subscriber of internet, mobile telephone and pre-paid internet or telephone card	10% for tax year 2022 and 8% onwards of the amount of bill or sales price of internet pre-paid card or prepaid telephone card or sale of units through any electronic medium or whatever form”]

### DIVISION VII

### Advance Tax on Purchase, Registration and Transfer of Motor Vehicles

<b>"(3) The rate of tax under sub-section (2A) of section 231B shall be as follows:—</b>		
<b>S. No.</b>	<b>Engine capacity</b>	<b>Tax</b>
1	upto 1000cc	Rs. 50,000
2	1001cc to 2000cc	Rs. 100,000
3	1200cc to 1299cc	Rs. 20,000
4	2001cc and above	Rs. 200,000"; and

**THE SECOND SCHEDULE  
EXEMPTIONS AND TAX CONCESSIONS**

**See section 53**

**PART I**

**EXEMPTIONS FROM TOTAL INCOME**

**(4) Omitted**

- (22)** Proviso has been proposed to be inserted in the clause to exclude the profit on debt from the exemption available under this clause, changed clause reads as follows;

Any payment from a provident fund to which the Provident Funds Act, 1925 (XIX of 1925) applies;

***Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on provident fund contributions exceeding rupees five hundred thousand. The profit on debt exceeding rupees five hundred thousand shall be chargeable to tax @ 10% as separate block of income and the person making payment shall deduct tax at the said rate.***

- (23)** Proviso has been proposed to be inserted in the clause to exclude the profit on debt from the exemption available under this clause, changed clause reads as follows;

The accumulated balance due and becoming payable to an employee participating in a recognized provident fund;

***Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on provident fund contributions exceeding rupees five hundred thousand. The profit on debt exceeding rupees five hundred thousand shall be chargeable to tax @ 10% as separate block of income and the person making payment shall deduct tax at the said rate.***

- (23C) Proviso has been proposed to be inserted in the clause to exclude the profit on debt from the exemption available under this clause, changed clause reads as follows;

Any withdrawal of accumulated balance from approved pension fund that represent the transfer of balance of approved provident fund to the said approved pension fund under the Voluntary Pension System Rules, 2005;

***Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on accumulated balance in an approved pension fund. This profit on debt shall be chargeable to tax @ 10% as separate block of income.***

(39) *Omitted*

(40) *Omitted*

(53A) *Omitted*

(57) Following changes have been proposed to be made in this clause;

- (1) Any income from voluntary contributions, house property and investments in securities of the Federal Government derived by the following, namely:-

(i) National Investment (Unit) Trust of Pakistan established by the National Investment Trust Limited, if not less than ninety per cent of its Units at the end of that year are held by the public and not less than ninety per cent of its come of the year is distributed among the Unit-holders;

(ii) Any Mutual Fund approved by the 1[Securities and Exchanges commission of Pakistan] and set up by the Investment Corporation of Pakistan, if not less than ninety per cent of its Certificates at the end of that year are held by the public and not less than ninety per cent of its income

of that year is distributed among the Certificate-holders; and

**(iii) Omitted**

- (2) Any income <sup>2</sup>[other than capital gain on stock and shares of public company, PTC vouchers, modaraba certificates, or any instrument of redeemable capital and derivative products held for less than 12 months] derived by any Mutual Fund, investment company, or a collective investment scheme <sup>3</sup>[or a <sup>4</sup>[REIT Scheme]<sup>5</sup>[or Private Equity and Venture Capital Fund]]<sup>6</sup>[ ] or the National Investment (Unit) Trust of Pakistan established by the National Investment Trust Limited from any instrument of redeemable capital as defined in the ***Companies Act, 2017 (XIX of 2017)***, if not less than ninety per cent of its income of that year is distributed amongst the Unit- holders.

(3) .....

(61) **Omitted**

(64A) **Omitted**

(64B) **Omitted**

(64C) **Omitted**

(65) **Omitted**

- (66) Following organizations has been proposed to be added in this clause in sub-clause (1), in the Table 1, in column (1);

(xxxvii)	Islamic Naya Pakistan Certificates Company Limited (INPCCL).
(xxxviii)	Abdul Sattar Edhi Foundation.
(xxxix)	Patient's Aid Foundation.
(xl)	Indus Hospital and Health Network.
(xli)	Securities and Exchange Commission of Pakistan

(xlii)	Dawat-e-Hadiya, Karachi.
(xlili)	Privatization Commission of Pakistan.
(xliv)	The Citizens Foundation.
(xlv)	Sundus Foundation.
(xlvi)	Ali Zaib Foundation
(xlvii)	Fauji Foundation.
(xlviii)	Make a Wish Foundation
(xlix)	Audit Oversight Board.
(xlx)	Supreme Court Water Conservation Account
(xli)	Political Parties registered with Election Commission of Pakistan

In sub-clause (2), following organizations has been proposed to be deleted;

- |         |   |                |
|---------|---|----------------|
| (i)     | Abdul Sattar Edhi Foundation –          | <b>Omitted</b> |
| (vii)   | Liaquat National Hospital Association – | <b>Omitted</b> |
| (x)     | Indus Hospital, Karachi. –              | <b>Omitted</b> |
| (xxx)   | Audit Oversight Board. –                | <b>Omitted</b> |
| (xxxi)  | Patient's Aid Foundation. –             | <b>Omitted</b> |
| (xxxvi) | Dawat-e-Hadiya, Karachi. –              | <b>Omitted</b> |

(72) **Omitted**

(72A) **Omitted**

(74) **Omitted**

(75) Following amendments have been proposed to be made;

***Any profit on debt and capital gains derived by any agency of foreign Government or any non-resident person approved by the Federal Government for the purpose of this clause from debt and debt instruments approved by the Federal Government.***

(78) Following amendment has been proposed to be made in this clause;

Any profit on debt derived from foreign currency accounts held with authorized banks in Pakistan, or certificate of investment issued by investment banks in accordance with Foreign Currency Accounts Scheme introduced by the State Bank of Pakistan, by ***non- resident individuals, non-resident association of persons and non-resident companies.***

(79) Following amendment has been proposed to be made in this clause;

Any profit on debt derived from a rupee account held with a scheduled bank in Pakistan by ***non-resident individual holding a Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC)***, where the deposits in the said account are made exclusively from foreign exchange remitted into the said account.

(80) ***Omitted***

(90) ***Omitted***

(90A) ***Omitted***

(91) *Omitted*

(98) *Omitted*

(99A) It has been proposed to increase the time limit for the extension till tax year 2023.

(100) *Omitted*

(101) *Omitted*

(103) *Omitted*

(103C) *Omitted*

(103D) Following new clause has been proposed to be inserted, which reads as follows;

***Dividend income and long term capital gains of any venture capital fund from investments in zone enterprises as defined in clause (p) of section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years commencing from issuance of license by the Authority to the zone enterprise.***

(104) *Omitted*

(105) *Omitted*

(105A) *Omitted*

(110B) *Omitted*

(110C) *Omitted*

(114) *Omitted*



(114AA) **Omitted**

(117) **Omitted**

(126B) Following amendment has been proposed to inserted in this clause;  
Profits and gains derived by a refinery –

- (a) from new deep conversion refinery of at least 100,000 barrels per day for which approval is given by the Federal Government before the 31st day of December, 2021; or
- (b) for the purpose of upgradation, modernization or expansion project of deep conversion refinery of at least 100,000 barrels per day of any existing refinery which makes undertaking to the Federal Government in writing before the 31st day of December, 2021 in this regard.

Provided that this exemption shall be available for a period of ten years beginning from the date of commencement of commercial production in the case of new refinery and from the date of completion of up gradation, modernization or expansion project of existing refinery.

(126BA) **Omitted**

(126C) **Omitted**

(126EA) Following new clause has been proposed to be inserted, which reads as follows;

***Profits and gains derived by –***

- (a) ***zone developer as defined in section 2 of the Special Technology Zones Authority Ordinance, 2020 from development and operations of the zones for a period of ten years starting from the date of signing of the development agreement;***

**(b) profits and gains of Zone Enterprises as defined in section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years from the date of issuance of license by the Special Technology Zone Authority; and**

**(c) Special Technology Zones Authority established under the Special Technology Zones Ordinance 2020**

(126G) **Omitted**

(126H) **Omitted**

(126I) **Omitted**

(126J) **Omitted**

(126K) **Omitted**

(126L) **Omitted**

(126M) New proposed clause reads as follows;

Profits and gains derived by a taxpayer from a transmission line project set up in Pakistan on or after the 1st day of July, 2015 for a period of ten years. The exemption under this clause shall apply to such project which is—

- (a) owned and managed by a company formed for operating the said project and registered under the **Companies Act, 2017 (XIX of 2017)**, and having its registered office in Pakistan;
- (b) not formed by the splitting up, or the reconstruction or reconstitution, of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was being carried on in Pakistan at any time before the commencement of the new business; and

- (c) owned by a company fifty per cent of whose shares are not held by the Federal Government or Provincial Government or a Local Government or which is not controlled by the Federal Government or a Provincial Government or a Local Government.

Provided that the exemption under this clause shall not apply to projects set up on or after the thirtieth day of **June, 2022**.

(126N) **Omitted**

(126O) **Omitted**

(131) **Omitted**

(132) Following amendments have been proposed to be inserted;

Profits and gains derived by a taxpayer from an electric power generation project set up in Pakistan on or after the 1st day of July, 1988. The exemption under this clause shall apply to such project which is—

- (a) owned and managed by a company formed for operating the said project and registered under the **Companies Act, 2017 (XIX of 2017)**, and having its registered office in Pakistan;
- (b) not formed by the splitting up, or the reconstruction or reconstitution, of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was being carried on in Pakistan at any time before the commencement of the new business; and
- (c) owned by a company fifty per cent of whose shares are not held by the Federal Government or Provincial Government or a Local Government or which is not controlled by the Federal Government or a Provincial Government or a Local Government.

Provided that the condition laid down in sub-clause (a) shall not apply to the Hub Power Company Limited.

Provided further the exemption under this clause shall not apply to oil fired power plants setup between 22nd October, 2002 and 30th June, 2006 but shall apply to Dual Fuel (Oil/Gas) power projects set up on or after the first September, 2005.

Provided further that the exemption under this clause shall be available to companies registered in Pakistan or Azad Jammu and Kashmir owning and managing Hydel Power Projects, set up in Azad Jammu and Kashmir or Pakistan.

Provided further that exemption under this clause shall also be available to the expansion projects of the existing Independent Power Projects already in operation.

Provided also that conditions laid down in sub-clause (b) shall not apply to electric power generation project formed by the splitting up, or the reconstruction or the reconstitution of an electric power generation business already in existence and availing exemption under this clause;

***Provided further that no exemption under this clause shall be available to persons, who enter into agreement or to whom letter of intent is issued by Federal or Provincial Government for setting up an electric power generation project in Pakistan after the 30th day of June, 2021.***

(132A) ***Omitted***

(132AA) *New clause has been proposed to be inserted, which reads as follows;*

***Profits and gains derived from sale of electricity by National Power Parks Management Company Limited commencing from the date of change of ownership as a result of privatization by the Privatization Commission of Pakistan.***

(132B) **Omitted**

(132C) Profits and gains derived by a taxpayer from a bagasse/biomass based cogeneration power project having one or more boilers of not less than 60 bar (kg/CM3) pressure each, commissioned after the first day of January 2013.

(133) **Omitted**

(135A) **Omitted**

(136) **Omitted**

(139) **Omitted**

(141) **Omitted**

(143) **Omitted**

(146) **Omitted**

(148) **Omitted**

## PART II

### REDUCTION IN TAX RATES

(2) *Omitted*

(3) *Omitted*

(3B) *Omitted*

(5A) Following amendment has been proposed to be inserted in the clause as follows;

The rate of tax to be deducted under sub-section (2) of section 152, in respect of payments <sup>4</sup>[from] profit on debt payable to a non-resident person having no permanent establishment in Pakistan, ***other than those covered under clauses (78) and (79) of Part I of the Second Schedule, shall be 10% of the gross amount paid.***

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(5AB) The new clause has been proposed to be inserted, which reads as follows;

***The rate of tax to be deducted under section 151 shall be ten percent from the profit on debt from a debt instrument, whether conventional or Shariah compliant, issued by the Federal Government under the Public Debt Act, 1944 (XVIII of 1944) or its wholly owned special purpose company, purchased by a resident citizen of Pakistan who has already declared foreign assets to the Board through a Foreign Currency Value Account (FCVA) maintained with authorized banks in Pakistan under the foreign exchange regulation issued by the State Bank of Pakistan. Provided that the tax so deducted shall be the final tax.***

(5AC) The new clause has been proposed to be inserted, which reads as follows;

***The rate of tax to be deducted under sub-section (2) of section 152 or under section 151, as the case may be, shall be zero percent of***

***the gross amount of profit on debt paid, covered under clauses (78) and (79) of Part I of the Second Schedule.***

(5B) ***Omitted***

(9AA) Following new clause has been proposed to be inserted;

***In respect of import of white sugar from the 25th day of August, 2020 to the 15th day of November, 2020 both days inclusive, tax under section 148 shall be collected at the rate of 0.25% as per quantity, quality, mode and manner prescribed by Ministry of Commerce during the said period.***

(9AB) Following new clause has been proposed to be inserted;

***Tax under section 148 on commercial import of the white sugar shall be collected at the rate of 0.25% from the 26th day of January 2021 till the 30th day of June, 2021.***

(9AC) Following new clause has been proposed to be inserted;

***Subject to quota allotment by Commerce Division, tax under section 148 shall be collected at the rate of 0.25% on import of raw sugar imported by sugar mills from the 26th day of January, 2021 to the 30th day of June, 2021 both days inclusive provided that such imports shall not exceed fifty thousand metric tons per sugar mill and three hundred thousand metric tons in aggregate by the sugar industry.***

(18) ***Omitted***

(18A) ***Omitted***

(18B) ***Omitted***

(18C) Following new clause has been proposed to be inserted;

***The rate of tax as specified in Division-III of Part-I of First Schedule shall be reduced to 7.5% in case of dividends declared by a***

*company as are “attributable” to profits and gains derived from a bagasse and biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule: Provided that the amount of “attributable” dividends shall be computed in accordance with the following formula, namely:-*

$$AXB/C$$

*Where*

*A is the total amount of dividend for the year;*

*B is the accounting profit for the year attributable to the bagasse and biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule; and*

*C is the total accounting profit before tax for the year.*

*Explanation.– For the removal of doubt, it is clarified that accounting profit attributable to the bagasse/biomass based cogeneration power project would be determined by the external auditor of the company and the external auditor shall issue a certificate to this effect.*

(24AA) *Omitted*

(24C) The clause has been proposed to be substituted as follows;

*The rate of tax under clause (a) of sub-section (1) of section 153 in the case of distributors, dealers, sub-dealers, wholesalers and retailers of fast moving consumer goods, fertilizer, electronics excluding mobile phones, sugar, cement, and edible oil as recipient of payment shall be 0.25% of gross amount of payments subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers’ Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 (XLIX of 2001): Provided that the benefit under this clause shall only be available to those Tier-1 retailers as defined under Sales Tax Act, 1990 who*



***are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.***

- (24D) The clause has been proposed to be substituted as follows;

***The rate of minimum tax under sub-section (1) of section 113 in the case of distributors, dealers, sub-dealers, wholesalers and retailers of fast moving consumer goods, fertilizer, locally manufactured mobile phones, sugar, electronics excluding imported mobile phones, cement and edible oil shall be 0.25% subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001.***

***Provided that the benefit under this clause shall be available to only those Tier-1 retailers as defined under Sales Tax Act, 1990 who are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.***

- (28A) ***Omitted***

- (28B) ***Omitted***

- (28E) Time limit has been proposed to be omitted in this clause for applicability of reduced rate of minimum tax for traders of yarn.

## PART III

### REDUCTION IN TAX LIABILITY

(2) *Omitted*

(7) *Omitted*

(8) *Omitted*

(9) It has been proposed to extend the exemption for low cost housing scheme till tax year 2024.

(9B) Following amendment has been proposed to be made in the clause;  
The tax payable on the income, profits and gains of projects of 'low cost housing' developed or approved by Naya Pakistan Housing and Development Authority (NAPHDA) or under the Ehsaas Programme shall be reduced by 90%.

***Provided that exemption under this clause shall continue to remain available to such projects which commence on or before the 30th day of June, 2024.***

(17) Following new clause has been proposed to be inserted;

***The tax payable by cotton ginner on their income and profits shall not be more than sum of 1% of their turnover from cotton lint, cotton seed, cotton seed oil and cotton seed cake:  
Provided that the tax so payable shall be final tax in respect of their cotton ginning and oil milling activities only.***

- (18) Following new clause has been proposed to be inserted;

***The rate of withholding tax on value of offshore supply contract of an Independent Power Producer located wholly or partly in territories of AJ and K shall be 1% provided: (i) PPIB has issued Letter of Support for the project; (ii) its EPC Contract has been executed and submitted to NEPRA for EPC stage tariff determination prior to the enactment of Finance Act, 2018; (iii) offshore supply contract arrangement of offshore supply contractor having permanent establishment in Pakistan falls under the purview of cohesive business operation as contemplated under Income Tax Ordinance, 2001; and (iv) such 1% tax shall be full and final liability of the offshore contractor***

- (19) Following new clause has been proposed to be inserted;

***The tax payable by woman enterprises on profit and gains derived from business chargeable to tax under the head "Income from Business" shall be reduced by 25%.***

***Explanation.-*** For the purpose of this clause a woman enterprise means a startup established on or after first day of July 2021 as sole proprietorship concern owned by a woman or an AOP all of whose members are women or a company whose 100% shareholding is held or owned by women.

## PART IV

### EXEMPTION FROM SPECIFIC PROVISIONS

(2) *Omitted*

(4A) New clause has been proposed to be added as follows;

***No provisions of law shall apply for recouping of tax credit already allowed to National Power Parks Management Company Limited for investment in plant and machinery in the eve of privatization merely for the reasons of change in its ownership pattern or debt to equity ratio.***

(11A) Following proposed amendment has been sought to be inserted;  
*The provisions of section 113, regarding minimum tax, shall not apply to,-*

(i) *National Investment (Unit) Trust or a collective investment scheme authorized or registered under the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 or a real estate investment trust approved and authorized under the Real Estate Investment Trust 2["Regulations, 2015"], 3[or a pension fund registered under the Voluntary Pension System Rules, 2005] or any other company in respect of turnover representing transactions in shares, or securities listed on a registered stock exchange;*

(ii) *petroleum dealers, in so far as they relate to turnover on account of sale of petroleum and petroleum products, notwithstanding their status as a company, a registered firm or an individual, engaged in retail sale of petroleum and petroleum products through petrol pumps for the purposes of assessment of their income and determination of tax thereon;*

*Provided that this exemption shall not apply to the sale of petroleum and petroleum products through petrol pumps which are directly operated or managed by companies*

engaged in distribution of petroleum and petroleum products.

Explanation.- For the removal of doubt it is declared that the companies engaged in distribution of petroleum and petroleum products other than through petrol pumps shall not be entitled to the benefits of this exemption;

- (iii) Hub Power Company Limited so far as they relate to its receipts on account of sale of electricity;
- (v) companies, qualifying for exemption under clause (132) of Part-I of this Schedule, in respect of receipts from sale of electricity.
- (vi) Provincial Governments and Local Governments, qualifying for exemption under section 49 and other Government bodies which are otherwise exempt from income tax: Provided that nothing shall be construed to authorize any refund of tax already paid or the collection of any outstanding demand created under the said section.
- (vii) Pakistan Red Crescent Society;
- (viii) special purpose, non-profit companies engaged in securitizing the receivables of Provincial Governments;
- (ix) **Omitted**
- (x) **Omitted**
- (xi) a resident person engaged in the business of shipping who qualifies for application of reduced rate of tax on tonnage basis as final tax under clause (21) of Part II of the Second Schedule;
- (xii) **Omitted**
- (xiii) a modaraba qualifying for exemption under clause (100) of Part-I of this Schedule.
- (xiv) Corporate and Industrial Restructuring Corporation (CIRC);
- (xv) **Omitted**
- (xvi) a morabaha bank or a financial institution approved by the State.
- (xviii) **Omitted**
- (xxviii) Third Pakistan International Sukuk Company Limited."
- (xxix) **Omitted**

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- xxxix) Islamic Naya Pakistan Certificates Company Limited (INPCCL);
  - (xl) receipts from sale of electricity produced from a bagasse and biomass based co-generation power project qualifying for exemption under clause (132C) of Part-I of this Schedule.
  - (xli) new entity taking over National Power Parks Management Company Limited in the eve of privatization;
  - (xlii) Persons qualifying for exemption under clause (126E) of Part I of this Schedule for tax year 2021 and onwards
  - (xliii) Persons qualifying for exemption under clause (126EA) of Part I of this Schedule;
  - (xliv) Persons mentioned in Table I of clause (66) of Part I of Second Schedule.
- (12B) Exemption of section 148 on certain products has been extended till June 30, 2021.
- (12F) New clause has been proposed to be inserted, which reads as follows;

***The provision of section 148 shall not apply on import of 1.5 million tons of wheat having PCT Heading 1001.1900 and 1001.9900 in pursuance of Cabinet Decision in case No.399/23/2020 dated the 16th June, 2020.***

- (12H) New clause has been proposed to be inserted, which reads as follows;

***(a) The provisions of section 148 shall not apply on import of following goods for a period of three months starting from the 23rd of June, 2020, namely;***

<b><i>S.No</i></b>	<b><i>Description</i></b>	<b><i>PCT Code</i></b>
<b><i>(1)</i></b>	<b><i>(2)</i></b>	<b><i>(3)</i></b>
1.	Oxygen gas	2804.4000
2.	Cylinders (for oxygen gas)	7311.0090
3.	Cryogenic tanks (for oxygen gas)	7311.0030

**And**

***(b) the concessions given in this clause shall also apply in respect of the letters of credit opened or goods declaration forms filed on or after the 23rd June, 2020.***

- (12I) New clause has been proposed to be inserted, which reads as follows;

***The provisions of section 148 shall not apply on import of 83 X Micron sprayers for Anti-Locust Operation (Respective heading) by National Disaster Management Authority (NDMA).***

- (12J) New clause has been proposed to be inserted, which reads as follows;

***The provisions of section 148 shall, in pursuance of the Cabinet Decision in case No. 34/02/2021, dated the 12th January, 2021, not apply on import of three hundred thousand metric tons of wheat through tendering process by the Trading Corporation of Pakistan.***

- (12K) New clause has been proposed to be inserted, which reads as follows;

***(a) The provisions of section 148 shall not apply on import of following goods by the manufacturers of oxygen for a period of three months starting from the 25th day of December, 2020, namely:***

<b><i>S.No</i></b>	<b><i>Description</i></b>	<b><i>PCT Code</i></b>
<b><i>(1)</i></b>	<b><i>(2)</i></b>	<b><i>(3)</i></b>
<b><i>1.</i></b>	<b><i>Cryogenic Tanks (for oxygen Gas)</i></b>	<b><i>7311.0030</i></b>

***(b) the concessions given in this clause shall also apply in respect of the letters of credit opened or goods declaration forms filed on or after the 25th day of December, 2020;***

- (12L) New clause has been proposed to be inserted, which reads as follows;

***The provisions of section 148 and 153 shall not apply on import and subsequent supply of five hundred thousand metric tons of white sugar imported by the Trading Corporation of Pakistan.***

- (12M) New clause has been proposed to be inserted, which reads as follows;

The provisions of section 148 shall not apply on import of following goods for a period of one hundred and eighty days starting from the 14th day of May, 2021, namely

S.No.	Description	PCT Code
(1)	(2)	(3)
1.	Oxygen gas	2804.4000
2.	Cylinders (for oxygen gas)	7311.0090
3.	Cryogenic tanks (for oxygen gas)	7311.0030

- (c) The concessions given in this clause shall also apply in respect of the letters of credit opened or goods declaration forms filed on or after the 23rd June, 2020;

- (12I) New clause has been proposed to be inserted, which reads as follows;

***The provisions of section 148 shall not apply on import of 83 X Micron sprayers for Anti-Locust Operation (Respective heading) by National Disaster Management Authority (NDMA).***

- (12J) Following new clause has been proposed to be inserted;

***The provisions of section 148 shall, in pursuance of the Cabinet Decision in case No. 34/02/2021, dated the 12th January, 2021, not apply on import of three hundred thousand metric tons of wheat through tendering process by the Trading Corporation of Pakistan.***



(12K) Following new clause has been proposed to be inserted;

***(a) The provisions of section 148 shall not apply on import of following goods by the manufacturers of oxygen for a period of three months starting from the 25th day of December, 2020, namely***

***(b)***

S.No.	Description	PCT Code
(1)	(2)	(3)
1.	Cryogenic Tanks (for oxygen Gas)	7311.0030

***(c) the concessions given in this clause shall also apply in respect of the letters of credit opened or goods declaration forms filed on or after the 25th day of December, 2020.***

(12L) Following new clause has been proposed to be inserted;

***The provisions of section 148 and 153 shall not apply on import and subsequent supply of five hundred thousand metric tons of white sugar imported by the Trading Corporation of Pakistan.***

(12M) Following new clause has been proposed to be inserted;

***The provisions of section 148 shall not apply on import of following goods for a period of one hundred and eighty days starting from the 14th day of May, 2021, namely***

S.No.	Description	PCT Code
(1)	(2)	(3)
1.	- Oxygen	2804.4000
2.	- - - Other (Oxygen Cylinders)	7311.0090
3.	For Cryogenic (Tank s/Vessels)	7311.0030
	Oxygen Concentrators/Generators/Manufacturing Plants of all specifications and capacities.	Respective headings

(12N) New clause has been proposed to be inserted as follows;

- (a) The provisions of section 148 shall not apply on the import of goods which takes place within the jurisdiction of Border sustenance markets specified in Table -I below:

**TABLE – I**

S.No	PCT Heading	
1.	07011000	-SEED (Potatoes)
2.	07020000	TOMATOES, FRESH OR CHILLED.
3.	07031000	-ONIONS AND SHALLOTS
4.	07032000	-GARLIC
6.	07061000	-CARROTS AND TURNIPS
7.	07070000	CUCUMBERS AND GHERKINS FRESH OR CHILLED.
8.	07081000	-PEAS (PISUM SATIVUM)
9.	07082000	-BEANS (VIGNA SPP., PHASEOLUS SPP.)
10.	07089000	-OTHER LEGUMINOUS VEGETABLES
11.	07131000	- Peas (Pisum sativum)
12.	07132010	Grams (Dry/Whole)
13.	07132090	---other- which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
14.	07133100	-- Beans of the species Vigna mungo (L.) Hepper or Vigna radiata (L.) Wilczek

15.	07133200	-- small red (Adzuki) beans (Phaseolus or Vigna angularis)
16.	07133300	Kidney beans including white beans
17.	07133400	-- Bambara – vigna subteranea or vaahdzeia subterrea
18.	07133500	- - Cow peas (Vigna unguiculata)
5.	07049000	-OTHERS which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
19.	07133990	-- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
20.	07134010	- Lentils (Dry Whole)
21.	07135000	- Broad beans (Vicia faba var. major) and horse beans (Vicia faba var. equina, Vicia faba var. minor)
22.	07136000	- Pigeon peas (cajanus cajan)
23.	07139090	- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
24.	09051000	Vanilla (Neither crushed nor ground)
25.	09061100	Cinnamon
26.	09061900	Other (Cinnamon And Cinnamon Tree Flowers)
27.	09071000	- - Neither crushed nor ground (Cloves)
28.	09072000	- - Crushed or ground (Cloves)
29.	09081100	- - Neither Crushed nor ground (Nutmeg)

31.	09082100	- - Neither crushed nor ground (Maze)
32.	09082200	- - Crushed or ground (Maze)
33.	09083110	- - - Large (Cardammoms)
34.	09083120	- - - Small (Cardammoms)
35.	09083200	- - Crushed or ground (Cardammoms)
36.	09092100	- - Neither crushed nor ground (Coriander)
37.	09092200	- - Crushed or ground (Coriander)
38.	09093100	- - Neither crushed nor ground (Seeds of Cumins)
39.	09093200	- - Crushed or ground (Seeds of Cumins)
40.	09096100	- - Neither crushed nor ground (Seeds of Anise, Badian, Caraway, Fennel etc)
41.	09096200	- - Crushed or ground (Seeds of Anise, Badian, Caraway, Fennel etc)
42.	09109910	- - - THYME; BAY LEAVES
43.	10031000	Barley (Seeds)
44.	10039000	Other (Barley)
45.	12060000	Sunflower seeds ,whether or not broken
46.	12129200	Locust beans
47.	12130000	Cereal straws and husks
48.	15161000	Animal Fats and Oil and their fractions
49.	15162010	Vegetable Fats and their fractions
30.	09081200	- - Crushed or ground (Nutmeg)
50.	15162020	Vegetable Oils and their fractions
51.	82089010	- - - Knives and cutting blades for paper and paper board

52.	04011000	-OF A FAT CONTENT, BY WEIGHT, NOT EXCEEDING 1 % (Milk and Cream)
53.	04012000	-OF A FAT CONTENT, BY WEIGHT, EXCEEDING 1 % BUT NOT EXCEEDING 6 % (Milk and Cream)
54.	04014000	- Of a fat content, by weight, exceeding 6 % but not exceeding 10% (Milk and Cream)
55.	04015000	- Of a fat content, by weight, exceeding 10 % (Milk and Cream)
56.	07039000	-LEEKS AND OTHER ALLIACEOUS VEGETABLES
57.	07041000	-CAULIFLOWERS AND HEADED BROCCOLI
58.	07042000	-BRUSSELS SPROUTS
59.	07051100	- - CABBAGE LETTUCE (HEAD LETTUCE)
60.	07051900	- - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and
		Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
61.	07052100	- - WITLOOF CHICORY (CICHORIUM INTYBUS VAR.FOLIOSUM)
62.	07052900	- - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
63.	07069000	-OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
64.	07096000	Fruits of the genus Capsicum or of the genus Pimenta
65.	08042000	Figs
66.	08061000	-FRESH (Grapes)
67.	08062000	---DRIED (Grapes)
68.	08071100	- - WATERMELONS

69.	08071900	- - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
70.	08081000	-APPLES
71.	09021000	Green Tea
72.	09022000	Other Green Tea
73.	09101200	- - Crushed or ground (Ginger)
74.	09103000	-TURMERIC (CURCUMA)
75.		- - - OTHER which qualifies for exemption or concession
76.	17021110	Lactose (Sugar )
77.	17021120	- - - Lactose syrup
78.	17021900	- - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
79.	17029020	- - - CAMEL
80.	23040000	OIL-CAKE AND OTHER SOLID RESIDUES, WHETHER OR NOT GROUND OR IN THE FORM OF PELLETS, RESULTING FROM THE EXTRACTION OF SOYA BEAN
81.	23099000	Other (animal feed)
82.	52042010	--- FOR Sewing (Thread)
83.	52042020	For embroidery (Thread)
84.	82011000	- Spades and shovels
85.	82055900	Other (Tools for masons, watchmakers, miners and hand tools nes)
86.	82083000	- For kitchen appliances or for machines used by the food industry

87.	82089090	- - - Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
88.	04031000	-YOGURT
89.	07019000	Other (Potatoes)
90.	07104000	- Sweet corn
91.	07109000	- Mixtures of vegetables
92.	08041010	Fresh (Dates)
93.	08041020	Dried (Dates)
94.	08091000	-APRICOTS
95.	08092100	- - Sour cherries (Prunus cerasus)
96.	08092900	- - Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
97.	08093000	-PEACHES, INCLUDING NECTARINES
98.	08094000	-PLUMS AND SLOES
99.	08101000	Strawberries
100.	08105000	Kiwi Fruit
101.	09101100	- - Neither crushed nor ground (Ginger)
102.	10011900	Other (Durum wheat (excl. seed for sowing))
103.	10019900	Other (Wheat and meslin (excl. seed for sowing, and durum wheat))
104.	11010010	Of Wheat (Flour)
105.	11010020	Of Meslin (Flour)
106.	19021920	- - - VERMACELLI
107.	19059000	Other (Packed Cake)

108.	20071000	Homogenised preparations
109.	20079100	Citrus Fruit
110.	20079900	Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
111.	34013000	-ORGANIC SURFACE-ACTIVE PRODUCTS AND PREPARATIONS FOR WASHING THE SKIN, IN THE FORM OF LIQUID OR CREAM AND PUT UP FOR RETAIL SALE, WHETHER OR NOT CONTAINING SOAP
112.	34022000	- Preparations put up for retail sale
113.	34029000	---- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
114.	69111090	Others (Tableware and kitchenware of porcelain or China)
115.	69119000	Other (Household articles nes & toilet articles of porcelain or china)
116.	70134900	Other (Glassware for table or kitchen purposes (excl. glass having a linear c)
117.	70139900	Other (Glassware nes (other than that of 70.10 or 70.18))
118.	82159910	- - - Spoons
119.	82159990	Other (Tableware articles not in sets and not plated with precious meta)
120.	87120000	Bicycles and other cycles (including delivery tricycles), not motorised.
121.	96170010	- - - Vacuum flasks
122.	96170020	- - - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets



- (b) *The provisions of section 154 shall not apply to the export of goods which takes place within the jurisdiction of Border sustenance markets specified in*

**Table - II**

S.No	PCT Heading	Description
1.	02012000	Other cuts with bone in (Meat of bovine animals, fresh or chilled)
2.	02013000	Boneless (Meat of bovine animals, fresh or chilled)
3.	02022000	Other cuts with bone in (Meat of bovine animals, frozen)
4.	02023000	Boneless (Meat of bovine animals, frozen)
5.	03021100	Fish
6.	04090000	Honey
7.	06022000	Plants
8.	07011000	-SEED (Potatoes)
9.	07019000	Other (Potatoes)
10.	07020000	TOMATOES, FRESH OR CHILLED.
11.	07031000	-ONIONS AND SHALLOTS
12.	07032000	Garlic
13.	07061000	-CARROTS AND TURNIPS
14.	07069000	-OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
15.	07070000	Cucumbers
16.	07093000	Egg Plant

17.	07096000	Fruits of the genus Capsicum or of the genus
18.	07099900	Others (Lady Finger)
19.	07101000	Fresh Potato
20.	07102100	Pea
21.	07103000	Spinach
22.	08031000	- Plantains (Bananas)
23.	08039000	- Other (Bananas)
24.	08041010	Fresh (Dates)
25.	08041020	Dried (Dates)
26.	08045020	--- Mangoes
27.	08052100	-- Mandarins (including tangerines and satsumas)
28.	08052910	---Kino (fresh)
29.	08061000	Grapes (Fresh)
30.	08071100	- - WATERMELONS
31.	08071900	Melons
32.	08091000	Apricots
33.	08092900	Cherries
34.	08093000	Peaches
35.	08101000	Strawberries
36.	08109010	Pomegranates
37.	08109090	Fresh fruits nes (Other)
38.	08133000	Apple
39.	09021000	Green Tea

40.	09022000	Other green tea
41.	09030000	Mate.
42.	09042110	Red Chillies (Whole)
43.	09042190	--- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
44.	09042210	Red Chillies (Powder)
45.	09042290	--- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
46.	09051000	- - Neither crushed nor ground (Vanilla)
47.	09052000	- - Crushed or ground (Vanilla)
48.	10061010	- - - SEED FOR SOWING (Rice)
49.	10061090	- - - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
50.	10062000	-HUSKED (BROWN) RICE
51.	10063010	- - - BASMATI (Rice)
52.	10063090	- - - OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
53.	10064000	-BROKEN RICE
54.	11010010	Flour (of Wheat)

55.	12074000	- Sesamum seeds
56.	12079900	Other (hemp Seeds)
57.	12119000	Ajwain
58.	15162020	Vegetable Oils and their fractions
59.	19021920	- - - VERMACELLI
60.	19041090	Papad
61.	20071000	- Homogenised preparations
62.	20081900	--Nimko
63.	21069090	- - - OTHER (Custard Powder)
64.	23099000	Other (Animal feed)
65.	25010010	Table Salt
66.	25010020	--- Rock Salt
67.	25010030	--- Sea Salt
68.	25010090	--- Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
69.	34060000	Candles
70.	36050000	Safety Match
71.	39264090	-OTHER (Plastic Articles)
72.	53101000	Woven fabrics of jute or of other textile bast fibres, unbleached

73.	53109010	- - - Jute (hessian cloth)
74.	56074100	- - Binder or baler twine
75.	56074900	- - Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
76.	56075000	- Of other synthetic fibres
77.	58021100	-- Unbleached (Terry toweling in similar woven
78.	58021900	-- Other (Terry toweling In similar woven Terry fabrics, OF cotton)
79.	58022000	- Terry towelling and similar woven terry fabrics, of
80.	58023000	- Tufted textile fabrics
81.	58043000	- Hand made lace
82.	58050000	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up.
83.	58064000	- Fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)
84.	59011000	- Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like
85.	61119000	Mix Goods/Garments (Babies
86.	62031990	---OTHER (Men or Boys Suits etc)
87.	62042200	- - Of cotton
88.	62042900	- - Of other textile materials
89.	62043900	- - Of other textile materials

90.	62044210	- - - Shisha embroidered dresses
91.	62129000	-OTHER which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets
92.	63021090	-OTHER (Bed linen, Toilet linen etc)
93.	63051000	Jute Bags (of jute or of other textile bast fibres of
94.	63052000	Sacks and bags, for packing of goods, of cotton
95.	63090000	Worn clothing and other worn articles
96.	69111090	Other (Tableware and kitchenware of porcelain
97.	69119000	Others (Household articles nes & toilet articles of
98.	70133700	Drinking glasses (excl. glasses of glass ceramics or
99.	73181690	Nuts, iron or steel, nes (Others)
100.	82055900	Tools for masons, watchmakers, miners and hand
101.	82059000	Hand tools (Other, including sets of articles of two or more subheadings of this heading)
102.	82119100	- - Table knives having fixed blades
103.	82119200	- - Other knives having fixed blades
104.	82159990	Tableware articles not in sets and not plated
105.	84485100	Needle
106.	96170010	- - - Vacuum flasks
107.	96170020	- - - Other which qualifies for exemption or concession or reduced rate under the provisions of Customs Act, 1969 and Sales Tax Act, 1990 or Federal Excise Act, 2005 for Border Sustenance Markets

***The exemption under this clause shall be available on the import of goods subject to following conditions, namely:-***

- (i) Such goods shall be supplied only within the limits of Border Sustenance Markets established in cooperation with Iran and Afghanistan;
  - (ii) If the goods, on which exemption under this table has been availed, are brought outside the limits of such markets, income tax shall be charged on the import value as per provisions of section 148 of this Ordinance;
  - (iii) Such items in case of import, shall be allowed clearance by the Customs Authorities subject to furnishing of bank guarantee equal to the amount of income tax involved and the same shall be released after presentation of consumption certificate issued by the Commissioner Inland Revenue having jurisdiction;
  - (iv) The said exemption shall only be available to a person upon furnishing proof of having a functional business premises located within limits of the Border Sustenance Markets; and
  - (v) Breach of any of the conditions specified herein shall attract relevant legal provisions of the Ordinance, besides recovery of the amount of income tax along with default surcharge and penalties involved.
- (43E) Clarification has been made in the clause to involve the benefits of exemption from withholding taxes in case of payment of extra tax as described as below;

The provisions of clause (a) & (b) of sub section (1) of section 153 shall not apply in case of goods transport contractors, provided that such contractors pay tax at the rate of 3.5% on payments for rendering or providing of carriage services.

(43G) Following new clause has been proposed to be inserted;

***The provisions of section 153 shall not apply to commodity futures contracts listed on a Futures Exchange licensed under the Futures Market Act, 2016 (XIV of 2016).***

(45) Following proposed amendment has been proposed to be made;

The provisions of 2[sub-section 3[(1)] of section 153] shall not apply to any manufacturer-cum-exporter as 4[the prescribed person]:  
Provided that—

- (a) The manufacturer-cum-exporter shall deduct tax from payments made in respect of goods sold in Pakistan;
- (b) If tax has not been deducted from payments on account of supply of goods in respect of goods sold in Pakistan, the tax shall be paid by the manufacture-cum-exporter, if the sales in Pakistan are in excess of five per cent of export sales; and

***(c) Omitted***

(45A) Following proposed changes have been made in this clause;

The rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be one per cent on local sales supplies and services provided or rendered to the 1[taxpayers falling in the]following categories 2[ ] namely:-

- (i) textile and articles thereof;
- (ii) carpets;
- (iii) leather and articles thereof including artificial leather footwear;
- (iv) surgical goods; and
- (v) sports goods



**Explanation.**– For removal of doubt, it is clarified that the relief of reduced rate for withholding tax under clause (a) and (b) of sub-section (1) of section 153 is available only to the local sales, supplies and services made by the taxpayers of categories specified at serial no (i) to (v) of this clause.

Provided that the rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be 0.5% on local sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers.

**(c) Omitted**

(45B) Following new clause is proposed to be inserted;

***The provisions of section 153 shall not apply on the purchase of used motor vehicles from general public.***

(46AA) Following amendments are proposed to be made in this clause;

The provisions of section 153 shall not apply to the following persons as recipients of payment, namely:—

- (i) a Provincial Government;
- (ii) a local authority;
- (iii) persons who are residents of Azad Kashmir and execute contracts in Azad Kashmir only and produce a certificate to this effect from the concerned income tax authority.
- (iv) ***Subject to fulfillment of procedure laid down in clause (12) of Part IV of Second Schedule, persons receiving payments exclusively for the supply of agriculture produce including following –***
  - (I) ***fresh milk;***
  - (II) ***fish by any person engaged in fish farming;***
  - (III) ***live chicken, birds and eggs by any person engaged in poultry farming;***

- (IV) *live animals by any person engaged in cattle farming;*
- (V) *unpackaged meat; and*
- (VI) *raw hides:*

***Provided that this clause shall not apply to the payments for agriculture produce which has been subjected to any process other than that which is ordinarily performed to render such produce to be fit to be taken to the market.***

- (47B) Following proposed amendment has been sought to be inserted in this clause to exclude Modaraba and Private Equity Funds;

***The provisions of sections 150, 151 2[, ] 233 3[and Part I, Division VII of the First Schedule] shall not apply to any person making payment to National Investment Unit Trust or a collective investment scheme or Approved Pension Fund or an Approved Income Payment Plan or a REIT Scheme or a recognized provident fund or an approved superannuation fund or an approved gratuity fund.***

- (56) Following proposed Amendment has been sought to be made in this clause as follows;

The provisions of section 148, regarding withholding tax on imports shall not apply in respect of---

(i)---

(ii)---

(iii)---

(iiia) Goods temporarily imported into Pakistan by international athletes which would be subsequently taken back by them within one hundred and twenty days of temporary import.

(IV)---

(v)---

-----

- (xiii) Goods produced or manufactured and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969) are complied with;
- (xiv) plant and machinery imported for setting up of a bagasse/biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule.;
- (xv) persons authorized under Export Facilitation Scheme 2021 notified by the Board with such scope, conditions, limitation, restrictions and specification of goods.;
- (xvi) motor vehicles upto 850cc in CBU condition;
- (xvii) Printed books excluding brochures, leaflets and similar printed matter, whether or not in single sheets.(PCT code 49.01); and
- (xviii) Newspapers, journals and periodicals, whether or not illustrated or containing advertising material (PCT code 49.02).

(57A) **Omitted**

(59) Following proposed amendment has been made in the clause;

The provisions of section 151, regarding withholding tax on profit on debt, shall not apply—

- (ii) to any payment made by way profit or interest to any person on Term Finance Certificates being the instruments of redeemable capital under the ***Companies Act, 2017 (XIX of 2017)***, issued by Prime Minister's Housing Development Company (Pvt) Limited (PHDCL).

(60DA) Following new clause is proposed to be inserted;

***The provisions of section 148 shall not apply to the import of the capital equipment as defined in section 2 of the Special Technology Zones Ordinance 2020 (XIII of 2020) by –***

- (a) zone developers as defined in section 2 of the Special Technology Zones Ordinance 2020 for consumption in the special technology zones for the period of 10 years commencing from the date of signing the development agreement;***
- (b) zone enterprises as defined in section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years from the date of issuance of license by the Special Technology Zone Authority; and***
- (c) Special Technology Zones Authority established under the Special Technology Zones Ordinance 2020.***

(61) ***Omitted***

(72A) ***Omitted***

(79A) Following new clause is proposed to be inserted;

***The provisions of clause (b) of sub-section (1) of section 153 shall not apply to payments received by National Telecommunication Corporation against provision of telecommunication services including ancillary services specified in sub-section (3) of section 41 of the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996).***

(91) Following new equipment is proposed to be included in the list;

***(iv)***

***(xvii) Corn harvester/corn picker and silage maker with their respective PCT heading.***

- (95) Amendment has been proposed in the clause as follows;

the provisions of sections **147, 150A, 151, 152, 236A** and 236K shall not apply to "The second Pakistan international Sukuk Company Limited" and the Third Pakistan International Sukuk Company Limited, as a payer.

- (101) **Omitted**

- (101A) **Omitted**

- (101AA) **Omitted**

- (108) Following amendments have been proposed to be made to exclude sections as below;

The provisions of sections **131 and 151** and 236P shall not apply to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.

- (109) **Omitted**

- (111AB) New clause is proposed to inserted as follows;

***The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) maintaining a Foreign Currency Value Account (FCVA) or Non-resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan.***

- (112) **Omitted**

- (112A) **Omitted**

- (114A) Changes have been proposed in the clause as follows;

*The provisions of clause (ae) of sub-section (1) of section 114 and section 181 shall not apply to a nonresident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) maintaining a Foreign Currency Value Account (FCVA) or a Non-resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan: Provided that this clause shall not apply if the person referred in this clause has Pakistan-source taxable income other than the following; namely:—*

*(a) profit on debt on FCVA or Non-resident Pakistani Rupee Value Account (NRVA);*

*(b) profit on debt earned on Government of Pakistan (GOP) securities either conventional or Shariah Compliant where investment has been made from proceeds of FCVA or NRVA;*

*(c) capital gain on disposal of immovable property acquired from proceeds of FCVA or NRVA;*

*(d) capital gain on disposal of securities traded on Pakistan Stock Exchange and units of mutual funds that are acquired from proceeds of FCVA or NRVA; or*

*(e) dividend income from securities traded on Pakistan Stock Exchange and mutual funds that are acquired from proceeds of FCVA or NRVA.*

(116) Following amendment has been proposed as follows;

*The provisions of section 151, shall not apply to The Prime Minister's COVID-19 Pandemic Relief Fund-2020.*

(117) *Omitted*

- (118) New clause is proposed to be inserted as follows;  
***The provisions of withholding taxes contained in the Income Tax Ordinance, 2001 (XLIX of 2001) shall not apply to Islamic Naya Pakistan Certificates Company Limited (INPCCL) as a recipient.***
- (119) New clause is proposed to be inserted as follows;  
***The provisions of section 153(1)(a) shall with effect from the first day of July, 2020 not apply to distributors, dealers, wholesalers and retailers of locally manufactured mobile phone devices as withholding agent.***

## THE THIRD SCHEDULE

### PART-I

### DEPRECIATION

(See Section 22)

- *It has been proposed to delete the entry in column 2, entry no. 4 i.e. Below ground installations.*

#### PART II

#### INITIAL ALLOWANCE 1[AND FIRST YEAR ALLOWANCE]

Initial allowance u/s 23A is proposed to be deleted.

## THE FIFTH SCHEDULE

(See Section 100)

### PART IV

*Tax Exemption of Profits from Refining or Concentrating Mineral Deposits is proposed to be deleted.*

## THE SEVENTH SCHEDULE

### RULES FOR THE COMPUTATION OF THE PROFITS AND GAINS OF A BANKING COMPANY AND TAX PAYABLE THEREON

*Super tax is proposed to be applicable on banking companies for tax year 2021 and onwards.*

## THE EIGHTH SCHEDULE

[Section 100B]

### RULES FOR THE COMPUTATION OF CAPITAL GAINS ON LISTED SECURITIES



*It is proposed to correct the words Companies Ordinance, 1984 (XLVII of 1984)", with the "Companies Act, 2017 (XIX of 2017)*

## **THE TENTH SCHEDULE**

(See section 100BA)

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

**It is proposed to delete the following exclusions from applicability of Tenth Schedule;**

***(d) tax deducted under section 155;***

***(f) tax deducted under section 231A;***

***(g) tax deducted under section 231AA;***

***(h) tax deducted under section 233AA;***

***(j) tax deducted under section 235A;***

***(m) tax collected under section 236B***

***(r) tax collected under section 236L;***

***(s) tax collected under section 236P***

## ELEVENTH SCHEDULE

### [See section 100D]

#### RULES FOR COMPUTATION OF PROFITS AND GAINS OF BUILDERS AND DEVELOPERS AND TAX PAYABLE THEREON

#### 2. Scope and payment of tax:---

It has been proposed to change the estimated project life from two to three years and to change the provisos as follows;

(b) The estimated project life for tax purposes shall not exceed **three** and a half years

*Provided that in case of existing incomplete projects, the estimated project life shall be treated as four years maximum from tax year 2020 through tax year 2023 and the tax payable shall be reduced by the percentage of completion up to the last day of accounting period pertaining to tax year 2019 or tax year 2020 as declared in the registration form."; and*

*Omitted*

#### 3. Registration and filing of return

Date of registration has been proposed to be extended till December 2021, and new proviso to be added as follows;

(1) A builder or developer shall electronically register a project on Iris through FBR website on or before the **31st day of December, 2021** through submission of—

*a) registration form as may be prescribed which shall include, inter alia, details of a member or shareholder of a builder or developer, as the case may be;*

*Provided that a developer who is also a builder in case of a project shall submit two separate forms for registration as a developer and as a builder;*

***Provided further that where benefit of sub-section (3) of section 100D is required to be claimed by builder or developer, the project shall be registered latest by 30th day of June, 2021; and***

**8 RESTRICTION ON CHANGE IN PATTERN OF OWNERSHIP OF A BUILDER OR DEVELOPER BEFORE COMPLETION OF A PROJECT.**

Date is proposed to be extended till December 31, 2021.

## THE THIRTEENTH SCHEDULE

(See section 61)

New schedule is proposed to be inserted to list the organizations eligible in section 61;

S. No.	Name
(1)	(2)
1.	any Sports Board or institution recognised by the Federal Government for the purposes of promoting, controlling or regulating any sport or game.
2.	The Citizens Foundation.
3.	Fund for Promotion of Science and Technology in Pakistan.
4.	Fund for Retarded and Handicapped Children.
5.	National Trust Fund for The Disabled.
6.	Fund for Development of Mazaar of Hazarat Burn i Imam.
7.	Rabita-e-Islami's Project for printing copies of the Holy Quran.
8.	Fatimid Foundation, Karachi.
9.	Al-Shifa Trust.
10.	Society for the Promotion of Engineering Sciences and Technology in Pakistan.
11.	Citizens-Police Liaison Committee, Central Reporting Cell, Sindh Governor House, Karachi.

12.	ICIC Foundation.
13.	National Management Foundation.
14.	Endowment Fund of the institutions of the Agha Khan Development Network (Pakistan listed in Schedule 1 of the Accord and Protocol, dated November 13, 1994, executed between the Government of the Islamic Republic of Pakistan and Agha Khan Development Network.
15.	Shaheed Zulfigar Ali Bhutto Memorial Awards Society.
16.	Iqbal Memorial fund.
17.	Cancer Research Foundation of Pakistan, Lahore. ,
18.	Shaukat Khanum Memorial Trust, Lahore.
19.	Christian Memorial Hospital, Sialkot.
20.	National Museums, National Libraries and Monuments or institutions declared to be National Heritage by the Federal Government.
21.	Mumtaz Bakhtawar Memorial Trust Hospital, Lahore.
22.	Kashmir Fund for Rehabilitation of Kashmir Refugees and Freedom Fighters.
23.	Institutions of the Agha Khan Development Network (Pakistan) listed in Schedule 1 of the Accord and Protocol, dated November 13, 1994, executed between the Government of the Islamic Republic of Pakistan and Agha Khan Development Network.
24.	Azad Kashmir President's Mujahid Fund, 1972.
25.	National Institute of Cardiovascular Diseases,
26.	Businessmen Hospital Trust, Lahore.

27.	Premier Trust Hospital, Mardan.
28.	Faisal Shaheed Memorial Hospital Trust, Gujranwala.
29.	Khair-un-Nisa Hospital Foundation, Lahore.
30.	Sind and Balochistan Advocates' Benevolent Fund.
31.	Rashid Minhas Memorial Hospital Fund.
32.	Any relief or welfare fund established by
33.	Mohatta Palace Gallery Trust.
34.	Bagh-e-Quaid-e-Azam project, Karachi.
35.	Any amount donated for Tameer-e-Karachi Fund.
36.	Pakistan Red Cres-cent Society.
37.	Sank of Commerce and Credit International Foundation for Advancement of Science and Technology.
38.	Federal Board of Revenue Foundation.
39.	The Indus Hospital, Karachi.
40.	Pakistan Sweet Homes Angels and Fairies Place.
41.	Al-Shifa Trust Eye Hospital.
42.	Aziz Tabba Foundation.
43.	Sindh Institute of Urology and Transplantation, SIUT Trust and Society for the Welfare of SIUT.
44.	Sharif Trust.

45.	The Kidney Centre Post Graduate Institute.
46.	Pakistan Disabled Foundation.
47.	Sardar Trust Eye Hospital, Lahore.
48.	Supreme Court of Pakistan — Diamer Bhasha & Mohmand Dams — Fund.
49.	Layton Rahmatullah Benevolent Trust (LRBT).
50.	Akhuwat.
51.	The Prime Minister's COVIE)-19 Pandemic Relief Fund-2020.
52.	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI).
53.	Lahore University of Management Sciences.
54.	Dawat-e-Hadiya, Karachi.
55.	Baitussalam Welfare Trust.
56.	Patients' Aid Foundation.
57.	Alkhidmat Foundation.
58.	Alamqir Welfare Trust International.
59.	Prime Minister's Special Fund for victims of terrorism.
60.	Chief Ministers(Punjab) Relief Fund for Internally Displaced Persons (IDPs) of KPK.
61.	Prime Ministers Flood Relief Fund 2010 and Provincial Chief Ministers Relief Funds for victims of flood 2010.
62.	Waqf for Research on Islamic History, Art and Culture, Istanbul.

Provided that the Federal Government shall have the power to add, amend or omit any entry in this Schedule.

## FOURTEENTH SCHEDULE

(See section 100E)

### RULES FOR COMPUTATION OF PROFIT AND GAINS FOR SMALL AND MEDIUM ENTERPRISES

New schedule is proposed to be inserted as below;

#### 1. Application.-

These rules shall apply to small and medium enterprises as defined in Clause (59A) of Section 2 of the Ordinance.

#### 2. Registration.-

Small and medium enterprise shall be required to register with FBR on its Iris web portal or Small and Medium Enterprises Development Authority on its SME registration portal (SMERP).

#### 3. Categories and tax rates.-

There shall be following two categories of small and medium enterprises and tax on their taxable income shall be computed at the tax rates given in the table below, namely:-

Sr.	Category	Turnover	Rates
(1)	(2)	(3)	(4)
1.	Category-1	Where annual business turnover does not exceed Rupees 100 million	7.5% of taxable income
2.	Category-2	Where annual turnover exceeds Rupees 100 Million but does not exceed Rupees 250 Million	15% of taxable income



#### 4. OPTION FOR FINAL TAX REGIME.-

- (1) The small and medium enterprises may opt for taxation under final tax regime at the rates given in the table below:

Sr. No.	Category	Turnover	Rates
(1)	(2)	(3)	(4)
1.	Category-1	Where annual business turnover does not exceed Rupees 100 million	0.25%
2.	Category-2	Where annual business turnover exceeds Rupees 100 million but does not exceed Rupees 250 million	0.5% of gross turnover

- (2) Option under sub-rule (1) of this rule shall be exercised at the time of filing of return of income and option once exercised shall be irrevocable for three tax years.
- (3) The provisions of section 177 and 214C shall not apply to SME who opts for taxation under sub-rule (1) of this rule.

#### 5. AUDIT.-

(1) SMEs who opt for taxation under normal law under rule 3 may be selected for tax audit through risk based parametric computer ballot under section 214C of the Ordinance if its tax to turnover ratio is below tax rates given in rule 4 of these rules.

(2) The cases selected under sub-rule (1) of this rule shall not exceed 5% of the total population of SMEs whose tax to turnover ratio is below tax rates given in rule 4 of these rules.

#### 6. PROVISIONS OF ORDINANCE TO APPLY:

The other provisions of the Ordinance shall apply mutatis mutandis to the SMEs.

**SALES TAX**

*The amendments are applicable from date of assent by the President of Pakistan.*

SECTION	PRESENT POSITION	PROPOSED AMENDMENT THROUGH FINANCE BILL 2021
2	In this Act, unless there is anything repugnant in the subject or context,--	<i>It has been proposed to add the definition of Commissioner (Appeals) through insertion of clause (4AA) of section 2, which is reproduced below;</i>  (4AA) "Commissioner (Appeals)" means Commissioner of Inland Revenue (Appeals) appointed under section 30;
5(AB) (d)	"cottage industry" means a manufacturing concern, which fulfils each of following conditions, namely:-  (d) annual turnover from all supplies does not exceed three million rupees;	<i>By virtue of the said amendment the turnover threshold of cottage industry has been proposed to increase from three to ten million which is reproduced below;</i>  (d) annual turnover from all supplies does not exceed <b>ten</b> million rupees;

18(A)	<p><b>Newly inserted</b></p>	<p><i>It has been proposed to insert a definition of 'online market place' Through insertion of sub-section 18(A) of section 2 which is reproduced as under:</i></p> <p>“(18A) “online market place” includes an electronic interface such as a market place, e-commerce platform, portal or similar means which facilitate sale of goods, including third party sale, in any of the following manner, namely:–</p> <p>(a) by controlling the terms and conditions of the sale;</p> <p>(b) authorizing the charge to the customers in respect of the payment for the supply; or</p> <p>(c) ordering or delivering the goods.”</p>
(2)(37)(iii)	<p>falsifying [or causing falsification] the sales tax invoices,]</p>	<p><i>The amendment has been proposed to rectify the following narration which is reproduced as under:</i></p> <p>falsifying [or causing falsification] <b>of</b> the sales tax invoices,]</p>

(2)(43A)(e)	<p>Tier-1 retailer” means a retailer falling in any one or more of the following categories, namely:</p> <p>a retailer, whose shop measures one thousand square feet in area or more; [and]</p>	<p><i>It is proposed to redefine the clause (e) of section 2(43A) by enhancing the covered area of retail outlet engaged in supply of furniture, which is reproduced below:</i></p> <p>a retailer, whose shop measures one thousand square feet in area or more; [and or two thousand square feet in area or more in the case of retailer of furniture”</p>
43(f) , (g) & (h)	<p><b>Newly inserted</b></p>	<p><i>By virtue of the proposed amendment the previous clause (f) has been renumbered as clause (h) and clauses (f) and (g) has newly been inserted enhancing the scope of TIER-I retailer, which are reproduced as under:</i></p> <p>(f) a retailer operating an online market place supplying goods through e-commerce platform, whether or not the goods are owned by him;</p> <p>(g) a retailer who has acquired point of sale for accepting payment through debit or credit cards from banking companies or any other digital payment service provider authorized by State Bank of Pakistan; and”</p> <p>(h) any other person or class of persons as prescribed by the Board.”</p>

(2)(44) (a)	<p><b>"time of supply"</b></p> <p>(a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply or the time when any payment is received by the supplier in respect of that supply, whichever is earlier;</p>	<p><i>By virtue of the proposed amendment the "Time of Supply" has been re-defined meaning thereby the delivery of goods shall be treated as supply only. Which is reproduced below;</i></p> <p>(a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply"</p>
3(1B)(a)	<p><b>Scope of tax.</b></p> <p>on the production capacity of plants, machinery, undertaking, establishments or installation producing on manufacturing such goods; or</p>	<p><i>The amendment has been proposed to rectify the following narration which is reproduced as under:</i></p> <p>on the production capacity of plants, machinery, undertaking, establishments or installation producing or manufacturing such goods; or</p>
3(3) (c)	<p><b>Non-Existent</b></p>	<p><i>By virtue of the proposed insertion of new cause (c) in section 3(3), the e-commerce platform has been brought into the scope of "Persons liable to pay Sales Tax", which is reproduced as under;</i></p> <p>(c) in the case of supply of goods through online market place, of the person running online market place, whether or not the goods are owned by him.";</p>

2(9A)	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:	Omitted
8B(1)	8B. Adjustable input tax.– (1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:	<p><i>By virtue of the proposed amendment the public limited companies listed on Pakistan Stock Exchange has been brought out of the scope of section 8B, which is reproduced as under:</i></p> <p>8B. Adjustable input tax.– (1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person other than public limited companies listed on Pakistan Stock Exchange shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:</p>

11(5)	<p>(5) No order under this section shall be made by an officer of Inland Revenue unless a notice to show cause is given within five years, of the relevant date, to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:</p>	<p><i>It has been proposed to enhance the time frame provided under section 11(5) to issue a show cause notice by an Officer of Inland Revenue, which is reproduced as under:</i></p> <p>(5) No order under this section shall be made by an officer of Inland Revenue unless a notice to show cause is given within five years, <b>end of the financial year</b> in which the relevant date falls to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:</p>
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21(B)	<p><b>Newly interested</b></p>	<p><i>It has been proposed to insert a new section 21B which is reproduced below:</i></p> <p><b>21B. Common Identifier Number.</b>– (1) From the tax period July 2021 and onward, in the case of individual, having Computerized National Identity Card (CNIC) issued by the National Database and Registration Authority (NADRA), registered or liable to be registered under the provisions of section 14, CNIC shall be common identifier number in addition to sales tax registration number (STRN).</p> <p>(2) From the tax period July 2021 and onward, in the case of association of persons or company, having National Tax Number (NTN), registered or liable to be registered under the provisions of section 14, NTN shall be common identifier number in addition to sales tax registration number (STRN).”;</p>
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22(1) (e)	invoices, credit notes, debit notes, bank statements, [banking instruments in terms of section 73, inventory records, utility bills, salary and labour bills, rental agreements, sale purchase agreements and lease agreements;	By virtue of the proposed amendment the 'Cash Book' has been brought into the scope of "Records" required to be maintained by the registered person, which is reproduced as under:  invoices, credit notes, debit notes, bank statements, [banking instruments in terms of section 73, inventory records, utility bills, salary and labour bills, cash book, rental agreements, sale purchase agreements and lease agreements;
22(1)(eb)	<b>Newly inserted</b>	<i>It has been proposed to insert a new section (eb) in section 22(1), which is reproduced below:</i>  (eb) Electronic version of records mentioned in clauses (a) to (ea) of this sub-section."

25AA (1) & (2)	<p><b>Transactions between Associates.</b> The Commissioner or an office of Inland Revenue may, in respect of any transaction between persons who are associates, determine the transfer price of taxable supplies between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction.</p>	<p><i>By virtue of the proposed amendment the previous section has been renumbered as sub-section (1) and a new sub-section (2) has been added which is reproduced as under</i></p> <p>(1) The Commissioner or an office of Inland Revenue may, in respect of any transaction between persons who are associates, determine the transfer price of taxable supplies between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction.</p> <p>(2) The Board may, by notification in official gazette, prescribe rules for carrying out the purpose of sub-section (1).";</p>
26AB	<p><b>Newly inserted</b></p>	<p><i>It has been propose to insert a new section 26AB specifying the Extension of time for furnishing returns, which is reproduced as under:</i></p> <p>26AB. Extension of time for furnishing returns.</p> <p>(1) A registered person required to furnish a return under section 26 may apply, in writing, to the Commissioner for an extension of time to furnish the return</p>

26AB	Newly inserted	<p>(2) An application under sub-section (1) shall be made by the due date for furnishing the return in terms of section 2(9) for the period to which the application relates.</p> <p>(3) Where an application has been made under sub-section (1) and the Commissioner is satisfied that the applicant is unable to furnish the return to which the application relates by the due date because of</p> <p>(a) absence from Pakistan;</p> <p>(b) sickness or other misadventure; or</p> <p>(c) any other reasonable cause, the Commissioner may, by order in writing, grant the applicant an extension of time for furnishing the return.</p>
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26AB	Newly inserted	<p>(4) An extension of time under sub-section (3) shall not exceed fifteen days from the due date for furnishing the return, unless there are exceptional circumstances justifying a longer extension of time:</p> <p>Provided that where the Commissioner has not granted extension for furnishing the return under sub-sections (3) or (4), the Chief Commissioner may on an application made by the registered person for extension or further extension, as the case may be, grant extension or further extension for a period not exceeding fifteen days, unless there are exceptional circumstances justifying a longer extension of time.</p>
26AB	Newly inserted	<p>(5) An extension or further extension of time granted under sub-sections (3) or (4), as the case may be, shall not, for the purpose of charge of default surcharge under section 34, change the due date for payment of sales tax under section 6.";</p>

40(D) (5)	<p>40D. Provisions relating to goods supplied from tax-exempt areas.-</p> <p>(5) For the purposes of this section, the expression "tax-exempt areas" means Azad Jammu and Kashmir, Gilgit-Baltistan, Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.;</p>	<p><i>BY virtue of the proposed amendments the scope of tax exempt area has been enhanced, which is reproduced as under:</i></p> <p>(5) For the purposes of this section, the expression "tax-exempt areas" means Azad Jammu and Kashmir, Gilgit-Baltistan, "Border Sustenance Markets and" Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.;</p>
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40E	<p><b>Newly inserted</b></p>	<p><i>IT has been proposed to insert the new section 40E, by virtue of this manufacturers of specified goods are required to obtain brand license, which is reproduced below:</i></p> <p>Licensing of brand name.-</p> <p>(1) Manufacturers of the specified goods shall be required to obtain brand licence for each brand or stock keeping unit (SKU) in such manner as may be prescribed by the Board.</p> <p>(2) Any specified brand and SKU found to be sold without obtaining a licence from the Board shall be deemed counterfeit goods and liable to outright confiscation and destruction in the prescribed manner and such destruction and confiscation shall be without prejudice to any other penal action which may be taken under this Act.”;</p>
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48(3)	<p><b>Newly inserted</b></p>	<p><i>It has been proposed to insert new sub-section 3 in section 48, which is reproduced below:</i></p> <p>“(3) The provision of sub-sections (1) and (2) shall mutatis mutandis apply regarding assistance in collection and recovery of taxes in pursuance of a request from a foreign jurisdiction under a tax treaty, bilateral or a multilateral convention, and inter-governmental agreement or similar agreement or mechanism.”;</p>
50(2)	<p><b>Power to make rules.</b></p> <p>(2) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price.</p>	<p><i>It has been proposed to amend the sub-section 2 of section 50 which is reproduced as under:</i></p> <p>(2) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price or may be placed regularly on the official website maintained by the Board”.</p>

56A (1A)	<p><b>Agreement for the exchange of information</b></p> <p>(1) The Federal Government may enter into bilateral or multilateral agreements with provincial governments or with governments of foreign countries for the exchange of information, including electronic exchange of information, with respect to sales tax imposed under this Act or any other law of Pakistan and under the corresponding laws of such countries and may, by notification in the official Gazette, make such provisions as may be necessary for implementing such agreement</p>	<p><i>It has been proposed to amend the sub-section 1 of section 56A and section (1A) and (3) has newly been inserted, which is reproduced as under:</i></p> <p>(1) The Federal Government may enter into bilateral or multilateral agreements with provincial governments or with governments of foreign countries for the exchange of information or assistance in recovery of taxes including electronic exchange of information, with respect to sales tax imposed under this Act or any other law of Pakistan and under the corresponding laws of such countries and may, by notification in the official Gazette, make such provisions as may be necessary for implementing such agreement</p> <p>“(1A) Notwithstanding anything contained in this Act, the Board shall have power to share data or information including real time data videos, images received under the provisions of this Act with any other Ministry or Division of the Federal Government or Provincial Government, subject to such limitations and conditions an may be specified by the Board.”; and</p>
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56A (3)	Newly inserted	<i>(3) The Federal Government may enter into bilateral or multilateral convention, and inter-governmental agreement or similar agreement or mechanism for assistance in the recovery of taxes.”;</i>
56C (1) & (2)	Prize schemes to promote tax culture.- The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices.	<p><i>By virtue of the proposed amendment the previous section has been renumbered as sub-section (1) and a new sub-section (2) has newly been inserted which is reproduced as under</i></p> <p>Prize schemes to promote tax culture.-</p> <p>(1) The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices.</p> <p>(2) The Board may prescribe procedure for “mystery shopping” in respect of invoices issued by tier-1 retailers integrated with FBR online system randomly and in case of any discrepancy, all the relevant provisions of this Act shall apply accordingly.</p>

67 (second proviso)	Newly inserted	<p><i>By virtue of the proposed amendment following new proviso has newly been inserted, which is reproduced as under:</i></p> <p>“Provided further that where a refund due in the consequence of any order passed under section 66 is not made within forty five days of date of such order, there shall be paid to the claimant in addition to the amount of the refund due to him, a further sum equal to KIBOR per annum of the amount of refund, due from the date of the refund order.”;</p>
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73(1) Second Proviso	<p><b>Newly inserted</b></p>	<p><i>It has been proposed to insert a new proviso to section 73(1) allowing the registered person to make the adjustment of payables and receivables with the approval of the Commissioner Inland Revenue, which is reproduced below:</i></p> <p>“Provided further that adjustments made by a registered person in respect of amounts payable and receivable to and from the same party shall be treated as payments satisfying the provisions of this sub-section subject to following conditions, namely:–</p> <p>(a) sales tax has been charged and paid by both parties under the relevant provisions of this Act and rules prescribed thereunder, wherever applicable; and</p> <p>(b) the registered person has sought prior approval of the Commissioner before making such adjustments</p>
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76 (1) & (2)	<p>Fee and service charges The ["Board with approval of the Federal Minister-in-charge"] may, by notification in the official Gazette,</p>	<p><i>By virtue of the proposed amendment the previous section has been renumbered as sub-section (1) and a new sub-section (2) has newly been inserted which is reproduced as under</i></p> <p>Fee and service charges.–</p> <p>(1) The ["Board with approval of the Federal Minister-in-charge"] may, by notification in the official Gazette,</p> <p>(2) The Board may authorize and prescribe the manner in which fee and service charges collected under sub-section (1) shall be expended."</p>
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**THIRD SCHEDULE**  
(Clause (a)] of sub-section (2) of section 3])

Serial No.	Description	Heading Nos. of the First Schedule the Customs Act, 1969 (IV of 1969)	Proposed Amendment
(1)	(2)	(3)	
50	Sugar except where it is supplied as an industrial raw material to pharmaceutical, beverage and confectionery industries	Respective heading	By virtue of the proposed amendment the sugar has been made chargeable to sales tax at standard rate on MRP (Retail Price).

**FIFTH SCHEDULE**  
(See section 4)

Serial No.	Description	Proposed Amendment
(1)	(2)	
1	(vi) Supply, repair or maintenance of any ship which is neither;  (vi) a ship of gross tonnage of less than 15 LDT; nor  (b) a ship designed or adapted for use for recreation or pleasure.  (ii) Supply, repair or maintenance of any aircraft	Omitted

	<p>which is neither;</p> <p>(vi) an aircraft of weight-less than 8000 kilograms; nor</p> <p>(b) an aircraft designed or adapted for use for recreation or pleasure.</p> <p>(iii) Supply of spare parts and equipment for ships and aircraft falling under (i) and (ii) above.</p> <p>(iv) Supply of equipment and machinery for pilot age, salvage or towage services.</p> <p>(v) Supply of equipment and machinery for air navigation services.</p> <p>(vi) Supply of equipment and machinery for other services provided for the handling of ships or aircraft in a port or Customs Airport.</p>	
6	Supplies of such locally manufactured plant and machinery to petroleum and gas sector Exploration and Production companies, their contractors and sub-contractors] as may be specified by the Federal Government, by notification in the official	<b>Omitted</b>

	Gazette, subject to such conditions and restrictions as may be specified in such notification.]	
10	Petroleum Crude Oil (PCT heading 2709.0000)	<b>Omitted</b>
11	Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of such plants and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as "manufacturer"; and in case of import , all the conditions, restrictions, limitations and procedures as are imposed by notification under section 19 of the Customs Act, 1969 (IV of 1969), shall apply	<b>Omitted</b>
15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions.";	<b>Newly inserted</b>

**SIXTH SCHEDULE**  
**Table-1**  
**Imports or Supplies**

Import and supply thereof:-

Serial No.	Description	Heading Nos. of the First Schedule the Customs Act, 1969 (IV of 1969)	Proposed Amendment
(1)	(2)	(3)	
11	Eggs including eggs for hatching	[0407.1100, 0407.1900] & [0407.2100, 0407.2900]	Omitted
19	Cereals and products of milling industry [excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name or a trademark].	1001.1000, 1001.9000, 1002.0000, 1003.0000, 1004.0000, 1005.1000, 1005.9000, 1006.1090], 1006.2000, 1006.3010, 1006.3090, 1006.4000, 1007.0000, 1008.1000, 1008.2000, 1008.3000, 1008.9000, 1101.0010, 1101.0020, 1102.2000, 1102.9000, 1103.1100, 1103.1300, 1103.1900, [1104.2200, 1104.2300, 1104.2900 and 104.3000]	Omitted



22	Sugar beet.	1212.9100	Omitted
24	Edible oils and vegetable ghee, including cooking oil, on which Federal Excise Duty is charged, levied and collected [by a registered manufacturer or importer] as if it were a tax payable under section 3 of the Act	1507.9000, 1508.9000, 1509.1000, 1509.9000, 1510.0000, [1511.1000], 1511.9020, 1511.9030, 1512.1900, 1513.1900, 1513.2900, 1514.1900, 1514.9900, 1515.2900, 1515.5000, 1516.2010, 1516.2020 1517.1000], 1517.9000 and 1518.0000	Omitted
26	Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or packaged.	2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, and 2009.9000	Omitted

27	Ice and waters excluding those for sale under brand names or trademarks.	2201.1010	Omitted
29	***		Omitted
29 C	Glass bangles	7020.0090	Omitted
73A	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	04.02	Omitted
74	Flavored milk, excluding the sold in retail packing under a brand name	0402.9900	Omitted
75	Yogurt, excluding that sold in retail packing under a brand name	0403.1000	Omitted
76	Whey, excluding that sold in retail packing under a brand name	04.04	Omitted
77	Butter, excluding that sold in retail packing under a brand name	0405.1000	Omitted
78	Desi ghee, excluding that sold in retail packing under a brand name	0405.9000	Omitted
79	Cheese, excluding that sold in retail packing under a brand name	0406.1010	Omitted
80	Processed cheese not	0406.3000]	Omitted

	grated or powdered, excluding that sold in retail packing under a brand name		
82	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal excluding those sold in retail packing under a brand name or a trademark]	1601.0000	Omitted
83	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish [excluding those sold in retail packing under a brand name or a trademark]	1602.3200,1602.3900, 160 2.5000, 1604.1100, 1604.1200,160, 4.1300, 1604.1400,1604.1500,160 4.1600, 604 .1900 ,1604 .2010.160, 4.2020, 1604.2090,	Omitted
84	Preparations suitable for infants, put up for retail sale]	1901.1000	Omitted
85	Fat filled milk [excluding that sold in retail packing under a brand name or a trademark]	1901.9090	Omitted
91	Energy saver lamps	[8539.3110]	Omitted
93	Bicycles	87.12	Omitted
101	Raw and pickled hides and skins, wet blue hides and skins,	Respective headings	Omitted

	finished leather, and accessories, components and trimmings, if imported by a registered leather goods manufacturer, for the manufacture of goods wholly for export, provided that conditions, procedures and restrictions laid down in rules 264 to 278 of the Customs Rules, 2001 are duly fulfilled and complied with.		
103	Import and supply thereof, up to the year [2030], of ships 2 [....]and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying the Pakistan flag, except ships or crafts acquired for demolition purposes or are designed or adapted for use for recreation or pleasure purposes, subject to	Respective headings	<b>Omitted</b>

	the condition that such ships or crafts are used only for the purpose for which they were procured and in case such ships or crafts are used only for the purpose for which they were procured, and in case such ships or crafts are used for demolition purposes within a period of five years of their acquisition, sales tax applicable to such ships purchased for demolition purposes shall be chargeable.		
106	Import of Halal edible offal of bovine animals	0206.1000, 0206.8000 0206.9000	Omitted
108	Components or sub-components of energy saver lamps, namely:- (a) Electronic Circuit (b) Plastic Caps (upper and lower) (c) Base Caps B22 and E27 (d) Tungsten Filaments (e) Lead-in-wire (f) Fluorescent powder (Tri Band Phosphor)	8539.9040  8539.9040 8539.9040  8539.9040 8539.9040 3206.5010	Omitted

	(g) Adhesive Additive (h) Al-oxide Suspension (i) Capping Cement (j) Stamp Pad Ink (k) Gutter for Suspension	3824.9099 [3824.8400] 3214.1050  3215.9010 2850.0000	
115	Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division upto the 30th June, 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).	Respective headings	<b>Omitted</b>
123	Aircraft, whether imported or acquired on wet or dry lease Provided that in case of import or acquisition on wet or dry lease by Pakistan International Airlines Corporation, this exemption	8802.4000	<b>Omitted</b>

	shall be available with effect from 19th March, 2015.		
124	Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.300	Respective headings	<b>Omitted</b>
125	Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective headings	<b>Omitted</b>
128	Aviation simulators imported by airline company recognized by Aviation Division	Respective headings	<b>Omitted</b>
153	Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode	Respective headings	<b>Omitted</b>
137	Paper weighing 60 g/m2 for printing of Holy Quran imported by Federal or Provincial Governments and Nashiran-e-Quran as per quota determined by IOCO	4802.5510 <b>4810.1990,</b> <b>4810.1910</b> and <b>4802.6990"</b>	Paper weighing 60 g/m2 <b>art paper and printing paper</b> for printing of Holy Quran imported by Federal or Provincial

			Governments and Nashiran -e-Quran as per quota determined by IOCO
157	Import of CKD (in kit form) of following electric vehicles (4 wheelers) by local manufacturers till 30 th June, 2026: (i) Small cars/SUVs with 50 Kwh battery or below; and (ii) Light commercial vehicles (LCVs) with 150 kwh battery or below	Respective headings	<b>Newly inserted</b>
158	Goods temporarily imported into Pakistan by International Athletes which shall be subsequently taken by them within 120 days of temporary import	Respective headings	<b>Newly inserted</b>
159	Import of auto disable Syringes till 30th June, 2021 (i) with needles (ii) without needles	9018.3110 9018.3120	<b>Newly inserted</b>
160	Import of following raw materials for the manufacturers of auto	9018.3200 4016.9310	<b>Newly inserted</b>



	disable syringes till 30th June, 2021 (i) Tubular metal needles (ii) Rubber Gaskets		
161	Import of plant, machinery, equipment and raw materials for consumption of these items within Special Technology Zone by the Special Technology Zone Authority, zone developers and zone enterprises	Respective headings	<b>Newly inserted</b>
162	Import of raw materials, components, parts and plant and machinery by registered persons authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions.";	Respective Headings	<b>Newly inserted</b>

**SIXTH SCHEDULE**  
**Table-2**  
**Local Supplies only**

Serial No.	Description	Heading Nos. of the First Schedule the Customs Act, 1969 (IV of 1969)	Proposed Amendment
(1)	(2)	(3)	
17	Raw and pickled hides and skins, wet blue hides and skins	41.01, 41.02, 41.02, 4104.1000, 4105.1000, 4106.2100, 4106.3000, 4106.9000	Omitted
19	Bricks (up to 30th June, 2018)	6901.1000	Omitted
24	LED or SMD lights and bulbs meant for conservation of energy	8539.5010, 8539.5020, 9405.1030 and 405.4020	Omitted
25	Cottonseed oil	1512.2100 & 1512.2900	Omitted

***By virtue of the proposed amendment following entries has newly been inserted:***

26	Supply of locally produced silos till 30.06.2026	Respective heading	
27	Eggs including eggs for hatching	0407.1100, 0407.1900 0407.2100 and 0407.2900	
28	Cereals and products of milling industry excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name	1001.1000, 1001.9000, 1002.0000, 1003.0000, 1004.0000, 1005.1000, 1005.9000, 1006.1090, 1006.2000, 1006.3010, 1006.3090, 1006.4000, 1007.0000, 1008.1000, 1008.2000, 1008.3000, 1008.9000, 1101.0010,	

	or a <b>trademark</b>	<b>1101.0020, 1102.2000, 1102.9000, 1103.1100, 1103.1300, 1103.1900, 1104.2200, 1104.2300, 1104.2900 1104.3000</b>	
<b>29</b>	Sugar beet	<b>1212.9100</b>	
<b>30</b>	Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or packaged.	<b>2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, and 2009.9000</b>	
<b>31</b>	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	<b>04.02</b>	
<b>32</b>	Flavored milk, excluding that sold in retail packing under a brand name	<b>0402.9900</b>	
<b>33</b>	Yogurt, excluding that sold in retail packing under a brand name	<b>0403.1000</b>	
<b>34</b>	Whey, excluding that sold in retail packing under a brand name	<b>04.04</b>	
<b>35</b>	Butter, excluding that sold in retail packing under a brand name	<b>0405.1000</b>	
<b>36</b>	Desi ghee, excluding that sold in retail	<b>0405.9000</b>	

	packing under a brand name		
<b>37</b>	Cheese, excluding that sold in retail packing under a brand name	<b>0406.1010</b>	
<b>38</b>	Processed cheese not grated or powdered, excluding that sold in retail packing under a brand name	<b>0406.3000</b>	
<b>39</b>	Sausages and similar products of poultry meat or meat offal excluding sold in retail packing under a brand name or trademark	<b>1601.0000</b>	
<b>40</b>	Products of meat or meat offal excluding sold in retail packing under a brand name or trademark	<b>1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020 and 1604.2090</b>	
<b>41</b>	Preparations suitable for infants, put up for retail sale	<b>1901.1000</b>	
<b>42</b>	Fat filled milk excluding that sold in retail packing under a brand name or a trademark	<b>1901.9090”;</b>	

**SIXTH SCHEDULE**

*By virtue of the proposed amendment, Table-4 has newly been inserted.*

**Table-4**

The goods specified in column (2) of the Annexure below falling under the PCT codes specified in column (3) of the said Annexure, when supplied within the limits of the Border Sustenance Markets, established in cooperation with Iran and Afghanistan, shall be exempted from the whole of the sales tax, subject to the following conditions, namely:–

- (i) Such goods shall be supplied only within the limits of Border Sustenance Markets established in cooperation with Iran and Afghanistan;
- (ii) If the goods, on which exemption under this Table has been availed, are brought outside the limits of such markets, sales tax shall be charged on the value assessed on the goods declaration import or the fair market value, whichever is higher;
- (iii) Such items in case of import, shall be allowed clearance by the Customs Authorities subject to furnishing of bank guarantee equal to the amount of sales tax involved and the same shall be released after presentation of consumption certificate issued by the Commissioner Inland Revenue having jurisdiction;
- (iv) The said exemption shall only be available to a person upon furnishing proof of having a functional business premises located within limits of the Border Sustenance Markets; and 31
- (v) Breach of any of the conditions specified herein shall attract relevant legal provisions of this Act, besides recovery of the amount of sales tax alongwith default surcharge and penalties involved.

## Annexure

S.No	Description	Heading Nos of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
1	Seed (Potatoes)	0701.1000
2	Tomatoes, fresh or chilled	0702.0000
3	Onions and shallots	0703.1000
4	Garlic	0703.2000
5	Cauliflowers cabbage	0704.9000
6	Carrots and turnips	0706.1000
7	Cucumbers and gherkins fresh or chilled	0707.0000
8	Peas (pisum sativum)	0708.1000
9	Beans (vigna spp., phaseolus spp.)	0708.2000
10	other leguminous vegetables	0708.9000
11	Peas (Pisum sativum)	0713.1000
12	Grams (Dry/Whole)	0713.2010
13	Dried leguminous vegetables	0713.2090, 0713.9090

14	Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek	0713.3100
15	Small red (Adzuki) beans ( <i>Phaseolus</i> or <i>Vigna angularis</i> )	0713.3200
16	Kidney beans including white beans	0713.3300
17	Bambara – <i>vigna subteranea</i> or <i>vaahdzeia subterrea</i>	0713.3400
18	Beans <i>vigna unguiculata</i>	0713.3500
19	Other	0713.3990
20	Lentils (Dry/Whole)	0713.4010
21	Broad beans ( <i>Vicia faba</i> var. <i>major</i> ) and horse beans ( <i>Vicia faba</i> var. <i>equina</i> , <i>Vicia faba</i> var. <i>minor</i> )	0713.5000
22	Pigeon peas ( <i>cajanus cajan</i> )	0713.6000
23	Vanilla (Neither crushed nor ground)	0905.1000
24	Cinnamon	0906.1100
25	Other (Cinnamon And Cinnamon Tree Flowers)	0906.1900
26	Neither crushed nor ground (Cloves)	0907.1000
27	Crushed or ground (Cloves)	0907.2000
28	NeitherCrushed nor ground (Nutmeg)	0908.1100

29	Crushed or ground (Nutmeg)	0908.1200
30	Neithercrushed nor ground (Maze)	0908.2100
31	Crushed or ground (Maze)	0908.2200
32	Large (Cardammoms)	0908.3110
33	Small (Cardammoms)	0908.3120
34	Crushed or ground (Cardammoms)	0908.3200
35	Neithercrushed nor ground (Coriander)	0909.2100
36	Crushed or ground (Coriander)	0909.2200
37	Neithercrushed nor ground (Seeds of Cumins)	0909.3100
38	Crushed or ground (Seeds of Cumins)	0909.3200
39	Neither crushed nor ground (Seeds of Anise, Badian, Caraway, Fennel etc)	0909.6100
40	Crushed or ground (Seeds of Anise, Badian, Caraway, Fennel etc)	0909.6200
41	Thyme; bay leaves	0910.9910
42	Barley (Seeds)	1003.1000,
43	Sunflower seeds ,whether or not broken	1206.0000
44	Locust beans	1212.9200



45	Cereal straws and husks	1213.0000
46	Knives and cutting blades for paper and paper board	8208.9010
47	Of a fat content, by weight, not exceeding 1 % (milk and cream)	0401.1000
48	Of a fat content, by weight, exceeding 1 % but not exceeding 6 % (milk and cream)	0401.2000
49	Of a fat content, by weight, exceeding 6 % but not exceeding 10% (Milk and Cream)	0401.4000
50	Of a fat content, by weight, exceeding 10 % (Milk and Cream)	0401.5000
51	Leeks and other alliaceous vegetables	0703.9000
52	Cauliflowers and headed broccoli	0704.1000
53	Brussels sprouts	0704.2000
54	Cabbage lettuce (head lettuce)	0705.1100
55	Lettuce	0705.1900
56	Chicory	0705.2100,
57	Fruits of the genus Capsicum or of the genus Pimenta	0709.6000
58	Figs	0804.2000
59	Fresh (grapes)	0806.1000
60	Dried (Grapes)	0806.2000

61	Melons	0807.1100,
62	Apples	0808.1000
63	Green Tea	0902.1000
64	Other Green Tea	0902.2000
65	Crushed or ground (Ginger)	0910.1200
66	Turmeric (curcuma)	0910.3000
67	Other (spice)	0910.9990
68	Lactose (Sugar )	1702.1110
69	Sugar Syrup	1702.1120
70	Sugar Other	1702.1900
71	Caramel	1702.9020
72	Oil-cake and other solid residues, whether or not ground or in the form of pellets,	2304.0000
73	Other (animal feed)	2309.9000
74	For Sewing (Thread)	5204.2010
75	For embroidery (Thread)	5204.2020
76	Spades and shovels	8201.1000

77	Tools for masons, watchmakers, miners and hand tools nes	8205.5900
78	For kitchen appliances or for machines used by the food industry	8208.3000
79	Other kitchen appliances	8208.9090
80	Yogurt	0403.1000
81	Other (Potatoes)	0701.9000
82	Sweet corn	0710.4000
83	Mixtures of vegetables	0710.9000
84	Fresh (Dates)	0804.1010
85	Dried (Dates)	0804.1020
86	Apricots	0809.1000
87	Sour cherries (Prunus cerasus)	0809.2100
88	Other (Apricots)	0809.2900
89	Peaches, including nectarines	0809.3000
90	Plums and sloes	0809.4000
91	Strawberries	0810.1000
92	Kiwi Fruit	0810.5000

93	Neither crushed nor ground (Ginger)	0910.1100
94	Wheat and Meslin(Other)	1001.1900
95	Wheat and Meslin (Other )	1001.9900
96	Of Wheat (Flour)	1101.0010
97	Of Meslin	1101.0020
98	Vermacelli	1902.1920
99	Other (Packed Cake)	1905.9000
100	Homogenised perparations	2007.1000
101	Citrus Fruit	2007.9100
102	Other (jams)	2007.9900
103	Organic surface-active products and preparations for washing the skin, in the	3401.3000
104	Preparations put up for retail sale	3402.2000
105	Other (washing preparations)	3402.2000
106	Tableware and kitchenware of porcelain or china	6911.1090
107	Household articles nes & toilet articles of porcelain or china	6911.9000
108	Glassware for table or kitchen purposes (excl. glass having a linear c	7013.4900

**SALES TAX**

109	Glassware nes (other than that of 70.10 or 70.18)	7013.9900
110	Spoons	8215.9910
111	Tableware articles not in sets and not plated with precious metal	8215.9990
112	Bicycles and other cycles (including delivery tricycles), not motorized	8712.0000
113	Vacuum flasks	9617.0010
114	Vacuum flasks/vacuum vessels complete w/cases; parts o/t glass inners (others)	9617.0020.";

**EIGHTH SCHEDULE****[See clause (aa) of sub-section (2) of section 3]****Table-1***By virtue of the proposed amendments following entries have been omitted:-*

Serial No.	Description	Heading Nos. of the First Schedule the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax
(1)	(2)	(3)	(4)
1	Soyabean meal	2304.0000	10%
5	Raw cotton and ginned cotton	Respective Headings	10%
6	Plant and machinery not manufactured locally and having no compatible local Substitutes	Respective headings	10%
7	Flavoured mil	0402.9900	10%
8	Yogurt	0403.1000	10%
9	Cheese	0406.1010	10%
10	Butter	0405.1000	10%
11	Cream	04.01 and 04.02	10%
14	Milk and cream, concentrated or containing added sugar or other sweetening matter	0402.1000 and 0402.2000	10%
15	Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oil-cake of cotton-seed falling under PCT heading 2306.1000	2301.1000] 2305.0000, 2306.2000, 2306.3000, 2306.4100, 2306.5000, 2309.9010, 2309.9020, 2309.9090,	

		2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700, 2936.2800	
19	Waste paper	47.07	5%
20	Plant, machinery, [and equipment] used in production of bio-diesel	Respective headings	5%
22	Soya bean seed	1201.1000	10%
29	i) Harvesting, threshing and storage equipment: (ii) Wheat thresher iv) Maize or groundnut thresher or sheller	8433.5200  8433.5200	5%
45	Following machinery for poultry sector : (i) Machinery for preparing feeding stuff....	8436.1000	7%
50	LNG/RLNG	2711.1100	12%
51	LNG/RLNG	2711.1100 and 2710.2100	12%
60	Fat filled milk	1901.9090	10%
61	Silver, in unworked condition	7106.1000, 7106.9110 and 7106.9190	1%
62	Gold, in unworked condition	7108.1100, 7108.1210	1%
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

65	Ginned cotton	Respective headings	10%
67	LNG imported for servicing CNG sector and local supplies thereof	2711.1100, 2711.2100	5%



## Eight Schedule (Amended)

Serial No.	Description	Heading Nos. of the First Schedule the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
(1)	(2)	(3)	(4)	
56	Potassium Chlorate (KClO <sub>3</sub> )	Respective headings	17% alongwith rupees 1 [90] per kilogram	Import and supply thereof. Provided that rate of rupees [80] per kilogram shall not apply on imports made by and supplies made to organizations under the control of Ministry of Defence Production
71	Following locally manufactured or assembled electric vehicles (4 wheelers) till 30th June, 2026: (i) Small cars/ SUVs with 50 Kwh attery or below;	Respective heading	1%	If supplied locally

	and (ii) Light commercial vehicles (LCVs) with 150 kwh battery or below			
72	Motorcars	87.03	12.5%	Locally manufactured or assembled motorcars of cylinder capacity upto 850cc
73	Import and local supply of Hybrid Electric Vehicles: (a) Upto 1800 cc (b) From 1801 cc to 2500 cc	87.03 87.03	8.5%". 12.75%	

**NINTH SCHEDULE**  
**[See sub-section (3B) of section 3]**

***By virtue of the proposed amendment after Table I***

*"Provided that the provisions of Table-I shall not be applicable from 1<sup>st</sup> July, 2020 onwards.*

Explanation.– For removal of doubt, it is clarified that the above amendment in law shall not prejudicially affect, the Board's stance or position in pending cases on the issue of chargeability of sales tax on SIM cards before any court of law.";

## ELEVENTH SCHEDULE

### (Sales Tax Withholding Rules) [see sub-section (7) of section 3]

**TABLE**

*By virtue of the proposed amendment the following entry shall be added:*

Serial No.	Rate or extent of deduction	Supplier category	Rate or extent of deduction
(1)	(2)	(3)	
7	(Registered persons manufacturing lead batteries	Persons supplying reclaimed lead or used lead batteries	Whole of the sales tax applicable".

## **TWELFTH SCHEDULE (Value Addition Tax)**

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

**By virtue of the proposed amendment the value addition tax shall not be charged on the following namely;**

**Procedure and conditions:–**

- (xi) Electric vehicles (4 wheelers) CKD kits for small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of below till 30<sup>th</sup> June, 2026;
- (xii) Electric vehicles (4 wheelers) small cars/SUVs, with 50 kwh battery or below and LCVs with 150 kwh battery of below in CBU condition till 30<sup>th</sup> June, 2026”;
- (xiii) Electric vehicles (2-3 wheelers and heavy commercial vehicles) in CBU condition till 30<sup>th</sup> June, 2025; and
- (xiv) motor cars of cylinder capacity upto 850cc

**FEDERAL EXCISE ACT, 2005**

*The amendments are applicable from date of assent by the President of Pakistan.*

Section	PRESENT POSITION	PROPOSED AMENDMENT THROUGH FINANCE BILL 2021
4	<b>Filing of return and payment of duty etc.</b>	<p><i>Through this proposed amendment the new proviso has been added to deal with the problems of filling revised return, the same is read as under:</i></p> <p>“Provided that the approval under this sub-section shall not be required if revised return is filed within sixty days of filing of the original return and either the duty payable as per the revised return 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.”;</p>
14(4)	<b>Recovery of unpaid duty or of erroneously refunded duty or arrears of duty, etc.</b>	<p><i>Through this proposed amendment the new sub-section added and same reproduced below:</i></p> <p>“(4) The provision of sub-section (2) shall mutatis mutandis apply regarding assistance in collection and recovery of duties in pursuance of a request from a foreign jurisdiction under a tax treaty, a multilateral convention, and inter-governmental agreement or similar agreement or mechanism as the case may be.”;</p>

45AA	<b>Non-Existent</b>	<p><i>Through this proposed amendment the new Section has been inserted for obtaining the license of brand names of certain specified manufactured goods. The same reads as under:</i></p> <p>(1) Manufacturers of the specified goods shall be required to obtain brand licence for each brand or stock keeping unit (SKU) in such manner as may be prescribed by the Board.</p> <p>(2) Any specified brand and SKU found to be sold without obtaining a licence from the Board shall be deemed counterfeit goods and liable to outright confiscation and destruction in the prescribed manner and such destruction and confiscation shall be without prejudice to any other penal action which may be taken under this Act.”;</p>
47A (1A) and (3)	<b>Agreements for the exchange of information</b>	<p><i>Through this proposed amendment the scope of section has been extended in order to assist in recovery of duties. In this respect the new sub-sections also inserted as under:</i></p> <p>“(1A) Notwithstanding anything contained in this Act, the Board shall have power to share data or information including real time data videos, images received under the provisions of this Act with any other Ministry or Division of the Federal Government or Provincial Government, subject to such limitations and conditions an may be specified by the Board.”; and</p> <p>“(3) The Federal Government may enter into a bilateral or multilateral convention, and inter-governmental agreement or similar agreement or mechanism for assistance in the recovery of duties”;</p>

1, 2, 57 & 58	<p>1. Edible oils excluding epoxidized soybean oil falling under heading 15.18</p> <p>2. Vegetable ghee and cooking oil</p> <p>57. Fruit juices, syrups and squashes, waters containing added sugar or sweetening matter etc. excluding mineral and aerated waters.</p> <p>58. Steel Billets, ingots, ship plates, bars and other long rerolled products</p>	Respective PCT Headings	<p><i>Through this proposed amendment all the entries have been omitted and now all these goods would not be subjected to FED in sales tax mode. However, the necessary amendment also made in the Second Schedule by deleting the respective entries relating to Edible Oil, Vegetable Ghee and Cooking Oil and Steel Billets.</i></p>
8c	<b>Non-Existent</b>	2403.9990	Tobacco mixture in an electrically heated tobacco product by whatever name called, intended for consumption by using a tobacco heating system without combustion subject to duty at Rupees five thousand two hundred per kg.



55, 55B	<p>Imported motor cars, SUVs and other motor vehicles, excluding auto rickshaws, principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars</p> <p>Locally manufactured or assembled motor cars, SUVs and other motor vehicles, excluding auto rickshaws principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars</p>	87.03	<p><i>Through this proposed amendment the scope of duty has been extended on the electric vehicle (four wheelers) till 30-06-2026.</i></p>
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6, 6A	Telecommunication	98.12 all sub-headings	<p><i>Through this proposed amendment the rate of the duty from 17 % has been reduced to 16%. However, the new Serial No. 6A also added, which reads as under:</i></p> <p>"6A Following telecommunication services:</p> <p>(a) Mobile phone call, if call duration exceeds three minutes @ Rs. 1 per call in addition to the rates of duty specified under Serial No.6</p>
		9812.6000	<p>(b) Internet services; Rs. 5 per GB in addition to the rates of duty specified under Serial No.6</p>
		9812.1710	<p>(c) Sms services @ Ten paisa per sms in addition to the rates of duty specified under serial no.6</p>

8	Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas , musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions, Assets Management Companies and other persons dealing in any such services.	98.13	<i>Through this proposed amendment the merchant discount rate in case of banking companies for accepting digital payment shall be excluded for purpose of levy of duty.</i>
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**THIRD SCHEDULE  
TABLE I  
CONDITIONAL EXEMPTIONS**

24	Non-Existent		<p><i>Through this proposed amendment the new serial number has been inserted, and same reads as under:</i></p> <p>The following goods, when supplied within the limits of the Border Sustenance Markets, established in cooperation with Iran and Afghanistan:</p>
		1516.1000	(i) Animal Fats and Oil and their fractions
		1516.2010	(ii) Vegetable Fats and their fractions
		1516.2020	(iii) Vegetable Oils and their fractions

			<p>Provided that, such items in case of import, shall be allowed clearance by the Customs Authorities subject to furnishing of bank guarantee equal to the amount of duty involved and the same shall be released after presentation of consumption certificate issued by the Commissioner Inland Revenue having jurisdiction:</p> <p>Provided further that, the said exemption shall only be available to a person upon furnishing proof of having a functional business premises located within limits of the Border Sustenance Markets.</p>
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25	Non-Existent	Respective Headings	<p><i>Through this proposed amendment the new serial number has been inserted, and same reads as under:</i></p> <p>Import and supply of raw materials, components, parts and plant and machinery by registered persons authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions."</p>
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**CUSTOMS ACT, 1969**

*The amendments are applicable from date of assent by the President of Pakistan.*

SECTION	PRESENT POSITION	PROPOSED AMENDMENT THROUGH FINANCE BILL 2021
2 (kkc)	Non-Existent	<p><i>Through this proposed amendment the concept of electronic assessment has been introduced by inserting new sub-clause which reads as under:</i></p> <p>“(kkc) “Electronic assessment” means assessment of a goods declaration in Customs Computerized System by an officer of Customs or by the computerized system according to the selectivity criteria;”;</p>

2 (lb)	<b>Non-Existent</b>	<p><i>By virtue of this proposed amendment the new sub-clause relating to intimation about arrival of the Vessel has been provided, the same is reproduced below:</i></p> <p>after clause (lc), the following new clause shall be added, namely:-  <i>"(ld) "Vessel Intimation Report (VIR)" means an intimation regarding impending arrival of a vessel at a customs sea port, where the customs computerized system is operational, to the customs authorities in the form and manner, by the carrier or his agent, as may be prescribed by rules;"</i></p>
2 (oo)	<b>Non-Existent</b>	<p><i>Through this proposed amendment the definition of Owner has been elaborated and the same is under:</i></p> <p><i>"(oo) "owner" of goods includes any person who is for the time being entitled, either as owner or agent for the owner, to the possession of the goods;"</i></p>
2 (s)	<b>Smuggle</b>	<p><i>By virtue of this amendment the activity of retailing of illegal goods has also been included in the definition of smuggling.</i></p>



3CCB & 3CCC	Non-Existent	<i>It is proposed to establish the new Directorate General for National Nuclear Detection Architecture &amp; Directorate General of Marine and defining their powers and subordinate officials.</i>
12	<b>Power to appoint or license public warehouses. -</b>	<i>"12. Power to appoint or license public warehouses. -  Through this proposed amendment the authority of the Collectors of Customs has been restructured by exercising powers within respective Jurisdiction.</i>
12A	Non-Existent	<i>Through this proposed amendment the new Section 12A has been inserted to deal with the appointing/granting license to common warehouses.</i>
13	<b>Power to licence private warehouses.-</b>	<i>Through this proposed amendment the authority and powers of Collector of Customs relating to private warehouses has been re-defined and restricted to their respective jurisdiction.</i>
18E	<b>Pakistan Customs Tariff</b>	<i>Through this amendment the proviso has been added in order to constitute committee for purpose of settlement of disputes relating to classification of goods.</i>

25A	<p><b>Power to determine the customs value</b></p> <p>Under this section the Director of Customs Valuation was sole authority to exercise powers relating to determination of customs value</p>	<p><b>Power to determine the customs value</b></p> <p><i>By virtue of this proposed amendment now the Collectors of Customs on his own motion could exercise the above said powers.</i></p> <p><i>Further the proviso also added to enlarge the scope of determining the value on basis of information gathered from internationally acclaimed publications, periodicals, bulletins or official websites of manufacturers or indenters of such Goods.</i></p>
25(2A)	<p><b>Non-Existent</b></p>	<p><i>Through this amendment it is proposed to the Director General of Valuation is authorized to determine the applicable value in conflicting situations.</i></p>
25C	<p><b>Power to takeover the imported goods</b></p>	<p><b>Power to takeover the imported goods</b></p> <p><i>Through this amendment the authority of the Board has been shifted to Chief Collector.</i></p>
25D	<p><b>Revision of the value determined</b></p>	<p><i>Through this proposed amendment the procedure of review of value determined has been restructured.</i></p>

27A	<b>Allowing mutilation or scrapping of goods</b>	<i>Through this amendment the facility of allowing mutilation or scrapping of goods to be provided before filling of Goods Declaration (GD).</i>
32	<b>[False] statement, error, etc.-</b>	<b><i>[False] statement, error, etc.-</i></b> <i>Through this proposed amendment the cases having the value of Rs. 100 has been replaced with Rs. 20,000/-.</i>
79 (aa)	<b>Non-Existent</b>	<i>Through this amendment the importer is bound to upload all necessary documents for assessment as may be prescribed by the Board.</i>
80(4)	<b>Non-Existent</b>	<i>Through this amendment the new proviso has been added relating to examining the goods subject to prior approval of Collector of Customs cleared through green channel.</i>
82	<b>Procedure in case of goods not cleared or warehoused or transshipped or exported or removed from the port within [fifteen days] after unloading or filing of declaration. -</b>	<p>Procedure in case of goods not cleared or warehoused or transshipped or exported or removed from the port within [fifteen days] after unloading or filing of declaration. -</p> <p><i>Through this proposed amendment the facility of re-export of banned or restricted goods if not cleared or auctioned within 60 days of date of arrival.</i></p>
155F	<b>Cancellation of registration of registered user.-</b>	<p>Cancellation of registration of registered user.-</p> <p><i>Through this proposed amendment the Collector of Customs is legally bound to issue mandatory notice and affording an opportunity of being heard.</i></p>

156(1)	If any person contravenes the requirement of placement of invoice and packing list inside the import container or consignment.	<i>Through this proposed amendment the amount of penalty has been increased from Rs. 50,000/- to Rs. 100,000/-, Rs. 500,000/- Rs. 1,000,000/- outright confiscation of goods and blockage of WeBOC user ID for one year for consequent repeated offence.</i>
156(1)(iii)	Non-Existent	<i>Through this amendment the new sub-clause has been added which reads as under: "If any person fails to attach or electronically upload mandatory documents required."</i>
157(2)	Extent of Confiscation	<i>Through this proposed amendment the conveyance liable to confiscation seized for third time no option to pay fine in lieu of confiscation shall be given.</i>
179(3)	Power of Adjudication	<i>Through this amendment the new proviso has been inserted to decide the cases within thirty days of issuance of show cause notice subject to extension of fifteen days where the goods are lying at ports.</i>
212B (5)	Advance Ruling	<i>Through this proposed amendment the life of the binding ruling has been extended from one year to three years.</i>

## **Reanda Haroon Zakaria Associates**

**Tax | Legal | Advisory**

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