



HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

COMMENTS ON
FINANCE BILL

2017



Game Changer

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Independent legal & accounting firms

COMMENTS ON FINANCE BILL – 2017

The information contained in this booklet has been prepared on the basis of Finance Bill 2017 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 **01st July, 2017** unless specified otherwise after having been enacted as Finance Act 2017 with or without modification.

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HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

Dated: **May 26, 2017**

**BUDGET 2017
AT A GLANCE**

=== Rupees in Billion ===
2017-18 2016 -17
 Revised

RESOURCES

Internal resources

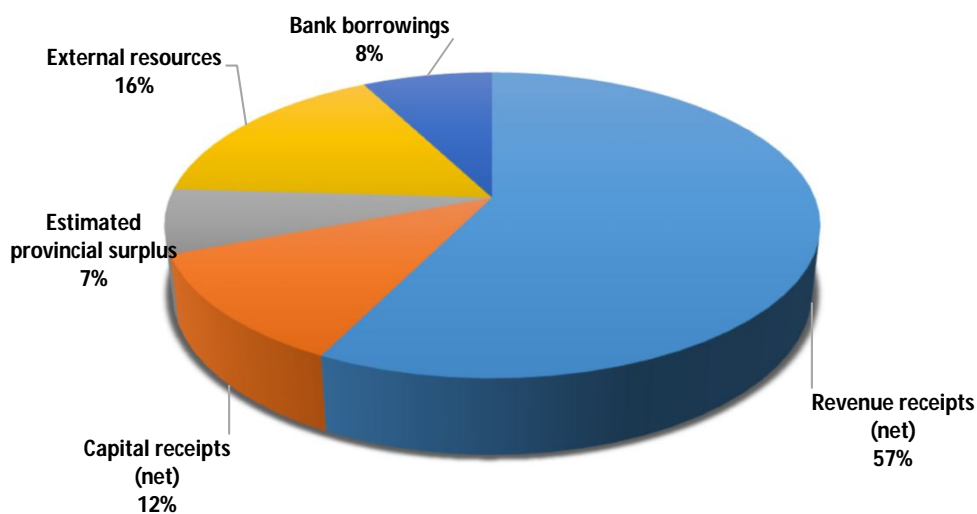
| | | |
|------------------------------|--------------|--------------|
| Revenue receipts (net) | | |
| Direct tax | 1,595 | 1,379 |
| Indirect tax | 2,418 | 2,142 |
| Non tax revenue | 1,297 | 1,216 |
| Less: Provincial share | (2,384) | (2,121) |
| Capital receipts (net) | 603 | 198 |
| Estimated provincial surplus | 347 | 290 |
| | <hr/> | <hr/> |
| | 3,876 | 3,104 |

External resources

| | |
|--------------|--------------|
| 838 | 996 |
| <hr/> | <hr/> |
| 4,714 | 4,100 |

Bank borrowings

| | |
|--------------|--------------|
| 390 | 741 |
| <hr/> | <hr/> |
| 5,104 | 4,841 |



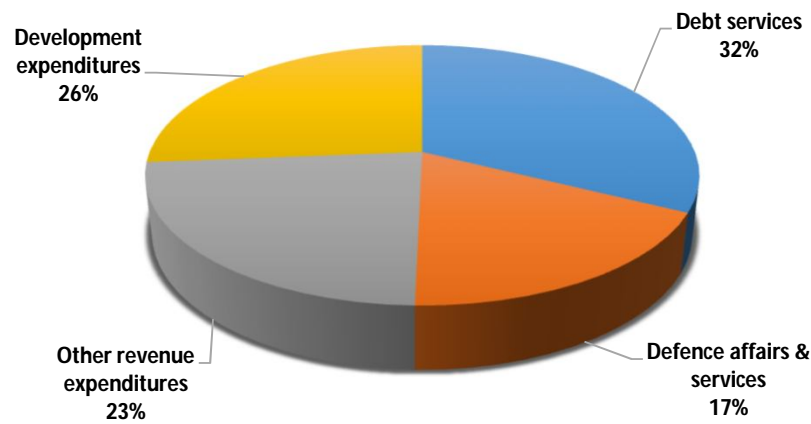
EXPENDITURES

| | | |
|---------------------------------|--------------|--------------|
| Current expenditures | 3,764 | 3,905 |
| Development expenditures (PSDP) | 1,340 | 936 |
| | <hr/> | <hr/> |
| | 5,104 | 4,841 |

=== Rupees in Billion ===

| | <u>2017-18</u> | <u>2016 -17</u> <u>Revised</u> |
|--|---------------------|-----------------------------------|
| <u>Revenue Receipts (Gross)</u> | | |
| Direct tax | 1,595 | 1,379 |
| Indirect tax | | |
| Customs | 581 | 491 |
| Sales Tax | 1,606 | 1,445 |
| Federal Excise | 231 | 206 |
| Others | 317 | 304 |
| | <u>4,330</u> | <u>3,825</u> |
| <u>EXPENDITURES</u> | | |
| Debt services | 1,650 | 1,868 |
| Defence affairs & services | 920 | 841 |
| Other revenue expenditures | 1,194 | 1,196 |
| | <u>3,764</u> | <u>3,905</u> |
| Development expenditures | 1,340 | 936 |
| | <u>5,104</u> | <u>4,841</u> |

Expenditures



Finance Bill 2017

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SALIENT FEATURES

FINANCE BILL 2017

All the proposed amendment through Finance Bill 2017 are effective from July 01, 2017 except expressly provided otherwise.

INCOME TAX

- The levy of super tax on persons deriving income exceeding Rs. 500 million has been proposed to be extended to tax year 2017
- The rate of tax on dividend has been proposed to increase from 12.5% to 15% on shares of listed companies and from 10% to 12.5% for mutual funds.
- Rate of capital gain tax is proposed to be increased to flat rate of 15% irrespective of holding period for filers and 20% for non-filers.
- The rate of turnover tax is proposed to be increased to 1.25%.
- Proposed to grant tax exemption to "STARTUP" business (IT base concern).
- Fixed tax assessment scheme for builders and developers promulgated vide Finance Act 2016 is proposed to be withdrawn with effect from July 1, 2017
- Proposed to tax undistributed profits of public companies at the rate of 10% if at least 40% of profit is not distributed through cash dividend or issuance of bonus.
- Proposal to increase the limit of admissible sales promotion expenses incurred by pharma manufacturers from 5% to 10% of revenue.

SALIENT FEATURES

- Corporate tax has been proposed to be reduced to 30% for tax year 2018 and onwards
- Tax deduction rate for non-filers under various provisions are proposed to be increased.
- Two Directorate General for Broadening of tax base and audit of transfer pricing issues has been proposed to be formed.
- The concept of provisional assessment under section 122C has been proposed to be done away.
- Seeks to revalidate operations of notifications already issued which have been declared invalid by superior courts.

SALES TAX ACT, 1990

- Seeks to impose Sales Tax on goods imported in territories of Pakistan which includes non-taxable.
- Seeks to impose sales tax as non-taxable territories
- Seeks to impose further tax at zero rated supplies
- Seeks to shifting of power from Federal Government to Board Subject to conditions and restrictions.
- Seeks to levy 2% turnover tax certain retailers subject to condition and restrictions.
- Seeks to bring Sixth Schedule in harmony with HS Code.
- Seeks to revalidate operations of notifications already issued which have been declared invalid by superior courts.
- Seeks to extend exemption in vehicles imported by certain authorities
- Seeks to extend exemption on sunflower and canola hybrid seeds meant by sowing a single cylinder agriculture diesel engine and solar energy related items.
- Seeks not to praise recovery of tax demand provided 25% of Sales Tax dues is deposited and case is pending before Commissioner Appeal.

FEDERAL EXCISE ACT, 2005

- Seeks to reduce the FED from 18.5% to 17% on telecommunication services.
- Seeks to confer the authority to the Federal Board to issue the notification specifying the due date for furnishing the return.
- Seeks to grant exemption on the import of vehicles for 23 years to the China Overseas Ports Holding Company Limited and its other companies.
- Seeks to include the e-service of any notice, order or other documents in the definition of mode of services.
- It is proposed to enlarge the scope of illegal manufacturing activities of cigarettes.
- It is proposed to stop the recovery proceedings when the matter subjudice to the Appellate Forum subject to the payment of 25% of the duty involved in the issue.
- It is purposed to enhance Federal Excise Duty rate on cigarettes.
- Seeks to enhance Federal Excise Duty on cement from Rs.1 to Rs.1.25 paisa per kg.
- It is purposed to grant exemption to machinery, plant, equipment, appliances and accessories from Federal Excise Duty related to Gwadar Port and other free zones subject to certain conditions.
- Seeks to revalidate operations of notifications already issued which have been declared invalid by superior courts.

CUSTOMS ACT, 1969

- Seeks to reduce duty from 11% to 3% and abolishing 5% RD on stock of chicken including import of hatching eggs.
- Proposes to reduce of RD from 10% to 5% on aluminum waste or scrap.
- Seeks to exempt 3% CD on raw skins and hides.
- Seeks to exempt 16% CD on stamping foils.
- Seeks to decrease CD on sheets for veneering from 16% to 11%.
- Tariff slabs reduced from existing 5 to 4 by merging 2% slab and 5% slab in new 3% slab.
- Seeks to reduce CD on pre-fabricated modular clean rooms panel from 20% to 3%.
- Seeks to exempt 3% on import of Ostriches.
- Seeks to reduce CD on fabric used for Pharmaceutical Industry from 16% to 5%.
- Seeks to impose 5% RD on import of synthetic filament yarn.
- Seeks to increase of CD on aluminum beverage cans from 11% to 20%.
- Seeks to reduce CD on un-coated polyester film and aluminum wire from 20% to 11%.
- Seeks to reduce CD on raw material for manufacturers Baby Diapers.
- Seeks to levy and increase the RD on various non-essential items.

SALIENT FEATURES

- Seeks to revalidate operations of notifications already issued which have been declared invalid by superior courts.
- Seeks to restrict sanctioning of refund if authority is satisfied that the incident of customs duty has been passed on to the buyer or consumer.
- Seeks to give rights of appeal in case of cancelling/suspension of unique user identifications.
- Seeks to enhance the power of collector of customs adjudication to call for examine any proceedings u/s. 195 of Customs Act, 1969.
- Seeks to introduce uniform rate of 9% RD on telecom equipment by exempting the CD 11% and 16%.
- Seeks to increase RD on betel nuts from 10% to 25% and Rs.200/kg. Levied on betel leaves.
- Seeks to reduce duty and taxes on hybrid electric vehicles.
- Seeks to adopt WCO HS Version 2017 by introducing the new Pakistan Customs Tariff.
- Seeks to exempt from CD on import of agricultural equipments and machinery.
- Seeks to exempt the import of solar panels and related components.
- Seeks to rationalize the Tariff.

INCOME TAX

The amendments are applicable from July 1, 2017 unless specified otherwise.

| SECTION | PRESENT POSITION AS ON 30 TH JUNE, 2017 | PROPOSED AMENDMENT THROUGH FINANCE BILL 2017 |
|---------|--|--|
| 2(22A) | <p>Definition "fast moving consumer goods" means consumer goods which are supplied in retail marketing as per daily demand of a consumer;</p> | <p><i>The definition of FMCG has been proposed to be amended as under to expressly exclude durable goods;</i> "fast moving consumer goods" means consumer goods which are supplied in retail marketing as per daily demand of a consumer excluding durable goods</p> |

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| <p>2(38A)</p> | <p>“Officer of Inland Revenue” means any Additional Commissioner Inland Revenue, Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Inland Revenue Officer, Inland Revenue Audit Officer or any other officer however designated or appointed by the Board for the purposes of this Ordinance</p> | <p><i>The definition of OIR has been proposed to be amended to include newly designated Officers as under</i></p> <p>“Officer of Inland Revenue” means any Additional Commissioner Inland Revenue, Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Inland Revenue Officer, Inland Revenue Audit Officer, District Taxation Officer and Assistant Director Audit or any other officer however designated or appointed by the Board for the purposes of this Ordinance</p> |
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| <p>2(62A)</p> | <p>Non-existent</p> | <p><i>The following new clause defining startup business for the purpose of granting exemption to IT based concerns have been proposed to be inserted;</i></p> <p><i>“(62A) “startup” means a business of resident individual, AOP or a company incorporated or registered in Pakistan on or after first day of July, 2012 and the person is engaged in or intends to offer technology driven products or services to any sector of the economy provided that the person is registered with and duly certified by the Pakistan Software Export Board (PESB) and having turnover of less than one hundred million in each of the last five tax years.”;</i></p> |
| <p>4B(1)</p> | <p>Super tax for rehabilitation of temporarily displaced persons.— (1) A super tax shall be imposed for rehabilitation of temporarily displaced persons, for tax years 2015 and 2016, at the rates specified in Division IIA of Part I of the First Schedule, on income of every person specified in the said Division.</p> | <p><i>The levy of supertax has been proposed to be extended to tax year 2017, the amended section reads as under;</i></p> <p><i>Super tax for rehabilitation of temporarily displaced persons.—</i> <i>(1) A super tax shall be imposed for rehabilitation of temporarily displaced persons, for tax years 2015 to 2017, at the rates specified in Division IIA of Part I of the First Schedule, on income of every person specified in the said Division.</i></p> |

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| 5A | <p>5A. Tax on undistributed reserves.—(1) Subject to this Ordinance, a tax shall be imposed at the rate of ten percent, on every public company other than a scheduled bank or a modaraba, that derives profits for a tax year but does not distribute cash dividends within six months of the end of the said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital, so much of its reserves as exceed hundred per cent of its paid up capital shall be treated as income of the said company: Provided that for tax year 2015, cash dividends may be distributed before the due date mentioned in sub-section (2) of section 118, for filing of return for tax year 2015.</p> <p>(2) The provisions of sub-section (1) shall not apply to—</p> <p>(a) a public company which distributes profit equal to either forty per cent of its after tax profits or fifty per cent of its paid up capital, whichever is less, within six months of the end of the tax year;</p> <p>(b) a company qualifying for exemption under clause (132) of Part I of the Second Schedule; and</p> | <p><i>The section has been proposed to be substituted whereby the concept of taxation of undistributed reserves in proportion to paid up capital has been done away now distribution of 40% profit earned by public company is to be distributed either in shape of cash dividend or bonus shares, the substituted section read as under;</i></p> <p>‘5A. Tax on undistributed profits.- (1) Subject to this Ordinance, for tax year 2017 and onwards, a tax shall be imposed at the rate of ten percent, on every public company other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares:</p> <p>Provided that for tax year 2017, bonus shares or cash dividends may be distributed before the due date mentioned in sub-section (2) of section 118, for filing of a return.</p> <p><i>The provisions of sub-section (1) shall not apply to-</i></p> <p><i>(a) a company qualifying for exemption under clause (132) of Part I of the Second Schedule; and</i></p> |
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| 5A | <p>(c) a company in which not less than fifty percent shares are held by the Government.</p> <p>(3) For the purpose of this section, 'reserve' includes amounts set aside out of revenue or other surpluses excluding capital reserves, share premium reserves and reserves required to be created under any law, rules or regulations."</p> | <p>(b) a company in which not less than fifty percent shares are held by the Government."</p> |
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| 7C(4) | <p>Tax on builders (4) This section shall apply to business or projects undertaken for construction and sale of residential, commercial or other buildings initiated and approved after the 1st July, 2016.”</p> | <p><i>The fixed income tax assessment scheme on the basis of area introduced for builders through Finance Act-2016 has been proposed to be restricted to the projects initiated during 2017 for which respective Chief Commissioner-IR has issued schedule of payments only, the substituted sub-section is as under;</i></p> <p>(4) This section shall apply to projects undertaken for development and sale of residential, commercial or other plots initiated and approved. –</p> <p>(a)during tax year 2017 only;</p> <p>(b)for which payment under rule 13S of the Income Tax Rules, 2002 has been made by the developer during tax year 2017; and</p> <p>(c)the Chief Commissioner has issued online schedule of advance tax installments to be paid by the developer in accordance with rule 13ZB of the Income Tax Rules, 2002.”;</p> |
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| <p>7D(4)</p> | <p>Tax on developers (4)This section shall apply to projects undertaken for development and sale of residential, commercial or other plots initiated and approved after the 1st July, 2016</p> | <p><i>The fixed income tax assessment scheme on the basis of area introduced for developers through Finance Act-2016 has been proposed to be restricted to the projects initiated during 2017 for which respective Chief Commissioner-IR has issued schedule of payment only, the substituted sub-section is as under;</i></p> <p>“(4) This section shall apply to projects undertaken for development and sale of residential, commercial or other plots initiated and approved. –</p> <p>(a)during tax year 2017 only;</p> <p>(b)for which payment under rule 13S of the Income Tax Rules, 2002 has been made by the developer during tax year 2017; and</p> <p>(c)the Chief Commissioner has issued online schedule of advance tax installments to be paid by the developer in accordance with rule 13U of the Income Tax Rules, 2002.”;</p> |
| <p>13(7)</p> | <p>Value of perquisites Provided further that this sub-section shall not apply to loans not exceeding five hundred thousand rupees.</p> | <p><i>The threshold limit for interest free loan to employee has been proposed to be enhanced;</i> Provided further that this sub-section shall not apply to loans not exceeding One million rupees.</p> |

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| <p>21(o)</p> | <p>Deductions not allowed any expenditure in respect of sales promotion, advertisement and publicity in excess of five per cent of turnover incurred by pharmaceutical manufacturers.”</p> | <p><i>The threshold limit for admissibility of sales promotion expenses by pharma manufacturers has been proposed to be enhanced;</i></p> <p>any expenditure in respect of sales promotion, advertisement and publicity in excess of ten percent of turnover incurred by pharmaceutical manufacturers.”</p> |
| <p>22(15) Proviso</p> | <p>Depreciation Non-Existent</p> | <p><i>The following new self-explanatory proviso has been proposed to be added;</i></p> <p>“Provided that where a depreciable asset is jointly owned by a taxpayer and an Islamic financial institution licensed by the State Bank of Pakistan or Securities and Exchange Commission of Pakistan, as the case may be, pursuant to an arrangement of Musharika financing or diminishing Musharika financing, the depreciable asset shall be treated to be wholly owned by the taxpayer.”;</p> |

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| <p>53(2)</p> | <p>Exemptions and tax concessions in the Second Schedule (2)The Federal Government may, from time to time “pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas , implementation of bilateral and multilateral agreements ”or granting an exemption from any tax imposed under this Ordinance including a reduction in the rate of tax imposed under this Ordinance or a reduction in tax liability under this Ordinance or an exemption from the operation of any provision of this Ordinance to any international financial institution or foreign Government owned financial institution operating under an agreement, memorandum of understanding or any other arrangement with the Government of Pakistan” , by notification in the official Gazette, make such amendment in the Second Schedule by —</p> | <p><i>To avoid unnecessary delay and litigation, the Board has been proposed to be empowered to issue concessional notifications with prior approval from concerned Minister Incharge of Federal Government in exceptional circumstances, the amended sub-section read as under;</i></p> <p>(2)The Board with the approval of Minister Incharge of the Federal Government may, from time to time “pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas , implementation of bilateral and multilateral agreements ”or granting an exemption from any tax imposed under this Ordinance including a reduction in the rate of tax imposed under this Ordinance or a reduction in tax liability under this Ordinance or an exemption from the operation of any provision of this Ordinance to any international financial institution or foreign Government owned financial institution operating under an agreement, notification in the official Gazette,</p> |
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| <p style="text-align: center;">53(4) Proviso</p> | <p>Non-Existent</p> | <p><i>The new following proviso has been proposed to be inserted to give legal cover to SROs issued in tax year 2017,</i></p> <p>“Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from the first day of July, 2016 and shall continue to be in force till the thirtieth day of June, 2018, if not earlier rescinded:</p> <p>Provided further that all notifications issued on the first day of July, 2016 shall continue to be in force till the thirtieth day of June, 2018, if not earlier rescinded.”;</p> |
| <p style="text-align: center;">62A</p> | <p>“62A. Tax credit for investment in health insurance. —</p> <p>(2) The amount of a person’s tax credit allowed under sub-section (1) for a tax year shall be computed according to the following formula, namely: —</p> <p>(A/B) x C where— (c) one hundred thousand rupees.”</p> | <p><i>The threshold limit for claiming tax credit on health insurance premium has been proposed to be enhanced;</i></p> <p>(2)The amount of a person’s tax credit allowed under sub-section (1) for a tax year shall be computed according to the following formula, namely: —</p> <p>(A/B) x C where— (c) one hundred thousand and fifty rupees.”</p> |

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| 64AB | <p>Deductible allowance for educational expenses.— (1) Every individual shall be entitled to a deductible allowance in respect of tuition fee paid by the individual in a tax year provided that the taxable income of the individual is less than one million rupees.</p> | <p><i>The section has been renumbered as 60D and the minimum threshold for claiming tax credit has been proposed to be enhanced;</i></p> <p>Every individual shall be entitled to a deductible allowance in respect of tuition fee paid by the individual in a tax year provided that the taxable income of the individual is less than one and half million rupees.</p> |
| 65A | <p>Tax credit to a person registered under the Sales Tax Act, 1990. — (1) Every manufacturer, registered under the Sales Tax Act, 1990, shall be entitled to a tax credit of “three” per cent of tax payable for a tax year, if ninety per cent of his sales are to the person who is registered under the aforesaid Act during the said tax year.</p> | <p><i>The section has been proposed to be omitted</i></p> |

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| <p>65C</p> | <p>Tax credit for enlistment. —(1) Where a taxpayer being a company opts for enlistment in any registered stock exchange in Pakistan, a tax credit equal to twenty percent of the tax payable shall be allowed for the tax year in which the said company is enlisted “and for the following tax year”.</p> | <p><i>The proposed amendment seeks to extend the period for claiming tax credit on enlistment as under;</i></p> <p>(1) Where a taxpayer being a company opts for enlistment in any registered stock exchange in Pakistan, a tax credit equal to twenty percent of the tax payable shall be allowed for the tax year in which the said company is enlisted “and for the following three tax years”.</p> <p>“Provided that the tax credit for the last two years shall be ten per cent of the tax payable.”;</p> |
| <p>94(3)</p> | <p>Principles of taxation of companies.- (3)A dividend paid by a non-resident company to a resident person shall be chargeable to tax under the head “Income from Business” or “Income from Other Sources”, as the case may be, unless the dividend is exempt from tax.</p> | <p><i>The sub-section is proposed to be omitted meaning thereby that dividend received from non-resident company will be taxed at par with resident company</i></p> |
| <p>100(2)Proviso</p> | <p>Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits Non-Existent</p> | <p><i>The proposed proviso seeks to bring the profit and gains derived from sui gas field under ambit of Fifth Schedule to the ITO-2001</i></p> <p>“Provided that for tax year 2017 and onward the provisions of this sub-section shall not apply on profit and gains derived from sui gas field.”;</p> |

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| 100C | <p>Tax credit for certain persons</p> <p>(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:-</p> <p>(a)..... (b)..... (c).....</p> | <p><i>The proposed new clause seeks to restrict the administrative expenses of NPOs as under;</i></p> <p>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:-</p> <p>(a) (b)..... (c)..... (d) the administrative and management expenditure does not exceed 15% of the total receipts."</p> |
| 100C(1A) | <p>Non-Existent</p> | <p><i>The following proposed new sub-section seeks to tax the unutilized revenue of non-profit organization at concessional rate;</i></p> <p>Notwithstanding anything contained in sub-section (1), surplus funds of non-profit organization shall be taxed at a rate of ten percent</p> |

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| 100C(1B) | <p>Non-Existent</p> | <p>For the purpose of sub-section (1A), surplus funds mean funds or monies:</p> <ul style="list-style-type: none"> (i) not spent on charitable and welfare activities during the tax year; (ii) received during the tax year as donations, voluntary contributions, subscriptions and other incomes; (iii) or more than twenty five percent of the total receipts of the non-profit organization received during the tax year; (iv) are not part of restricted funds: <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> |
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| <p>115(3)</p> | <p>Persons not required to furnish a return of income (3) The following persons shall not be required to furnish a return of income for a tax year solely by reason of sub-clause (iii) of clause (b) of sub-section (1) of section 114 –</p> <p>(a)A widow;</p> <p>(b)an orphan below the age of twenty-five years;</p> <p>(c)a disabled person; or</p> <p>(d)in the case of ownership of immovable property, a non-resident person.</p> | <p><i>The proposed amendment seeks to extend scope of exemption for specified persons from return filing solely for the reason of ownership of immovable property, flat in rating area or motor vehicle;</i></p> <p>(3) The following persons shall not be required to furnish a return of income for a tax year solely by reason of sub-clause (iii) of clause (b) of sub-section (1) of section 114 –</p> <p>(a)A widow;</p> <p>(b)an orphan below the age of twenty-five years;</p> <p>(c)a disabled person; or</p> <p>(d)in the case of ownership of immovable property, a non-resident person.</p> |
| <p>116(3)</p> | <p>Wealth statement.— (3) Where a person, who has furnished a wealth statement, discovers any omission or wrong statement therein, he may, without prejudice to any liability incurred by him under any provision of this Ordinance, furnish a revised wealth statement along with the revised wealth reconciliation and the reasons for filing revised wealth statement, at any time before an assessment, for the tax year to which it relates, is made under sub-section (1) or sub-section (4) of section 122.</p> | <p>It has been proposed to restrict the revision of wealth statement after issuance of show cause notice u/s.122(9) the amended provision read as under;</p> <p>Where a person, who has furnished a wealth statement, discovers any omission or wrong statement therein, he may, without prejudice to any liability incurred by him under any provision of this Ordinance, furnish a revised wealth statement along with the revised</p> |

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| | | <p>wealth reconciliation and the reasons for filing revised wealth statement, at any time before the receipt of notice under sub-section (9) of section 122, for the tax year to which it relates.</p> |
| <p>119(4)</p> | <p>Extension of time for furnishing returns and other documents Non-existent</p> | <p><i>The proposed new proviso seeks to introduce remedy of CCIR review in cases where the CIR rejects extension request for filing of statement or return of income</i></p> <p>“Provided that where the Commissioner has not granted extension for furnishing return under sub-section (3) or sub-section (4), the Chief Commissioner may on an application made by the taxpayer 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> |

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| <p>121(1)(ab)</p> | <p>Best judgement assessment.— (1) Where a person fails to — (aa)..... (b)..... (c)..... (d).....</p> <p>the Commissioner may, based on any available information or material and to the best of his judgement, make an assessment of the taxable income or income of the person and the tax due thereon and the assessment, if any, treated to have been made on the basis of return or revised return filed by the taxpayer shall be of no legal effect.</p> | <p>It has been proposed that in case of failure of filing of return of income best judgement assessment is to be made instead of provisional assessment;</p> <p>Where a person fails to — (aa).....</p> <p>(ab) furnish return of income in response to notice under sub-section (3) or sub-section (4) of section 114; or”;</p> <p>(b)..... (c)..... (d).....</p> <p>the Commissioner may, based on any available information or material and to the best of his judgement, make an assessment of the taxable income or income of the person and the tax due thereon and the assessment, if any, treated to have been made on the basis of return or revised return filed by the taxpayer shall be of no legal effect.</p> |
| <p>122C</p> | <p>Provisional assessment</p> | <p>The concept of provisional assessment has been proposed to be abolished accordingly the corresponding provisions i.e., section-122C and references in sections 114,116, 122, 127 & 137 are proposed to be omitted.</p> |

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| <p style="text-align: center;">130(3)(c)</p> | <p>Appointment of the Appellate Tribunal 3) A person may be appointed as a judicial member of the Appellate Tribunal if the person-</p> <p>(a).... (b).... (c) is an officer of Inland Revenue Service in BS-20 or above and is a law graduate.</p> | <p><i>The proposed amendment seeks to withdraw provision enabling appointment of Officer of Inland Revenue Service as Judicial Member of Appellate Tribunal;</i></p> <p>3)A person may be appointed as a judicial member of the Appellate Tribunal if the person-</p> <p>(a).. (b).. (c) Omitted</p> |
| <p style="text-align: center;">147(2)</p> | <p>Advance tax paid by the taxpayer</p> <p>(2) This section does not apply to an individual where the individual's latest assessed taxable income excluding income referred to in clauses (a), (b), (ba), (c) and (d) of sub-section (1) is less than five hundred thousand rupees.</p> | <p><i>The minimum threshold of taxable income for payment of quarterly advance tax has been proposed to be enhanced to One Million;</i></p> <p>2) This section does not apply to an individual where the individual's latest assessed taxable income excluding income referred to in clauses (a), (b), (ba), (c) and (d) of sub-section (1) is less than one million rupees</p> |
| <p style="text-align: center;">147(4B)</p> | <p>(4B) Where the taxpayer is an individual having latest assessed income of five hundred thousand rupees or more as determined under sub-section (2), the amount of advance tax due for a quarter shall be computed according to the following formula, namely: - "(A/4) - B Where -.....</p> | <p>(4B) Where the taxpayer is an individual having latest assessed income of one million rupees or more as determined under sub-section (2), the amount of advance tax due for a quarter shall be computed according to the following formula, namely: - "(A/4) – B Where-.....</p> |

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| <p>148(7)</p> | <p>Imports. (7) The tax required to be collected under this section shall be a final tax except as provided under sub-section (8) on the income of the importer arising from the imports subject to sub-section (1) and this sub-section shall not apply in the case of import of— (a) raw material, plant, machinery, equipment and parts by an industrial undertaking for its own use; (b) fertilizer by manufacturer of fertilizer; and (c)</p> | <p><i>It has been proposed to withdraw the facility of treating the advance tax as adjustable given to fertilizer manufacturers importing finished fertilizer bringing them at par with commercial importer;</i></p> <p>(7) The tax required to be collected under this section shall be a final tax except as provided under sub-section (8) on the income of the importer arising from the imports subject to sub-section (1) and this sub-section shall not apply in the case of import of— (a) raw material, plant, machinery, equipment and parts by an industrial undertaking for its own use; (b) Omitted (c)</p> |
| <p>152(1B) Proviso</p> | <p>Payments to non-residents (1B) The tax deductible under sub-section (1A) shall be a final tax on the income of a non-resident person arising from a contract. Non-Existent</p> | <p><i>It has been proposed to allow non-resident earing income from construction contract and advertisement services an option to be taxed under Normal Tax Regime, the provision read as under;</i></p> <p>Provided that the provisions of this sub-section shall not apply in respect of a non-resident person unless he opts for the final tax regime.”;</p> |

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| <p style="text-align: center;">152(4A)</p> | <p>“(4A) The Commissioner may, on application made by the recipient of a payment referred to in sub-section (2A) and after making such inquiry as the Commissioner thinks fit, may allow in cases where the tax deductible under sub-section (2A) is adjustable, by order in writing, any person to make the payment, without deduction of tax or deduction of tax at a reduced rate.”;</p> | <p><i>The proposed substituted sub-section seeks to allow for issuance of exemption certificate for non-deduction of tax to non-residence persons who are taxed under NTR;</i></p> <p>(4A) The Commissioner may, on application made by the recipient of payment referred to in sub-section (1A) having permanent establishment in Pakistan, or by a recipient of payment referred to in sub-section (2A), as the case may be, and after making such inquiry as the Commissioner thinks fit, allow by order in writing, in cases where the tax deductible under sub-section (1) or sub-section (2A) is adjustable, any person to make the payment without deduction of tax or deduction of tax at a reduced rate</p> |
| <p style="text-align: center;">153(1)(c)Proviso</p> | <p>Payments for goods, services and contracts Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or</p> | <p><i>The following self-explanatory proviso is proposed to be inserted;</i></p> <p>“Provided that where the recipient of the payment under clause (b) receives the payment through an agent or any other third person and the agent or, as the case may be, the third person retains service charges or fee, by whatever name called, from the payment remitted to the recipient, the agent or the third person shall be treated to have been paid the service charges or fee by the recipient and the recipient shall collect tax along with the payment received.”</p> |

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| <p style="text-align: center;">165(2A)</p> | <p>Statements Non-Existent</p> | <p><i>The following proposed new sub-section seeks to allow for correction of errors in monthly withholding statement by revision;</i></p> <p>“(2A) Any person who, having furnished statement under sub-section (1) or sub-section (2), discovers any omission or wrong statement therein, may file a revised statement within sixty days of filing of statement under sub-section (1) or sub-section (2), as the case may be.”;</p> |
| <p style="text-align: center;">165B</p> | <p>Furnishing of information by financial institutions including banks. Non-Existent</p> | <p><i>The following new sub-section has been proposed to be inserted;</i></p> <p>“(3) for the purpose of this section, the terms "reportable person" and "financial institution" shall have the meaning as provided in Chapter XIIA of the Income Tax Rules, 2002</p> |

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| 182(7) | Offences and penalties Non-Existent | <i>The proposed insertion seeks to provide for penalty on violation of provision of section 107,108 & 165B;</i> | | |
| | | Any reporting financial institution or reporting entity who fails to furnish information or country-by-country report to the Board as required under section 107, 108 or 165B within the due date. | Such reporting financial institution or reporting entity shall pay a penalty and of two thousand rupees for each day of default subject to a minimum penalty of twenty five thousand rupees. | 107 108 And 165B |
| | | Any person who fails to keep and maintain document and information required under section 108 or Income Tax Rules, 2002 | 1% of the value of transactions, the record of which is required to be maintained under section 108 and Income Tax Rules, 2002 | 108 |

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| <p style="text-align: center;">191(1)(a)</p> | <p>191. Prosecution for non-compliance with certain statutory obligations. —(1) Any person who, without reasonable excuse, fails to —</p> <p>(a) comply with a notice under sub-section (3) of section 114 or sub-section (1) of section 116;</p> <p>(b) pay advance tax as required under section 147;</p> <p>(c) comply with the obligation under Part V of this Chapter to collect or deduct tax and pay the tax to the Commissioner;</p> | <p><i>The proposed amendment seeks to bring the failure to file return on notice by the CIR and failure to deduct tax under chapter-XII as punishable offence u/s. 191;</i></p> <p>(1) Any person who, without reasonable excuse, fails to —</p> <p>(a) comply with a notice under sub-section (3) and Sub-section (4) of section 114 or sub-section (1) of section 116;</p> <p>b) pay advance tax as required under section 147;</p> <p>(c) comply with the obligation under Part V of this Chapter or Chapter-XII to collect or deduct tax and pay the tax to the Commissioner;</p> |
| <p style="text-align: center;">205(1B) Proviso</p> | <p>Default surcharge Non-Existent</p> | <p><i>The following self-explanatory new proviso is proposed to be inserted;</i></p> <p>“Provided that in the case of person having a special tax year, the default surcharge shall be calculated on and from the first day of the fourth quarter of the special tax year till the date on which assessment is made or the last day of special tax year, whichever is earlier.”</p> |

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| <p style="text-align: center;">206A</p> | <p>Advance ruling Provided that this section shall not apply to a non-resident taxpayer having a permanent establishment in Pakistan</p> | <p><i>The proposed omission of proviso seeks to allow for facility of advance ruling to non-residents having permanent establishment in Pakistan as well;</i></p> <p>Omitted</p> |
| <p style="text-align: center;">216(3)</p> | <p>Disclosure of information by a public servant.- Nothing contained in sub-section (1) shall preclude the disclosure of any such particulars – (a)..... (b)..... (Ka).....Non-Existent</p> | <p><i>The proposed new clause seeks to authorized disclosure of information relating to employees of taxpayers to EOBI;</i></p> <p>Nothing contained in sub-section (1) shall preclude the disclosure of any such particulars – (a)..... (b)..... </p> <p>“(ka) Employees Old Age Benefit Institution in respect of information regarding salaries in statements furnished under section 165</p> |

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| <p>230D</p> | <p>Non-Existent</p> | <p><i>The proposed new section seeks to introduce a separate Directorate General for BTB;</i></p> <p>“230D. Directorate-General of Broadening of Tax Base.— (1) The Directorate-General of Broadening of Tax Base 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, specify the functions, jurisdiction and powers of the Directorate General of Broadening of Tax Base.</p> |
| <p>230E</p> | <p>Non-Existent</p> | <p><i>The proposed new section seeks to introduce a separate Directorate General of Audit for Transfer Pricing;</i></p> <p>230E. Directorate-General of Transfer Pricing.— (1) The Directorate-General of Transfer Pricing 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> |

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| | | <p>(2) The function of the Directorate General of Transfer Pricing shall be to conduct transfer pricing audit:</p> <p>Explanation: For the removal of doubt, it is clarified that transfer pricing audit refers to the audit for determination of transfer price at arm's length in transactions between associates and is independent of audit under section 177, 214C or 214D which is audit of the income tax affairs of the taxpayer.</p> <p>(3) The Board may, by notification in the official Gazette, specify the criteria for selection of the taxpayer for transfer pricing audit and may further specify functions, jurisdiction and powers of the Directorate-General of Transfer Pricing.”;</p> |
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| <p>231B(1A)</p> | <p>Advance tax on private motor vehicles “(1A) Every leasing company or a scheduled bank or an investment bank or a development finance institution or a modaraba shall, at the time of leasing of a motor vehicle to a non-filer, collect advance tax at the rate of three per cent of the value of the motor vehicle.”</p> | <p><i>The proposed amendment seeks to bring the Islamic Financing and Conventional Financing at par with respect of collection of advance tax from non-filer;</i></p> <p>“(1A) Every leasing company or a scheduled bank or a non-banking financial institution or an investment bank or a modaraba or a development finance institution, whether shariah compliant or under conventional mode, at the time of leasing of a motor vehicle to a non-filer, either through ijara or otherwise, shall collect advance tax at the rate of three per cent of the value of the motor vehicle.”</p> |
| <p>233A(2)</p> | <p>Collection of tax by a stock exchange registered in Pakistan (2) The tax collected under clauses (a) to (b) of sub-section (1) shall be adjustable.</p> | <p><i>It has been proposed to treat the tax collected by the Stock Exchange on Shares trading as final tax;</i></p> <p>(2) The tax collected under sub-section (1) shall be final tax.</p> |

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| 234A | <p>CNG Stations</p> <p>(3) The tax collected under this section shall be a final tax on the income of a CNG station arising from the consumption of the gas referred to in sub-section (1).</p> | <p><i>The proposed amendment seeks to clarify that the tax to be collected from CNG stations on value of gas consumed inclusive of sales tax;</i></p> <p><i>(3)The tax collected under this section and under section 235 shall be a final tax on the income of a CNG station arising from the consumption of the gas referred to in sub-section (1).</i></p> <p>“Explanation.— For removal of doubt, it is clarified that for the purposes of this section tax on income arising from consumption of gas referred to in sub-section (3) means the tax collected under sub-section (1) which is inclusive of sales tax and all incidental charges.”; and</p> |
| 235 Explanation | <p>Electricity consumption Non-Existent</p> | <p><i>The explanation is proposed to be inserted clarifying that tax u/s.235 is to be collected gross value inclusive of sales tax and other charges of electricity consumed;</i></p> <p><i>(2)The person preparing electricity consumption bill shall charge advance tax under sub-section (1) in the manner electricity consumption charges are charged.</i></p> |

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| 235(4) | <p>(4) Under this section, —</p> <p>(a) in the case of a taxpayer other than a company, tax collected upto bill amount of thirty thousand rupees per month shall be treated as minimum tax on the income of such persons and no refund shall be allowed;</p> | <p><i>The minimum limit of electricity charges for treatment of advance tax collected as minimum tax has been revised from monthly to annual value;</i></p> <p><i>(4) Under this section, —</i></p> <p><i>(a) in the case of a taxpayer other than a company, tax collected upto bill amount of three hundred and sixty thousand rupees per annum shall be treated as minimum tax on the income of such persons and no refund shall be allowed;</i></p> |
| 235A | <p>Domestic electricity consumption Non-Existent</p> | <p><i>The explanation is proposed to be inserted clarifying that tax u/s.235A is to be collected gross value inclusive of sales tax and other charges of electricity consumed;</i></p> <p><i>Explanation.— For removal of doubt, it is clarified that for the purposes of this section electricity consumption bill referred to in sub-section (2) means electricity bill inclusive of sales tax and all incidental charges</i></p> |

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| <p>236C(1)</p> | <p>Advance Tax on sale or transfer of immovable Property. 1) Any person responsible for registering or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the seller or transferor advance tax at the rate specified in Division X of Part IV of the First Schedule :</p> <p>Non-Existent</p> | <p><i>The following clarificatory amendment is proposed to be made;</i></p> <p>Any person responsible for registering, recording or attesting transfer of any immovable property shall at the time of registering, recording or attesting, the transfer shall collect from the seller or transferor advance tax at the rate specified in Division X of Part IV of the First Schedule:</p> <p>“Explanation,—For the 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> |
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| <p>236C(2) Proviso</p> | <p>Non-Existent</p> | <p><i>It has been proposed to treat the tax collected from seller as minimum tax liability where the immovable property is sold within one year, the proposed proviso is as under;</i></p> <p>"Provided further that immovable property referred to in subsection (1) is acquired and disposed of within the same tax year, the tax collected under this section shall be minimum tax."</p> |
| <p>.236G(1)</p> | <p>Advance tax on sales to distributors, dealers and wholesalers (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 extend the scope of this section to the batteries sector also;</i></p> <p>Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries 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> |

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| 236H(1) | <p>236H. Advance tax on sales to retailers.— (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>Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries 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> |
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| 236K(1) | <p>Advance tax on purchase or transfer of immovable property.— (1) Any person responsible for registering or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule.</p> | <p><i>The following clarificatory amendment is proposed to be made;</i></p> <p>(1) Any person responsible for registering, recording or attesting transfer of any immovable property shall at the time of registering, recording or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule.</p> <p>“Explanation,—For the 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> |
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| 236W | <p>Tax on purchase or transfer of immovable property.— (1) Every person responsible for registering or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate of three per cent of the amount computed under clause (c) of sub-section (4) of section 111.</p> | <p><i>The following clarificatory amendment is proposed to be made;</i></p> <p>(1) Every person responsible for registering, recording or attesting transfer of any immovable property shall at the time of registering, recording or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate of three per cent of the amount computed under clause (c) of sub-section (4) of section 111.</p> <p>“Explanation,—For the 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> |
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| <p>236X</p> | <p>Non-Existent</p> | <p><i>A new section prescribing for collection of advance tax by Pakistan tobacco board is proposed to be inserted as under;</i></p> <p>Advance tax on tobacco.— (1) Pakistan Tobacco Board, at the time of collecting cess on tobacco, directly or indirectly, shall collect advance tax at the rate of five percent of the purchase value of tobacco from every person purchasing tobacco including manufacturers of cigarettes.</p> <p>(2) Tax collected under this section shall be adjustable.";</p> |
| <p>241</p> | <p>Non-Existent</p> | <p><i>A new section aimed at undoing the recent judgement of Honorable Supreme Court regarding validity of SROs issued by passing the rule of business;</i></p> <p>Validation. — All notifications and orders issue and notified, in exercise of the powers conferred upon the Federal Government, before the first day of July, 2017 shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of a High Court or the Supreme Court.";</p> |

**The First Schedule
Part I
RATES OF TAX**

The rate of tax on dividend income has been proposed to be enhanced. The proposed amended Division reads as under:

**Division III
Rate of Dividend Tax**

The rate of tax imposed under section 5 on dividend received from a company shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects; and
- (b) 15%, in cases other than mentioned in clauses (a) and (c);
- (c) 12.5%, in case of dividend received by a person from a mutual fund.

Provided that the dividend received by a person from a stock fund shall be taxed at the rate of 12.5% for tax year 2015 and onwards, if dividend receipts are less than capital gains:

Provided further that the dividend received by a company from a collective investment scheme, REIT Scheme" or a mutual fund, other than a stock fund, shall be taxed at the rate of 25% for tax year 2015 and onwards:

"Provided also that if a Developmental REIT Scheme with the object of development and construction of residential buildings is set up by thirtieth day of June, 2018, tax imposed on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from thirtieth day of June, 2018.

The tax rate for profit on debt are proposed to be revised as under:

Division IIIA
Rate for Profit on Debt

The rate of tax for profit on debt imposed under section 7B shall be—

| S.No (1) | Profit on Debt (2) | Rate of tax (3) |
|-------------|---|--------------------|
| 1. | Where profit on debt does not exceed Rs 5,000,000 | 10% |
| 2. | Where profit on debt exceeds Rs 5,000,000 but does not exceed Rs 25,000,000 | 12.5% |
| 3. | Where profit on debt exceeds Rs 25,000,000 | 15% |

Rate of capital gain tax is proposed to be increased to flat rate of 15% irrespective of holding period for filers and 20% for non-filers for tax year 2018. However, we are of the opinion that the rate is to be applied prospectively in respect of shares purchased after July 1, 2017. The revised proposed division is as under:

**Division VII
CAPITAL GAINS ON DISPOSAL OF SECURITIES**

| Sr. # | Period | Tax Year 2015 | Tax Year 2016 | Tax Year 2017 | | Tax Year 2018 | |
|-------|---|---------------|---------------|---------------|-------|---------------|-----------|
| | | | | Filer | Filer | Non-Filer | Non-Filer |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. | Where holding period of a security is less than twelve months | 12.5% | 15% | 15% | 18% | 15% | 20% |
| 2. | Where holding period of a security is twelve months or more but less than twenty-four months | 10% | 12.5 % | 12.5 % | 16% | | |
| 3. | Where holding period of a security is twenty-four months or more but the security was acquired on or after 1 st July, 2012 | 0% | 7.5% | 7.5% | 11% | | |
| 4. | Where the security was acquired before 1 st July, 2012 | 0% | 0% | 0% | 0% | 0% | 0% |
| 5. | Future commodity contracts entered into by the members of Pakistan Mercantile Exchange | 0% | 0% | 5% | 5% | 5%" | 5%" |

**Division IX
Minimum tax under section 113**

The proposed rate of minimum tax on the basis of turnover for tax year 2018 has been enhanced from 1% to 1.25%.

Part III
DEDUCTION OF TAX AT SOURCE
Division I
Advance tax on Dividend

The rate of tax deduction on dividend has also been proposed to be amended in accordance with proposed rate of tax. The proposed revised rate is as under:

The rate of tax to be deducted under section 150 "and 236S" shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects;
- (b) 15% for filers other than mentioned in (a) above;
- (c) 20 % for non-filers other than mentioned in (a) above:

Provided that the rate of tax required to be deducted by a collective investment scheme ", REIT Scheme" or a mutual fund shall be-

| "Person | Stock Fund | Money market fund, income fund or REIT scheme or any other fund | |
|------------|------------|---|-----------|
| | | Filer | Non-Filer |
| (1) | (2) | (3) | (4) |
| Individual | 12.5% | 12.5% | 15% |
| Company | 12.5% | 25% | 25% |
| AOP | 12.5% | 12.5% | 15%" |

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 15% :

Provided further that if a Developmental REIT Scheme with the object of development and construction of residential buildings is setup by thirtieth

day of June, 2018, rate of tax on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from thirtieth day of June, 2018.

The proposed revised rate of tax deduction on payments to non-resident are as under:

Division II
Payments to non-residents

(1) The rate of tax to be deducted from a payment referred to in sub-section (1A) of section 152 shall be "7% of the gross amount payable in case a person is a filer and 13% in case the person is a non-filer".

(1A) The rate of tax to be deducted from payments referred to in sub-section (1AA) of section 152, shall be 5% of the gross amount paid.

(2) The rate of tax to be deducted under sub-section (2) of section 152 shall be 20% of the gross amount paid.

(3) The rate of tax to be deducted under sub-section (1AAA) of section 152, shall be 10% of the gross amount paid.

(4) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (2A) of section 152 shall be—

(i) in case of a company, 4% of the gross amount payable, if the company is a filer and 7% if the company is a non-filer; and

(ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and 7.75% if the person is a non-filer."

(5) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (2A) of section 152 shall be—

(i) in the case of transport services, two per cent of the gross amount payable; or

(ii) in cases other than transport,—

- (a) in case of a company, 8% of the gross amount payable, if the company is a filer and 14% if the company is a non-filer; and
- (b) in any other case, 10% of the gross amount payable, if the person is a filer and 17.5% if the person is a non-filer.”;

(6) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (2A) of section 152 shall be,—

- (i) 10% of the gross amount payable in case of sportspersons;
- (ii) in case a person is a filer, 7% of the gross amount payable and 13% if the person is a non-filer.;

The proposed revised rate for payments for goods and services are as under:

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

- (ab) in the case of supplies made by the distributor of fast moving consumer goods,—
 - (i) in case of a company, 2% of the gross amount payable; and
 - (ii) in any other case, 2.5% of the gross amount payable.”;
- (b) in the case of sale of goods,—

- (i) in case of a company, 4% of the gross amount payable, if the company is a filer and 7% if the company is a non-filer; and
 - (ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and 7.75% if the person is a non-filer”;
- (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) in the case of transport services, two per cent of the gross amount payable; or
 - (ii) in the case of rendering of or providing of services, —
 - (a) in case of a company, 8% of the gross amount payable, if the company is a filer and 14.5% if the company is a non-filer; and
 - (b) in any other case, 10% of the gross amount payable, if the person is a filer and 17.5% if the person is a non-filer;
 - (c) in respect of persons making payments to electronic and print media for advertising services,—
 - (i) in case of a filer, 1.5% of the gross amount payable; and
 - (ii) in case of a non-filer, 12% of the gross amount payable, if the non-filer is a company and 15% if the non-filer is other than a company;”;
- (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, if the company is a filer and 12% if the company is a non-filer; and

(iii) in any other case, 7.5% of the gross amount payable, if the person is a filer and 12.5% if the person is a non-filer."

The rate of tax to be deducted on income from property has been proposed to be enhanced for non-filer to 17.5%. However, for individuals and AOP's the existing rates are to be applied:

Division V Income from Property

(b) The rate of tax to be deducted under section 155, in the case of company shall be 15% of the gross amount of rent for filer and 17.5% of gross amount of rent for non-filers.

The proposed revised division VI reads as under:

Division VI Prizes and Winnings

(1) The rate of tax to be deducted under section 156 on a prize on prize bond or cross-word puzzle shall be 15% of the gross amount paid for filers and 25% of the gross amount paid for non-filers.

(2) The rate of tax to be deducted under section 156 on winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sale, shall be 20% of the gross amount paid.

The revised proposed rate for collection of tax on petroleum products are as under:

Division VIA Petroleum Products

Rate of collection of tax under section 156A shall be 12 of the amount of payment for filers and 17.5% for non-filers.

The revised proposed rate for collection of tax from CNG Stations are as under:

**Division VIB
CNG STATIONS**

The rate of tax to be collected under section 234A in the case of a compressed Natural Gas station shall be four percent of the gas consumption charges for filers and six percent for non-filers.

**PART IV
DEDUCTION OR COLLECTION OF ADVANCE TAX**

**Division IV
Electricity Consumption**

The amendment has been proposed to incorporate word "gross" before the amount of electricity bill corresponding to the explanations inserted in section 235 of the Income Tax Ordinance, 2001 clarifying that tax is to be deducted on value inclusive of sales tax and other incidental charges.

The rate of tax collection at source on internet and mobile phone bills are proposed to be reduced to 12.5%. the revised division read as under;

**Division V
Telephone users**

Rates of collection of tax under section 236, —

| | | |
|-----|--|---|
| (a) | in the case of a telephone subscriber (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs.1000. | 10% of the exceeding amount of bill. |
| (b) | in the case of subscriber of internet, mobile telephone and pre-paid internet or telephone card | 12.5% 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 |

The proposed revised rate for tax collection at the time of vehicle registration are as under

DIVISION VII
Advance Tax on Purchase, Registration and Transfer of
Motor Vehicles

- (1) The rate of tax under sub-sections (1) and (3) of section 231B shall be as follows:–

| S. No. | Engine capacity | For filers | Tax for non-filer |
|--------|------------------|-------------------|-------------------|
| (1) | (2) | (3) | (4) |
| 1. | upto 850cc | Rs. 7,500 | Rs. 10,000 |
| 2. | 851cc to 1000cc | Rs. 15,000 | Rs. 25,000 |
| 3. | 1001cc to 1300cc | Rs. 25,000 | Rs. 40,000 |
| 4. | 1301cc to 1600cc | Rs. 50,000 | Rs. 100,000 |
| 5. | 1601cc to 1800cc | Rs. 75,000 | Rs. 150,000 |
| 6. | 1801cc to 2000cc | Rs. 100,000 | Rs. 200,000 |
| 7. | 2001cc to 2500cc | Rs. 150,000 | Rs. 300,000 |
| 8. | 2501cc to 3000cc | Rs. 200,000 | Rs. 400,000 |
| 9. | Above 3000cc | Rs. 250,000 | Rs. 450,000" |

The proposed revised rate for tax collection on sale by auction are as under

Division VIII
Advance tax at the time of sale by auction

The rate of collection of tax under section 236A shall be 10% of the gross sale price of any property or goods sold by auction **for filer and 15% of gross sale price of any property or goods sold by auction for non-filers.**

The proposed revised rate for tax collection from retailer's u/s.236H are as under;

**Division XV
Advance tax on sale to retailers**

| Category of sale | Rate of tax | |
|------------------|-------------|-----------|
| | Filer | Non-filer |
| 1 | 2 | 3 |
| Electronics | 1% | 1% |
| Others | 0.5% | |

The threshold limit for collection of advance tax from non-filers on insurance premium has been proposed to be enhanced from Rs.0.2 million to **Rs.0.3 million**

**Division XXV
ADVANCE TAX ON INSURANCE PREMIUM**

The rate of tax to be collected from non-filers under section 236U shall be as under:-

| S.No. | Type of Premium | Rate |
|-------|---|------|
| (1) | (2) | (3) |
| 1. | General insurance premium | 4% |
| 2. | Life insurance premium if exceeding Rs 0.3 million per annum | 1% |
| 3. | Others | 0% |

THE SECOND SCHEDULE
EXEMPTION FROM SPECIFIC PROVISIONS
PART I

Clause (66)

The following new organizations have been proposed to be granted exemption from under said clause;

(xxxvi) Asian Infrastructure Investment Bank and persons as provided in Article 51 of Chapter IX of the Articles of Agreement signed and ratified by Pakistan and entered into force on December 25, 2015.

(xxxvii) Gulab Devi Chest Hospital.

(xxxviii) Pakistan Poverty Alleviation Fund.

(xxxix) National Academy of Performing Arts.”;

The following new clauses have been proposed to be inserted as under;

(140A) Any profit on debt received by Japan International Cooperation Agency (JICA), from Islamabad-Burhan Transmission Reinforcement Project (Phase-I) undertaken in pursuance to the loan agreement for Islamabad-Burhan Transmission Reinforcement Project (Phase-I).”

(143) Any income derived by a political party registered under the Political Parties Order, 2002 with the Election Commission of Pakistan.”;

(144) Profit and gains derived by a start-up as defined in clause (62A) of section 2 for the tax year in which the start-up is certified by the Pakistan Software Export Board and the following two tax years

**PART IV
EXEMPTION FROM SPECIFIC PROVISIONS**

Clause(11A)

The startup business proposed to be granted exemption under proposed clause 144 have also been proposed to be included in clause 11A to exclude them from payment of turnover tax u/s.113

Clause(43F)

The following self-explanatory new clause has been proposed to be inserted;

The provisions of section 153 shall not apply in the case of a start-up, being recipient of payment, as defined in clause (62A) of section

Clause(56)

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

- (i) goods classified under Pakistan Customs Tariff falling under “Chapter 86 and 99 except PCT Heading 9918”;
- “(ia) Petroleum oils and oils obtained from bituminous minerals crude (PCT Code 2709.0000), Furnace-oil (PCT Code 2710.1941), High speed diesel oil (PCT) Code 2710.1931), Motor spirit (PCT Code 2710.1210), J.P.1 (PCT Code 2710.1912), base oil for lubricating oil (PCT Code 2710.1993), Light diesel oil (PCT Code 2710.1921) and Super Kerosene Oil imported by Pakistan State Oil Company Limited, Shell Pakistan Limited, Attock Petroleum Limited, Byco Petroleum Pakistan Limited, Admore Gas Private Limited, Chevron Pakistan Limited, Total-PARCO Pakistan(Private) Limited, Hascol Petroleum Limited, Bakri Trading Company Pakistan (Pvt) Ltd, Overseas Oil Trading Company (Pvt) Ltd, Gas and Oil Pakistan (Pvt) Ltd, **Z&M Oils (Pvt) Ltd, Exceed Petroleum (Pvt) Ltd, Petrowell (Pvt.) Ltd, Quality-1 Petroleum (Pvt) Ltd, Horizon Oil Company (Pvt) Ltd, Outreach (Pvt) Ltd, Kepler Petroleum (Pvt) Ltd**” and oil refineries.”

- (ii) goods imported by direct and indirect exporters covered under sub-chapter 7 of Chapter XII of SRO 450(I)/2001 dated June 18, 2001;
- (iii) goods temporarily imported into Pakistan for subsequent exportation and which are exempt from customs duty and sales tax under Notification No.492(I)/2009, dated the 13th June, 2009;
- (iv) Manufacturing Bond as prescribed under Chapter XV of Customs Rules, 2001 notified vide S.R.O. 450(I)/2001, dated June 18, 2001 ; and
- (v) mineral oil imported by a manufacturer or formulator of pesticides which is exempt from customs-duties under the customs Notification No. S.R.O. 857(I)/2008, dated the 16th August, 2008.

Clause(72A)

The application of said clause has been proposed to be extended to tax year 2017, the proposed amended clause read as under;

The provisions of clause (I) and section 21, sections 113 and 152 shall not apply in case of a Hajj Group Operator in respect of Hajj operations provided that the tax has been paid at the rate of Rs.3,500 per Hajji for the tax year 2013 and Rs.5,000 per Hajji for the tax year 2014 to **2017** in respect of income from Hajj operations.

Clause(72B)

*The upper limit on quantity of raw material to be imported for the purpose of granting exemption certificate for non-deduction of tax u/s.148 has been proposed to be enhanced from 110% to **125%** of last year consumption*

Clause(91)

The PCT Code mentioned against the equipment entitled for exemption from payment of tax at import stage have been changed to bring them in harmony with the newly adopted HS code system.

Clause(94)

The benefit of said clause has been proposed to be extended to upto tax year 2018 and for Pakistan's Stock Exchange Limited as well, the proposed amended clause read as under;

The provisions of clause (b) of the proviso to sub-section (3) of section 153 shall not apply for "the period beginning on the first day of July, 2015 and ending on the thirtieth day of June, **2018** to a company being a filer and engaged in providing or rendering freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, "IT services and IT enabled services as defined in clause (133) of Part I of this Schedule" tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services or car rental services **and services rendered by Pakistan Stock Exchange Limited:**

Provided that the tax payable or paid on the income from providing or rendering aforesaid services shall not be less than two percent of the gross amount of turnover from all sources and that the company furnishes in writing an irrevocable undertaking by the fifteenth day of November, 2015 to present its accounts to the Commissioner within thirty days of filing of return, for audit of its income tax affairs for **any of the tax years 2016 to 2018**, as the case may be" : "

"Provided further that for tax year **2018**, the company shall furnish irrevocable undertaking by November, **2017**, to present its accounts to the Commissioner."

Clause(101) & (102)

The following self-explanatory clauses have been proposed to be inserted

THE SEVENTH SCHEDULE*(See section 100A)***RULES FOR THE COMPUTATION OF THE PROFITS AND GAINS OF A BANKING COMPANY AND TAX PAYABLE THEREON****Rule-1(g)***The following clarificatory explanation has been proposed to be inserted;*

“Explanation.– For the removal of doubt, it is clarified that nothing in this sub-rule shall be so construed as to allow a notional loss, or charge to tax any notional gain on any investment under any regulation or instruction unless all the events that determine such gain or loss have occurred and the gain or loss can be determined with reasonable accuracy.”; and

THE EIGHTH SCHEDULE**Section 100B****RULES FOR THE COMPUTATION OF CAPITAL GAINS ON LISTED SECURITIES****Rule-1(6)**

The time allowed to NCCPL for furnishing of quarterly statement of capital gains has been proposed to be extended from thirty days to **forty five days**.

Rule(4)

The due date of payment by tax collected by the NCCPL to the board has been proposed to be changed from July 31st to August 15th next following the financial year in which the amount was collected.

SALES TAX

The Amendments are applicable from July 1, 2017 unless specified otherwise.

| SECTION | PRESENT POSITION AS ON 30 TH JUNE, 2017 | PROPOSED AMENDMENT THROUGH FINANCE BILL 2017 |
|---------|---|--|
| 2 | <p>Definitions:- Non- Existent</p> | <p><i>It is proposed to be inserted new clause 43 in section 2 which is reproduced below;</i> <i>The same definition of retailers was available as per Rule 4 of the Sales Tax Special Procedure Rules 2007 now it shall be part of main statute.</i> “(43A) Tier-1 retailers means,– (a) a retailer operating as a unit of a national or international chain of stores; (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks; (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees six hundred thousand; and (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers;”</p> |

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| 3(1)(b) | <p>Scope of tax (b) goods imported into Pakistan</p> | <p><i>It is proposed to amend clause (b) of section 3 by extending the scope of imported goods into whole of Pakistan comparison the provinces of Baluchistan, the KPK, the Punjab Sindh, Islamabad Capital Territory (Federal Capital), the Federal Administered Tribal Area and other such states and territories as are may be included in Pakistan, irrespective of their final destination Article of Constitution of Pakistan 1973 is reproduced below; The territories of Pakistan shall comprise;</i></p> <ol style="list-style-type: none"> <i>a) The provinces of Balochistan the Khyber Pakhtunkhwa, the Punjab and Sindh,</i> <i>b) The Islamabad Capital Territory, hereinafter referred to as the Federal Capital.</i> <i>c) The Federally administered Tribal Areas, and Such States and territories as are or may be included in Pakistan , whether by accession or otherwise.</i> <p><i>By virtue of proposed amendment controversy with regard to levy of sales tax is non-taxable territories shall come to end, subject to the compliance of Article 247 (3) of the Constitution of Pakistan 1973</i></p> <p>“Good imported into Pakistan, irrespective of their final destination in territories of Pakistan as specified in clause (2) of Article 1 of the Constitution of Islamic Republic of Pakistan”</p> |
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| 3(1A) | <p>(1A) Subject to the provision of sub section (6) of section 8 or any notification issued thereunder, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of two percent of the value In addition to the rate specified in sub sections (1), (1B), (2), (5) and (6) provided that the Federal Govt. may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid</p> | <p><i>It is proposed to amend sub section (1A) of section 3 by extending the scope of further tax to goods chargeable to tax at the rate of zero percent under section 4 of the Sales Tax Act, 1990.</i></p> <p><i>The proposed amendment to undo finding of Supreme Court with regard to non applicability of further ta u/s 3(1A) in case of zero rated supply</i></p> <p>(1A) Subject to the provision of sub section (6) of section 8 or any notification issued thereunder, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of two percent of the value In addition to the rate specified in sub sections (1), (1B), (2), (5), (6) and section 4 provided that the Federal Govt. may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid</p> |
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| 3(2)(b) | <p>(b) the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to impose tax At such higher or lower rate or rates as may be specified in the notification</i></p> <p><i>(b) the Board with the approval of the Minister Incharge of the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification</i></p> |
| 3(3A) | <p>(3A) Notwithstanding anything contained in clause (a) of sub-section (3), the Federal Government may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be of the person receiving the supply.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to specify the goods by a notification in the official Gazette, in respect of which the liability to pay tax shall be in hand of recipient of goods.</i></p> <p><i>(3A) Notwithstanding anything contained in clause (a) of sub-section (3), the Board with the approval of the Minister Incharge of the Federal Government may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be of the person receiving the supply.</i></p> |

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| 3(5) | <p>(5) The Federal Government may, in addition to the tax levied under sub-section (1) ..., ... sub-section (2) and sub-section (4), levy and collect "tax at such extra rate or amount" not exceeding seventeen per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to levy and collect tax at such extra rate or amount not exceeding 17% of the value of goods.</i></p> <p>(5) The Board with the approval of the Minister Incharge of the Federal Government may, in addition to the tax levied under sub-section (1) ..., ... sub-section (2) and sub-section (4), levy and collect "tax at such extra rate or amount" not exceeding seventeen per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.</p> |
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| 3(9)(A) | <p>Non-Existent</p> | <p><i>It has been proposed to insert a new sub section (9A) in section 3 for the purpose of defining the chargeability of sales tax on Tier-1 , retailers defined under clause (43 A) of section 2 of the Sales Tax Act, 1990.</i></p> <p>“(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate specified in sub-section (1) and shall observe all the applicable provisions of the Act and rules made thereunder, including the requirement to file monthly sales tax returns in the manner prescribed in Chapter II of the Sales Tax Rules, 2006:</p> <p>Provided that the retailers making supplies of finished goods of the five sectors specified in Notification No. S.R.O. 1125 (I) / 2011, dated the 31st December, 2011 shall pay sales tax in respect of such supplies at the rates prescribed in the said Notification: Provided further that Tier-1 retailers, in lieu of net tax payable at the applicable rate shall, shall have an option to pay sales tax under the turnover regime at the rate of two percent of their total turnover, including turnover relating to 11 exempt supplies, without adjustment of any input tax whatsoever:</p> |
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| 3(9)(A) | Non-Existent | Provided also that retailers opting to pay sales tax on the basis of total turnover shall file an option to the Chief Commissioner of Regional Tax Office or Large Taxpayers Unit having jurisdiction by fifteenth day of July opting to pay sales tax on the basis of turnover and such an option shall remain in force for the whole financial year.”; |
| 4 | <p>4.Zero rating</p> <p>Notwithstanding the provisions of section 3, ... the following goods shall be charged to tax at the rate of zero percent</p> | <p><i>It has been proposed to include Section 3(1A) of the Sales Tax Act, 1990, within the ambit of section 4 of the Sales Tax Act,1990.</i></p> <p>Notwithstanding the provisions of section 3 except those of sub-section (1A) the following goods shall be charged to tax at the rate of zero percent</p> |
| 4(c) | such other goods as the Federal Government may, by notification in the Gazette, specify | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to specify goods chargeable to tax at the rate of zero percent by notification in the official Gazette.</i></p> <p>“Such other goods as the Board with the approval of the Minister Incharge of the Federal Government may, by notification in the Gazette, specify”</p> |

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| 7(3) & (4) | <p>7- Determination of tax liability</p> <p>(3) Notwithstanding anything in sub-sections (1) and (2), the Federal Government may, by a special order, subject to such conditions, limitations or restrictions as may be specified therein allow a registered person to deduct input tax paid by him from the output tax determined or to be determined as due from him under this Act.</p> <p>(4) Notwithstanding anything contained in this Act or rules made there under, the Federal Government may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as may be specified therein, allow a registered person or class of persons to deduct such amount of input tax from the output tax as may be specified in the said notification.</p> | <p><i>It has been proposed to confer the powers to the Board to impose such conditions, limitation or restriction as may be specified regarding deduction of input tax from Output tax to be determined under the Sales Tax Act, 1990</i></p> <p>7- Determination of tax liability</p> <p>(3) Notwithstanding anything in sub-sections (1) and (2), the Board with the approval of Minister Incharge of Federal Government may, by a special order, subject to such conditions, limitations or restrictions as may be specified therein allow a registered person to deduct input tax paid by him from the output tax determined or to be determined as due from him under this Act.</p> <p>(4) Notwithstanding anything contained in this Act or rules made there under, the Board with the approval of Minister Incharge of Federal Government may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as may be specified therein, allow a registered person or class of persons to deduct such amount of input tax from the output tax as may be specified in the said notification.</p> |
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| 7A(1) | <p>7A. Levy and collection of tax on specified goods on value addition.</p> <p>(1) Notwithstanding anything contained in this Act or the rules made there under, the Federal Government may specify, by notification in the official Gazette, that sales tax chargeable on the supply of goods of such description or class shall, with such limitations or restrictions as may be prescribed, be levied and collected on the difference between the value of supply for which the goods are acquired and the value of supply for which the goods, either in the same state or on further manufacture, are supplied.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Federal Government with regard to limitations and restrictions as may be prescribed under sub section 1 of section 7A</i></p> <p>7A. Levy and collection of tax on specified goods on value addition.</p> <p><i>(1) Notwithstanding anything contained in this Act or the rules made there under, the Board with the approval of Minister Incharge of Federal Government may, may specify, by notification in the official Gazette, that sales tax chargeable on the supply of goods of such description or class shall, with such limitations or restrictions as may be prescribed, be levied and collected on the difference between the value of supply for which the goods are acquired and the value of supply for which the goods, either in the same state or on further manufacture, are supplied.</i></p> |
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| 7A(2) | <p>(2) Notwithstanding anything contained in this Act or the rules made there under, the Federal Government may, by notification in the official Gazette, and subject to the conditions, limitations, restrictions and procedure mentioned therein, specify the minimum value addition required to be declared by certain persons or categories of persons, for supply of goods of such description, or class as may be prescribed, and to waive the requirement of audit or scrutiny of records if such minimum value addition is declared.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Federal Government with regard to limitations and restrictions as may be prescribed under sub section 2 of section 7A</i></p> <p>(2) Notwithstanding anything contained in this Act or the rules made there under, the Board with the approval of Minister Incharge of Federal Government may, by notification in the official Gazette, and subject to the conditions, limitations, restrictions and procedure mentioned therein, specify the minimum value addition required to be declared by certain persons or categories of persons, for supply of goods of such description, or class as may be prescribed, and to waive the requirement of audit or scrutiny of records if such minimum value addition is declared.</p> |
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| <p>8(1)(b)</p> | <p>8. Tax credit not allowed</p> <p>1(b) Any other goods or services which the Federal Government may, by a notification in the official Gazette, specify;</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Federal Government to disallow claim of input tax paid on goods on services as may be specified in notification of official Gazette</i></p> <p>8. Tax credit not allowed</p> <p>1(b) Any other goods or services which Board with the approval of Minister Incharge of Federal Government may, by a notification in the official Gazette, specify;</p> |
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| 13(2)(a) | <p>13. Exemption</p> <p>The Federal Government may , pursuant to the approval of the Economic Co-ordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral , multilateral agreements and matters relating to international financial institutions or foreign government-owned financial institutions by notification in the official Gazette, exempt any taxable supplies made *** or import or supply of any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein; ***</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Federal Government to allow exemption of taxable supplies or import or supply of any goods or class of goods from the chargeability of tax under Sales Tax Act, 1990 by notification in official Gazette.</i></p> <p>Board with the approval of Minister Incharge of Federal Government may , pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral , multilateral agreements and matters relating to international financial institutions or foreign government-owned financial institutions by notification in the official Gazette, exempt any taxable supplies made *** or import or supply of any goods or class of goods, from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein; ***</p> |
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| 13(6) | <p>(6) The Federal Government shall place before the National Assembly all notifications issued under this section in a financial year.</p> | <p><i>It has been proposed to enhance the responsibility of the Board to place all the notifications before National Assembly issued under section 13 of the Sales Tax Act, 1990 in a financial year</i></p> <p>(6) Board with the approval of Minister Incharge of the Federal Government shall place before the National Assembly all notifications issued under this section in a financial year.</p> |
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| 13(7) | <p>(7) Any notification issued under sub-section (2), after 1st July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.</p> | <p><i>It has been proposed to add new proviso to sub section 7 of section 13, whereby all such notification issued after 01 July 2015 not earlier rescinded shall deemed to be in forced w.e.f. 01.07.2015 till 30.06.2018. similarly notification issued after 01.07.2016 shall continue to be in effect till 30.06.2018 if not rescinded earlier.</i></p> <p>(7) Any notification issued under sub-section (2), after 1st July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued: Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from 1st July, 2016 and shall continue to be in force till 30th June, 2018, if not earlier rescinded Provided further that all notifications issued on or after 1st July, 2016 shall continue to be in force till 30th June, 2018, if not earlier rescinded</p> |
| 30 (1)(ea) & (fa) | <p>30. Appointment of Authorities Non- Existent</p> | <p><i>It has been proposed to insert following class of officers for appointment in relation to any area as the board may notify.</i></p> <p>30. Appointment of Authorities “(ea) District Taxation Officer”; and (fa) Assistant Director Audit</p> |

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| 30(2A) | Non-Existent | <p><i>It has been proposed to insert new sub section defining functions of Chief Commissioner Inland Revenue as under;</i></p> <p>“(2A) The Chief Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons of such areas as the Board may direct.</p> |
| 30(2B) | Non-Existent | <p><i>It has been proposed to insert new sub section defining functions of Commissioner Inland Revenue as under</i></p> <p>(2B) The Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons of such areas as the Chief Commissioner to whom they are sub-ordinate may direct.”;</p> |

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| <p>30 (3)</p> | <p>(3) Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer , Inspector Inland Revenue, and officer of Inland Revenue with any other designation shall be sub-ordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are sub ordinate, may direct.</p> | <p><i>It has been proposed to make amendment to sub section 3 of section 30 to bring District Taxation Officer, & Audit Assistant Director Audit sub ordinate to Commissioner Inland Revenue.</i></p> <p>(3) Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue, District Taxation Officer, Assistant Commissioner Inland Revenue, Assistant Director Audit, Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer , Inspector Inland Revenue, and officer of Inland Revenue with any other designation shall be sub-ordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are sub ordinate, may direct.</p> |
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| <p style="text-align: center;">30 (4)</p> | <p>4) Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland revenue Officer, Inspector Inland Revenue Officer an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue.</p> | <p><i>It has been proposed to make amendment to sub section 3 of section 30 to bring District Taxation Officer, & Audit Assistant Director Audit sub ordinate to Additional Commissioner Inland Revenue.</i></p> <p>4) Deputy Commissioner Inland Revenue, District Taxation Officer, Assistant Commissioner Inland Revenue, Assistant Director Audit, Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland revenue Officer, Inspector Inland Revenue Officer an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue.</p> |
| <p style="text-align: center;">33 Serial 23</p> | <p>Offences and penalties Non-Existent</p> | <p><i>It has been proposed to insert new entry No. 23 with regard to the offense and penalty provided in respect of persons who manufactures possesses, transports, distributes, stores or sells cigarette packs without, or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes., such stock of cigarette shall be liable to confiscation and destruction and further shall pay penalty of 25,000/- or one hundred person of tax involved which is higher, further liable to be convicted by a special judge.</i></p> |

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| 48(1)(f) | <p>Recovery of arrears of tax.</p> <p>Non-Existent</p> | <p><i>Concept of automatic stay from recovery upon filing of appeal u/s 45-B, has been introduced subject to condition of 25% payment of tax demand.</i></p> <p><i>Proposed proviso reads as under; -</i></p> <p>“Provided that the Commissioner shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that twenty-five per cent of the amount of tax due has been paid by the taxpayer.”; Recover such amount by attachment and sale of any movable or immovable property of the guarantor, person, company, bank or financial institution, where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument</p> |
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| <p>56(1)(d)</p> | <p>Service of orders; decisions etc Non-Existent</p> | <p><i>Through this proposed amendment new clause has been inserted for the purpose of service of order and decision to the taxpayer which is reproduced as under;</i> “(d) sent electronically through email or to the e-folder maintained for e-filing of Sales Tax-cum-Federal Excise returns by the Limited Companies, both public and private.”;</p> |
| <p>56(2)(d)</p> | <p>Non-Existent</p> | <p><i>Through this proposed amendment new clause has been inserted for the purpose of service of order and decision to the taxpayer which is reproduced as under;</i> “(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of Sales Tax-cum-Federal Excise returns by the Limited Companies, both public and private.”;</p> |

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| 60 | <p>Powers to deliver certain goods without payment of tax.–</p> <p>Subject to such conditions, limitations or restrictions as it thinks fit to impose, Federal Government may authorise the import of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following persons, namely</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to authorize import of goods or class of goods, without payment of the whole or any part of the tax payable</i></p> <p>Subject to such conditions, limitations or restrictions as it thinks fit to impose, Board with the approval of the Minister Incharge of the Federal Government may authorise the import of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following persons, namely</p> |
| 65 | <p>Exemption of tax not levied or short levied as a result of general practice.</p> <p>Notwithstanding anything contained in this Act, if in respect of any supply the Federal Government is satisfied that inadvertently and as a general practice</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to direct that the tax not levied or short levied inadvertently, shall not required to be paid by a notification in the official Gazette.</i></p> <p>Notwithstanding anything contained in this Act, if in respect of any supply the Board with the approval of the Minister Incharge of the Federal Government is satisfied that inadvertently and as a general practice</p> |

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| 71 (1) | <p>71. Special procedure</p> <p>Notwithstanding anything contained in this Act, the Federal Government may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, registration, book keeping and invoicing requirements and returns, etc. in respect of such supplies as may be specified therein.</p> | <p><i>It has been proposed to confer the powers to the Board with the approval of Minister Incharge of Federal Government to prescribe special procedure Rules in respect of supplies specified there in.</i></p> <p>71. Special procedure</p> <p>Notwithstanding anything contained in this Act, the Board with the approval of the Minister Incharge of the Federal Government may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, registration, book keeping and invoicing requirements and returns, etc. in respect of such supplies as may be specified therein.</p> |
| 74A | <p>Condonation of time-limit.</p> <p>Non-existent</p> | <p><i>It has been proposed to insert new sub-section to validate notifications issued by the Federal Government prior to Finance Act, 2017, irrespective of judgment of the High Court and Supreme Court</i></p> <p>74A. Validation.–</p> <p>All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, 2017, shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of the High Court or Supreme Court.</p> |

THIRD SCHEDULE

| | | | |
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| Serial 2 | <i>Existent Ice Cream 21.05</i> | Proposed Ice cream 2105.0000 | |
| Serial 32 | <i>Existent Fertilizers</i> | Proposed Omitted | |

FIFTH SCHEDULE

| | | | |
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| Serial 12 (XVII) | <i>Existent (xvii) Preparations for infant use put up for retail sale (PCT Heading 1901.1000)</i> | Proposed (xvii) Preparations suitable for infant or young children put up for retail sale (PCT Heading 1901.1000) | |
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SIXTH SCHEDULE
TABLE I

| | | | |
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| Serial 1 | Live Animals and live poultry. | 0101.2100, 0101.3100, 0101.9000, 0102.1010, 0102.2110, 0102.2120, 0102.2130, 0102.2190, 0102.3900, 0102.2910, 0102.2920, 0102.2930, 0102.2990, 0102.9000, 0104.1000, 0104.2000, 0105.1100, 0105.1200, 0105.1900, 0105.9400, 0105.9900, 0106.1100, 0106.1200, 0106.1900, 0106.2000, 0106.3110, 0106.3190, 0106.3200, 0106.3900 and 0106.9000 | <i>Entry having PCT heading 0101.3000 as mentioned in column 3 of the table has been proposed to be substitute as 0101.3000</i> |
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| serial 15 | Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned *** | 0803.0000, 0804.1010, 0804.1020, 0804.2000, 0804.3000, 0804.4000, 0804.5010, 0804.5020, 0804.5030, 0805.1000, 0805.2010, 0805.2090, 0805.4000, 0805.5000, 0805.9000, 0806.1000, 0806.2000, 0807.1100, 0807.1900, 0807.2000, 0808.1000, 0808.3000, 0808.4000, 0809.1000, 0809.2000, 0809.3000, 0809.4000, 0810.1000, 0810.2000, ***, 0810.4000, 0810.5000, 0810.6000, 0810.9010, 0810.9090, 0811.1000, 0811.2000, 0811.9000, 0813.1000, 0813.2000, 0813.3000, 0813.4010, 0813.4020 and 0813.4090 | <p><i>Entry having PCT heading 0803.0000 as mentioned in column 3 of the table has been proposed to be omitted</i></p> <p><i>PCT heading 0805.2010 as mentioned in column 3 has been proposed to be substituted as 0805.2910.</i></p> <p><i>PCT heading 0805.2090 as mentioned in column 3 has been proposed to be substituted as 0805.2100, 0805.2200 & 0805.2990</i></p> |
| Serial 17 | Ginger excluding those sold in retail packing bearing brand names and trademarks. | 0910.1000 | <p><i>Entry having PCT heading 0910.1000 as mentioned in column 3 has been proposed to be substituted as 09.10</i></p> |

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| Serial 19 | Cereals and products of milling industry | 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, 1102.1000, 1102.2000, 1102.3000, 1102.9000, 1103.1100, 1103.1300, 1103.1900, 1104.2200, 1104.2300, 1104.2900 and 1104.3000 | <i>Entry having PCT heading 1102.3000 as mentioned in column 3 of the table has been proposed to be omitted</i> |
| Serial 20 | Seeds, fruit and spores of a kind used for sowing. | 1006.1010, 1209.1010, 1209.2100, 1209.2200, 1209.2300, 1209.2400, 1209.2500, 1209.2900, 1209.3000, 1209.9110, 1209.9120, 1209. 9130, 1209.9190 and 1209.9900 | <i>Entry having PCT heading 1209.1010 as mentioned in column 3 of the table has been proposed to be omitted</i> |
| Serial 23 | Sugar cane. | 1212.9990 | <i>Entry having PCT heading 1212.9990 as mentioned in column 3 has been proposed to be substituted as 1212.9300</i> |

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| Serial 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, 2009.8000 and 2009.9000 | Entry having PCT heading 2009.8000 as mentioned in column 3 of the table has been proposed to be omitted |
| Serial 31 | Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books | 4901.9910, 8523.2100, 8523.2910, 8523.2990, 8523.4910, 8523.4920, 8523.4190, 8523.5100, 8523.5200, 8523.4190, 8523.5910, 8523.5990, 8523.8010, 8523.8020 and 8523.8090 | Entry having PCT heading 8523.5100 & 8523.5200 as mentioned in column 3 of the table has been proposed to be omitted |
| Serial 33 | Currency notes, bank notes, shares, stocks and bonds. | 4907.0000 | Entry having PCT heading 4907.0000 as mentioned in column 3 has been proposed to be substituted as 49.07 |
| Serial 38 | Monetary gold. | 7108.2000 7108.2090 | Entry having PCT heading 7108.2000 as mentioned in column 3 has been proposed to be substituted as 7108.1390 |
| Serial 81 | Cotton seed | 1207.2000 | Entry having PCT heading 1207.2000 as mentioned in column 3 has been proposed to be substituted as 1207.1000 |

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| Serial 83 | Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish. | 1602.3200,1602.3900,1602.5000,1604.1100,1604.1200,1604.1300,1604.1400,1604.1500,1604.1600,1604.1900,1604.2010.1604.2020,1604.2090,1604.3000. | <i>Entry having PCT heading 1604.3000 as mentioned in column 3 of the table has been proposed to be omitted.</i> |
| Serial 84 | Existent Preparations for infant use, put up for retail sale 1901.1000 | Proposed Preparations suitable for infant and young children, put up for retail sale 1901.1000 | |
| Serial 91 | Energy saver lamps | 8539.3910 | <i>Entry having PCT heading 8539.3910 as mentioned in column 3 of the table has been proposed to be substitute 8539.3110.</i> |
| Serial 97 | Pens and ball pens | 96.08 | <i>Serial No. 97 as mentioned in the column 2 of the table has been proposed to be substituted as "pens, ball pens, markers and porous tipped pens" 96.08</i> |

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| Serial 100A | <p>Existent Materials and equipment for construction and operation of Gawadar Port and development of Free Zone for Gawadar Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting Gawadar Port, having Concession Agreement with the Gawadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,- ...</p> | Respective heading | <p><i>Serial No. 100A as mentioned in the column 2 of the table has been proposed to be substituted as Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting Gwadar Port, having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,- ...</i></p> |
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| Serial 100C | Non-Existent | Vehicles imported by China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty three years for construction, development and operations of Gwadar Port and Free Zone Area subject to 21 limitations, conditions prescribed under "PCT heading 9917(3)" | <i>Entry as mentioned in Column 3 has been newly inserted</i> |
| Serial 106 | Import of Halal edible offal of bovine animals | 0206.1000,0206.2000, 0206.8000, 0206.9000 | <i>Entry having PCT heading 0206.8000 as mentioned in column 3 of the table has been proposed to be omitted.</i> |

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| Serial 113(2) | <p>High Efficiency Irrigation Equipment (If used for agriculture sector)</p> <p>(2) Sprinklers including high and low pressure (centre pivotal) system, conventional sprinkler equipment, water reel travelling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system</p> | 8424.8100, 8424.2010 | <p><i>Entry having PCT heading 8424.8100 as mentioned in column 3 of the table has been proposed to be substituted as 8424.4100</i></p> |
| Serial 114 | <p>Green House Framing and Other Green House Equipment (If used for Agriculture Sector).(2).</p> <p>(2)Green houses (prefabricated)</p> | 9406.0010 | <p><i>Entry having PCT heading 9406.0010 as mentioned in column 3 of the table has been proposed to be substituted as 9406.1010 and 9406.9010.</i></p> |

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| Serial 130 | Premixes for growth stunting | Respective Headings, and subject to conditions imposed for importation under the Customs Act, 1969; | <i>Entry as mentioned in column 3 of the table has been proposed to be substituted as "Sodium Iron (Na Fe EDTA), and other premixes of Vitamins, Minerals and Micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969"</i> |
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| Serial 133 | Existing | 2707.3000, 2902.1990, | <p><i>Entry as mentioned in column 2 of the table has been proposed to be omitted.</i></p> <p><i>Entry having PCT heading 2903.3040</i></p> <p><i>2903.6900</i></p> <p><i>2918.9010</i></p> <p><i>2919.0010</i></p> <p><i>2919.0090</i></p> <p><i>2922.1300</i></p> <p><i>2924.2930</i></p> <p><i>as mentioned in column 3 of the table has been proposed to be omitted</i></p> <p>and PCT heading</p> <p>2939.9910</p> <p>2939.9910</p> <p>3824.9099</p> <p><i>as mentioned in column 3 of the table has been proposed to substituted as 2939.8010</i></p> <p>2939.8010</p> <p>3824.9999.</p> |
| | a) Ingredients for pesticides | 2902.3000, 2902.4400 2902.9010, 2902.9090 | |
| | b) Cadusafos Technical Material | 2903.3040, 2903.6900 2905.1100, 2905.3200 2905.4900, 2906.2910 | |
| | c) Ingredients for pesticides | 2906.2990, 2909.4910 2912.1100, 2914.2200 2914.2990, 2915.2400 | |
| | d) Ingredients for pesticides | 2916.3920, 2917.3200 2918.9010, 2919.0010 2919.0090, 2920.9020 | |
| | e) Other Ingredients for pesticides | 2920.9090, 2921.1200 2921.4310, 2921.4390 2921.5110, 2922.1300 2924.1990, 2924.2930 | |
| | f) Tiethanolamine and its salts | 2924.2990, 2926.9010 2926.9020, 2926.9030 2926.9050, 2926.9090 | |
| | g) ingredients for pesticides | 2930.2010, 2930.2020 2930.9010, 2930.9090 2931.0010, 2931.0090 2932.2920, 2932.9910 2932.9990, 2933.1900 2933.3930, 2933.3990 2933.5950, 2933.5990 2933.6910, 2933.6940 2933.6990, 2933.7910 2933.7920, 2933.9910 2934.1010, 2934.9920 2938.9010, 2939.9910 2941.9050, 2941.9090 3402.1110, 3402.1190 3402.1290, 3402.1300 3402.1990, 3402.9000 3824.9099, 2707.5000 | |

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| Serial 133 | <p>2903.3040 2903.6900 2918.9010 2919.0010 2919.0090 2922.1300 2924.2930 2939.9910 2939.9910 3824.9099</p> | <p>Omitted Omitted Omitted Omitted Omitted Omitted Omitted 2939.8010 2939.8010 3824.9999</p> | |
| Serial 134 | <p>Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to recommendations of the Cabinet Division and concurrence by the Federal Board of Revenue. 9908</p> | 9908 | <p><i>Entry as mentioned in Column 2 has been newly inserted</i></p> |
| Serial 135 | <p>Sunflower and canola hybrid seeds meant for sowing. Respective Heading</p> | Respective Heading | <p><i>Entry as mentioned in Column 2 has been newly inserted</i></p> |

SALES TAX

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|------------|--|-----------------------|---|
| Serial 136 | Combined harvesters upto five years old | 8433.5100 | <i>Entry as mentioned in Column 2 has been newly inserted</i> |
| Serial 137 | Single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP, and CKD kits thereo | 8408.9000. and | <i>Entry as mentioned in Column 2 has been newly inserted</i> |

TABLE 3

| | | |
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| Sub Paragraph (ii) | <p>(ii) except for S. No. 9 and 14 of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's bona fide requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and</p> | <p><i>The Sub paragraph (ii) of Table 3 has been proposed to be amended which is reproduced as under;-</i></p> <p><i>(ii) except for S. No. 9 and 14, 14A & 15 of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's bona fide requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and</i></p> |
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TABLE 3

ANNEXURE

Serial No. 2, 14 & 15 have been substituted with the following new entries

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| Serial 2 | A- Medical Equipment (8) Refrigerated Liquid Bath | 3824.9099 | Entry having PCT heading 3824.9099 as mentioned in column 3 of the table has been proposed to be substituted as 3824.9999. |
| 14 | Following items for use with solar energy Solar Power Systems | 8501.3110 8501.3210 | |
| | i) Off- Grid/ on-grid solar power system (with or without provision for USB/ charging port) i) PV Module ii) Charge Controller iii) Batteries for specific Utilization with the system (no exceeding 50 Ah in case of portable system) iv) Essential connecting wires (with or without switches) v) Inverters (off-grid/ on grid/ | | |

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| | <p>hybrid with provision for direct connection / input renewable energy source and with maximum power point tracking (MPPT)</p> <p>vi) Bulb holder</p> <p>(2) water purification plants Operating on solar energy</p> | | |
| 14A | <p>Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal etc.</p> <p>1 (a) Solar Parabolic Trough Power Plants</p> <p>b) Parts for solar parabolic power plants</p> <p>i) Parabolic Trough Collectors modules</p> <p>ii) Absorbers / receivers tubes</p> <p>iii) Steam turbine of an output exceeding 40MW.</p> <p>iv) Steam turbine of an output not exceeding 40 MW</p> <p>v) Sun tracking control system</p> <p>vi) Control panel with other accessories</p> | 8432.3090 | <p><i>Entry having PCT heading 8432.3090 as mentioned in column 3 of the table has been proposed to be substituted as 8432.3090.</i></p> |
| | <p>2. (a) Solar Dish Stirling Engine.</p> <p>(b) Parts for Solar Dish Stirling Engine.</p> <p>(i). Solar concentrating dish.</p> <p>(ii). Sterling engine.</p> <p>(iii). Sun tracking control system.</p> <p>(iv). Control panel with accessories.</p> <p>(v). Stirling Engine Generator</p> | <p>8412.8090</p> <p>8543.7000</p> <p>8543.7000</p> <p>8543.7090</p> <p>8406.8200</p> <p>8501.6100</p> | |

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| | 3. (a) Solar Air Conditioning Plant | 8415.1090 | |
| | (b) Parts for Solar Air Conditioning Plant | | |
| | (i). Absorption chillers. | 8418.6990 | |
| | (ii). Cooling towers. | 8419.8910 | |
| | (iii). Pumps. | 8413.3090. | |
| | (iv). Air handling units. | 8415.8200 | |
| | (v). Fan coils units. | 8415.9099 | |
| | (vi). Charging & testing equipment. | 9031.8000 | |
| | 4. (a) Solar Desalination System | 8421.2100 | |
| | (b) Parts for Solar Desalination System | 8541.4000 | |
| | (i). Solar photo voltaic panels. | 8413.3090 | |
| | (ii). Solar water pumps. | 8507.2090 | |
| | (iii). Deep Cycle Solar Storage batteries. | 8507.2090 | |
| | (iv). Charge controllers. | | |
| | (v). Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT) | 9032.8990 | |
| | | 8504.4090 | |
| | 5. Solar Thermal Power Plants with accessories. | 8502.3900 | |
| | 6. (a) Solar Water Heaters with accessories. | 8419.1900 | |
| | (b) Parts for Solar Water Heaters | 7309.0000 | |
| | (i). Insulated tank | | |
| | (ii). Vacuum tubes (Glass) | 7310.0000 | |
| | (iii). Mounting stand Respective | | |
| | (iv). Copper and Aluminum tubes headings | 7020.0090 | |
| | (c) Accessories: Respective | | |
| | (i) Electronic controller heading | | |
| | (ii) Assistant/ feeding tank | | |
| | (iii) Circulation Pump | | |
| | (iv) Electric heater/ immersion | | |

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| | rod (one piece with one solar water heater) (v) Solenoid valve (one piece with one solar water heater) (vi) Selective coating for absorber plates | | |
| | 7. (a) PV Modules. (b) Parts for PV Modules | 8541.4000 | |
| | (i). Solar cells. (ii). Tempered Glass. (iii). Aluminum frames. (iv). O-Ring. (v). Flux. (vi). Adhesive labels. (vii). Junction box & cover. (viii). Sheet mixture of paper and plastic (ix). Ribbon for PV Modules Respective (made of silver & Lead) headings (x). Bypass diodes. (xi). EVA (Ethyl Vinyl Acetate) Sheet (Chemical). | 8541.4000 7007.2900 7610.9000 4016.9990 3810.1000 3919.9090 8538.9090 3920.9900 8541.1000 3920.9900 | |
| | 8. Solar Cell Manufacturing Equipment. i. Crystal (Grower) Puller (if machine). ii Diffusion furnace. (iii). Oven. (iv). Wafering machine. (v). Cutting and shaping machines for silicon ingot. | 8479.8990 8514.3000 8486.1000 8514.3000 8461.9000 | |
| | (vi). Solar grade polysilicon material. (vii). Phosphene Gas. (viii). Aluminum and silver paste. | 3824.9999 2853.9000 Respective Headings | |
| | 9. Pyranometers and accessories for solar data collection. | 9030.8900 | |

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|--|--|---|--|
| | 10. Solar chargers for charging electronic devices. | 8504.4020 | |
| | 11. Remote control for solar charge controller. | 8543.7010 | |
| | 12. Wind Turbines. (a) Wind Turbines for grid connected solution above 200 KW (complete system). (b) Wind Turbines upto 200 KW for off-grid solutions comprising of: (i).Turbine with Generator /Alternator. (ii). Nacelle with rotor without tail. (iii). Blades. (iv). Pole/ Tower. (v). Inverter for use with Wind Turbine. (vi). Deep Cycle Cell/ Battery (for use with wind turbine). | 8412.8090 8412.8090 Respective headings 8507.2090 | |
| | 13. Wind water pump | 8413.8100 | |
| | 14. Geothermal energy equipment. (i). Geothermal heat pumps. (ii). Geothermal Reversible Chillers. (iii). Air handlers for indoor qualitycontrol equipment. (iv). Hydronic heat pumps. (v). Slim Jim heat exchangers. (vi). HDPE fusion tools. (vii). Geothermal energy installation tools and equipment. (viii).Dehumidification equipment. (ix). Thermostats and intellizone. | 8418.6100 8418.6990 8415.8300 8418.6100 8419.5000 8515.8000 8419.8990 8479.6000 9032.1090 | |

| | | | |
|----|---|--|--|
| 15 | 15. Any other item approved Respective by the Alternative Energy headings Development Board (AEDB)and concurred to by the FBR. | | |
| | <p>Following items for promotion of renewable energy technologies or for conservation of energy:-</p> <p>(i) SMD/LED/LVD lights with or without ballast, fittings and fixtures. 9405.1090 8539.3290 8543.7090</p> <p>(ii) SMD/LED/LVD street lights, with or without ballast, PV module, fitting and fixtures 9405.4090 8539.3290 8543.7090</p> <p>(iii) Tubular day lighting device. 9405.5010</p> <p>(iv) Wind turbines including alternators and mast. 8502.3100 8513.1040</p> <p>(v) Solar torches. 8513.1090</p> <p>(vi) Lanterns and related instruments. 8539.3290 8543.7090</p> <p>(vii) LVD induction lamps. 8541.4000</p> <p>(viii)LED bulb/tube lights.</p> <p>(ix) PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking(MPPT), charge controllers and solar batteries. 8504.4090 8507.0000 9032.8990 8541.5000 8413.7010 8413.7090</p> <p>(x) Light emitting diodes (light emitting in different colors). 8539.3110 8539.3210</p> <p>(xi) Water pumps operating on</p> | | |

| | | | |
|--|---|---|--|
| | <p>solar energy along with solarpump controllers</p> <p>(xii) Energy saver lamps of varying voltages</p> <p>(xiii) Energy Saving Tube Lights.</p> <p>(xiv) Sun Tracking Control System</p> <p>(xv) Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).</p> <p>(xvi) Charge controller/ current controller.</p> <p>Provided that exemption under this serial shall be available with effect from 01.07.2016.</p> | <p>8539.3120</p> <p>8539.3220</p> <p>8543. 7090</p> <p>8504.4090</p> <p>9032.8990</p> | |
| | <p>Parts and components for manufacturing LED lights:</p> <p>i) Aluminium housing / shell for led (led light Fixture)</p> <p>ii) Metal clad printed circuit boards (MCPCB) for LED</p> <p>iii) Constant current power supply for of LED lights (1-300 W)</p> <p>iv) Lenses for LED Lights</p> | <p>9405.1090</p> <p>8543.0000</p> <p>8504.4090</p> <p>9001.9000</p> | <p><i>If imported by LED Light manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)</i></p> |

**EIGHT SCHEDULE
TABLE I**

| | | | | |
|---------------|--|-------------------------|----|--|
| Serial 26 | (iv) Sub soiler | 8432.3090 | | Entry having PCT heading 8432.3090 as mentioned in column 3 of the table has been proposed to be substituted as 8432.3090. |
| Serial 27 | (iv) Fertilizer or manure spreader or broadcaster | 8432.4000 | | Entry having PCT heading 8432.4000 , 8432.3010 & 8432.3090 as mentioned in column 3 of the table has been proposed to be substituted as 8432.4100, 8432.3100 & 8432.3900 |
| | (vi) Canola or sunflower drill | 8432.3010 | | |
| | (vii) Sugarcane planter | 8432.3090 | | |
| Serial No. 34 | 1. Set top boxes for gaining access to internet | 8517.6950 | 5% | The Sub paragraph of Table 2 as mentioned in column 5 has been proposed to be amended which is reproduced as under:- "Subject to type approval by PEMRA. This concession shall be available upto 30th June, 2018" |
| | 2. TV broadcast transmitter | 8528.7110 and 8528.7220 | | |
| | 3. Reception apparatus for receiving satellite signals of a kind used with TV (satellite dish receivers) | 8525.5020 | | |
| | 4. Other set top boxes | 8528.7190 and 8528.7290 | | |

Entries from 35 to 47 has been proposed to be newly inserted in Table-1 of 8th schedule, which is reproduced as under:

| | | | | |
|---------------|-----|--------------------|-------------------|-----|
| Serial No. 35 | DAP | Respective heading | Rs. 100 per 50 Kg | Nil |
|---------------|-----|--------------------|-------------------|-----|

SALES TAX

| | | | | |
|---------------|-------------|--------------------|-----------------------|--|
| Serial No. 36 | NP (22-20) | Respective heading | Rs. 168 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 37 | NP (18-18) | Respective heading | Rs. 165 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 38 | NPK-I | Respective heading | Rs. 251 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 39 | NPK-II | Respective heading | Rs. 222 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 40 | NPK-III | Respective heading | Rs. 341 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 41 | SSP | Respective heading | Rs. 31 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 42 | CAN | Respective heading | Rs. 98 per 50 Kg bag | If manufactured from gas other than imported LNG |
| Serial No. 43 | Natural Gas | Respective heading | 10% | If supplied to fertilizer plants for manufacturing of urea |

| | | | | |
|---------------|--|-------------------------|---|--|
| Serial No. 44 | Phosphoric Acid | 2809.2010 | 5% | If imported by fertilizer company for manufacturing of DAP |
| Serial No. 45 | Following machinery for poultry sector | | | Import and supply |
| | i) Machinery for preparing feeding stuff | 8436.1000 | 7% | |
| | ii) Poultry incubators and brooders | 8436.2100 and 8436.2900 | 7% | |
| | iii) Insulated sandwich panels | 9406.0090 | 7% | |
| | iv) Poultry sheds | 9406.0020 | 7% | |
| | v) Evaporative air cooling system | 8479.6000 | 7% | |
| | vi) Evaporative cooling pad | 8479.9010 | 7% | |
| Serial No. 46 | Multimedia projects | 8528.6210 | 10% | If imported by educational institution |
| Serial No. 47 | Locally produced coal | 27.01 | Rs. 425 per metric ton or 17% and valorem whichever is higher | Nil and |

NINTH SCHEDULE

| S. No. | Description / Specification of Goods | Sales tax on import or local supply | Sales tax chargeable at the time of registration (IMEI number by CMOs) | Sales tax on supply (payable at time of supply by CMOs) |
|--------|---|-------------------------------------|--|---|
| (1) | (2) | (3) | (4) | (5) |
| 2. | A. Low Priced Cellular Mobile Phones or Satellite Phones i. All cameras: 2.0 mega-pixels or less ii. Screen size: 2.6 inches or less iii. Key pad | Rs.300 | Rs.300 | <i>Figure as mentioned in column 3 & 4 of the table Rs. 300/- has been proposed to be substituted as Rs.650/-</i> |
| | B. Medium Priced Cellular Mobile Phones or Satellite Phones i. One or two cameras: between 2.1 to 10 mega-pixels ii. Screen size: between 2.6 inches and 4.2 inches iii. Micro-processor: less than 2 GHZ | Rs. 1000 | Rs. 1000 | <i>Figure as mentioned in column 3 & 4 of the table Rs. 1000/- has been proposed to be substituted as Rs.650</i> |

FEDERAL EXCISE ACT, 2005

The amendments are applicable from July 1, 2017 unless specified otherwise.

| Section | PRESENT POSITION AS ON 30 TH JUNE, 2017 | PROPOSED AMENDMENT THROUGH FINANCE BILL 2017 |
|----------|--|---|
| 2 (8a) | The Federal Government is authorized to issue the notification in respect of fixing the date of furnishing the return of the tax period. | The authority relating to issuing the notification for specifying the due date for this purpose has been shifted from Federal Government to Federal Board. |
| 3 (1)(c) | The Federal Government is empowered to describe the goods through the official gazette manufactured in non-tariff areas and are brought to the tariff areas for sale or consumption. | Through this amendment the Board with the approval of the Minister-in-charge of the Federal Government is now equipped to perform this function. |
| 16(2) | <i>The Federal Government by notification can exempt the goods or services from whole or any part of the duty leviable under this Act.</i> | Through this amendment the authority in this regard has been vested with the Board having the approval of the Minister-In-charge |
| 19(10) | The sub-section deals with the illegal manufacturing and production of the cigarettes including the confiscation of any machinery, equipment and devices used therein. | Through this amendment the existing clause is replaced with new one encompassing the other unlawful activities relating to stamps, stickers, labels and barcodes. |

| | | |
|--------------|---------------------|--|
| 29 (ee)(fa) | Non-Existent | <i>The District Taxation Officer and Assistant Director Audit have been inserted in the list of the Federal Excise Officers. Further the powers of different officers have been restructured.</i> |
| 37 | Non-Existent | Through this amendment the restriction has been placed to enforce the recovery determined through the order which is pending before the Commissioner (Appeals) subject to the payment of 25% of the due amount of tax. |
| 47(1) (2)(d) | Non-Existent | The service of any notice, order and other documents sent electronically through the email are to the e-folder maintained by the tax payer would be considered the valid mode of services. |

FIRST SCHEDULE
TABLE I
EXCISABLE GOODS

| | | | | |
|----------|---|---|--|-------|
| 9 (a)(b) | For the period from 01-07-2016 to 30-11-2016, locally produced cigarettes if their on-pack printed retail price exceeds four thousand rupees per thousand cigarettes | <i>Through this proposed amendment the corresponding entries substituted through the entries to (2), (3) and (4).</i> | | |
| | For the period from 01-12-2016 onwards, locally produced cigarettes if their on-pack printed retail price exceeds four thousand four hundred rupees per thousand cigarettes | 9 | <i>Locally produced cigarettes if their on-pack printed retail price exceeds four thousand five hundred rupees per thousand cigarettes</i> | 24.02 |

| | | | | | |
|----|--|---|--|-------|---|
| 10 | <p>For the period from 01-07-2016 to 30-11-2016, locally produced cigarettes if their on-pack printed retail price does not exceed four thousand rupees per thousand cigarettes.</p> | <p><i>Through this proposed amendment the corresponding entries relating in columns (2), (3) and (4) has been substituted as under.</i></p> | | | |
| | <p>For the period from 01-12-2016 onwards, locally produced cigarettes if their on-pack printed retail price does not exceed four thousand four hundred rupees per thousand cigarettes.</p> | 10 | <p><i>Locally produced cigarettes if their on-pack printed retail price does not exceed two thousand nine hundred and twenty five rupees per thousand cigarettes but does not exceed four thousand five hundred rupees per thousand cigarettes</i></p> | 24.02 | <p><i>Rupees one thousand six hundred and seventy per thousand cigarettes</i></p> |
| | | 10b. | <p><i>Locally produced cigarettes if their on-pack printed retail price does not exceed two thousand nine hundred and twenty five rupees per thousand cigarettes</i></p> | 24.02 | <p><i>Rupees eight hundred per thousand cigarettes"</i></p> |

| | | |
|----|---|---|
| 13 | Port land cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers | <i>Through this proposed amendment the rate of duty mentioned in column (4) has been increased by twenty five paisa per kilogram.</i> |
|----|---|---|

FIRST SCHEDULE

TABLE II

EXCISABLE SERVICES

| | | |
|---|--|--|
| 6 | <i>Telecommunication services</i> | <i>Through this proposed amendment FED on telecommunication services reduced by one and half percent (18.5% to 17%).</i> |
|---|--|--|

THIRD SCHEDULE

TABLE I (Goods)

| | | |
|-----|--|---|
| 19 | <i>The exemption was provided to the material and equipment</i> | <i>Through this proposed amendment the plant, machinery, equipment, appliances and accessories also inserted in this regard.</i> |
| 20A | <i>Non-Existent</i> | <i>The exemption on the import of vehicle has been conferred to the China Overseas Ports Holding Company Limited and its other operating companies. This exemption is valid for 23 years for construction and development and operation of Gwadar Port and other free zones.</i> |

CUSTOMS ACT

The amendments are applicable from July 1, 2017 unless specified otherwise.

| SECTION | PRESENT POSITION AS ON 30 TH JUNE, 2017 | PROPOSED AMENDMENT THROUGH FINANCE BILL 2017 |
|---------|---|---|
| 2(z) | <i>Non-Existent</i> | The new definition of controlled delivery has been inserted which reads as under: "controlled delivery" means supervised and coordinated operational activities that allow suspected consignments of prohibited and restricted goods, including items mentioned in clause (s), to pass out of, through or into the territory of Pakistan, with a view to identifying persons involved in the commission of an offence cognizable under this Act."; |
| 3AAA | <i>Non-Existent</i> | Through this amendment the new post of Directorate General of China Pakistan Economic Corridor has been introduced. |
| 7 | <i>Assistance to the officers of customs</i> | Through this proposed amendment the scope has been extended by including the Officer of the Inland Revenue and Officers of National Highway and Pakistan Motorway Police. |

| | | |
|-------|--|---|
| 19 | General power to exempt from customs-duties | Further new proviso has been preferred to be inserted whereby notification already issued notified up to 30/06/2018. In our opinion word Federal Government omitted in pursuance of definition of Federal Government interpreted by Supreme Court of Pakistan in recent judgment reported as |
| 25A | Power to determine the customs value | Through this amendment the new proviso has been added in order to determine the value in case of invoice of higher value retrieved from the consignment. The value reflected in such invoice shall be considered the customs value. |
| 33(4) | Non-Existent | Through this amendment new subsection has been introduced by disallowing the refund if the incidence of the duty and other levies has been passed on to the buyer or consumer. In our opinion the proposed amendment to undo finding of Supreme Court of Pakistan in referred case law 2017 PTD 381 (S.C) |
| 98 | Period for which goods may remain warehoused | Through this amendment the Chief Collector of Customs also authorized extend the period of goods remain warehoused. |
| 155F | Cancellation of registration of registered user | Through this amendment it is proposed that in case of cancellation or suspension of user id, the aggrieved person may file appeal to the Chief Collector within 30 days. |

| | | |
|-----------------|--|--|
| 193 | <i>Appeals to Collector (Appeals).-</i> | By way of this amendment any order passed under section 195 by the Board or Collector could be challenged before the Collector (Appeals). |
| 194(A) | <i>Appeals to Appellate Tribunal.-</i> | It has been proposed to substitutive class (d) of sub-section 1 namely “(d) an order u/s. 195 by the board or an officer of customs not below the rank of an Additional Collector” by nature of proposed amendment an order passed u/s. 195 is appealable before appeals to collector (appeals) u/s. 193 as well appeals to appellate tribunal u/s. 194A, in our opinion clarification in this regard needed. |
| 195 and 195(1A) | <i>Powers of Board or Collector</i> | <p>Through this amendment it is proposed that the Collector of Customs (Adjudication) could also exercise such powers in order to monitor the orders passed by the below authorities.</p> <p>The new subsection (1A) also introduced to pass the fresh order in this regard namely “(1A) where it is deemed to in sub-section (1), the board or collector of customs or collector of customs (Adjudication) may pass the order itself or himself, as the case may be or assign the case to an officer of equal or higher rank, who may have passed the earlier order, for passing such order as he may think fit.”</p> |

| | | |
|--------|---------------------|--|
| 219(A) | <i>Non-Existent</i> | <p>Power to enter into mutual legal assistance agreements on custom matters.</p> <p>Through this amendment the Board has been given authority to execute MOU relating to custom matters with respective authorities.</p> |
| 221(A) | <i>Non-Existent</i> | <p>The new section has been proposed to be inserted which is very significant to give validation to all notification issued by Federal Government which have been declared invalid by Superior Courts the new section reads as under</p> <p>“221-A Validation.- All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, 2017, shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of the High Court or Supreme Court”</p> |