



BUDGET DIGEST 2012-13

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Chartered Accountants

PREAMBLE

This digest summarises the important changes proposed in the Finance Bill 2012 (herein after referred as “Finance Bill”) relating to Income Tax, Sales Tax, Federal Excise Duty and Customs Duty and has been prepared for the guidance and information of our clients and staff only.

Subject to approval of the National Assembly, all changes through the Finance Bill are effective from July 1, 2012, unless otherwise specifically stated.

It is recommended that while considering the application of the proposed amendments discussed here-in-after, reference should be made to the specific wordings of the relevant statute.

The digest can also be accessed and downloaded from www.jasb.co

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Chartered Accountants

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1. BUDGET AT GLANCE**SOURCES OF FUNDS**

Net Revenue Receipts

Net Capital Receipts

External Receipts

Provincial Surplus

Bank Borrowings

Total

2012-13	Revised 2011-12	Change %
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Rupees in Billion

1,775.00	1,328.13	33.66
477.80	525.50	(8.99)
386.88	226.16	71.19
79.55	90.74	(12.33)
483.81	939.19	(48.48)
3,203.04	3,109.74	3.03

APPLICATION OF FUNDS

Repayment of Long Term Foreign Debt

Interest Payment

Pension

Grants

Subsidies

Running of Civil Government

Provision for Pay and Pension Reforms

Defense Affairs and Services

Development Expenditure

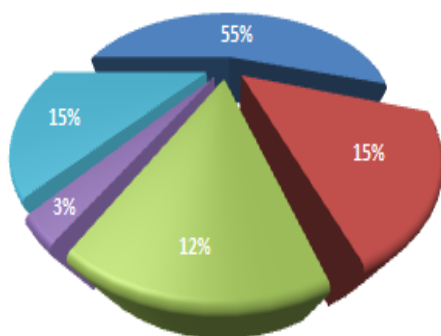
Total

215.96	136.89	57.76
925.78	843.84	9.71
129.07	135.41	(4.68)
312.30	277.70	12.46
208.60	512.29	(59.28)
239.85	215.61	11.24
35.00	-	
545.39	510.18	6.90
591.10	477.82	23.71
3,203.04	3,109.74	3.00

BUDGET DIGEST

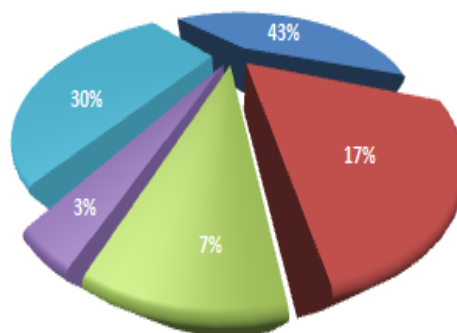
2012-13

Budgeted Receipts 2012-13

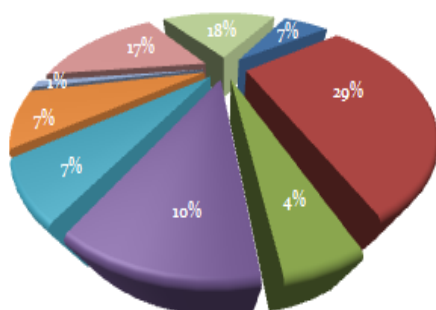


■ Net Revenue Receipts ■ Net Capital Receipts ■ External Receipts
■ Provincial Surplus ■ Bank Borrowings

Budgeted Receipts 2011-12

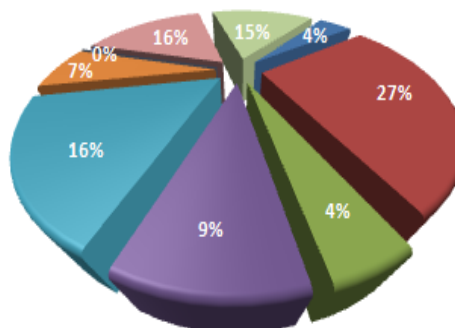


Budgeted Expenditures 2012-13



■ Repayment of Long Term Foreign Debt ■ Interest Payment
■ Pension ■ Grants
■ Subsidies ■ Running of Civil Government
■ Provision for Pay and Pension Reforms ■ Defense Affairs and Services
■ Development Expenditure

Budgeted Expenditures 2011-12



2. SALIENT FEATURES

INCOME TAX

- For salaried and business individuals, basic exemption limit is increased to Rs. 400,000 from Rs. 350,000. Tax rates have also been reduced.
- Association of person is to be taxed at progressive rates applicable to non-salaried individuals.
- Loans to employees of up to Rs. 500,000 have been proposed to be exempted from income tax and benchmark rate has been proposed to be capped at 10%.
- Rate of tax for retails having turnover upto Rs 5 million is reduced from @1% to 0.5%.
- Cash withdrawal limit of Rs. 25,000 per day has been proposed to be increased to Rs. 50,000 per day.
- Inter-corporate dividends & profit on debts has been proposed to be exempted.
- An option to Opt out PTR is proposed to be provided to commercial importers, exporters and suppliers .
- The limit of investment in shares and life insurance premium eligible for tax credit is being proposed to be enhanced.
- Taxpayer Honour Card scheme is proposed to be introduced. The holders of the card will be entitled to various privileges and benefits.

- Tax at the rate of 1% of value of sales is proposed on distributors, dealers and wholesalers through manufacturers.
- Capital gain tax is being proposed to be levied on sale of immovable property held for period up to two years.
- It is proposed to tax the dividend received by Banks from money market funds and income funds @25% for 2013 and @35% for 2014.
- The initial depreciation on building is reduced from 50% to 25% .
- 100% tax credit is proposed for new established industrial undertakings including corporate dairy farming.
- Rate of advance tax on goods transport vehicles increased from Re 1 per kg to Rs 5 per kg
- Rate of advance tax on passenger transport vehicles plying for hire having capacity of 20 seat or more has increased from Rs 100 per seat to Rs500 per seat per annum.
- Tax on purchase of motor vehicle with engine capacity of 1301-1600 cc has also increased from Rs 16,578 to Rs.25,000.
- Ten years extension is proposed in tax holiday period allowed to Venture Capital Company and Fund.

SALES TAX

- It is proposed to increase the rate of sales tax on steel sector to Rs. 8/Kwh from Rs 6/kwh
- Supplies against international tenders exempted instead of zero rating
- It is proposed to shift cotton seed oil from exemption to zero-rating.
- It is proposed to grant exemption to on supplies of waste paper.
- Sales tax rate on import of soya-been seed reduced from 7% to 6%;
- Sales tax rate on import of rapeseed ,sunflower seed and canola seed reduced from 15% to 14%

FEDERAL EXCISE DUTY

- It is proposed to reduce FED on cement from Rs. 500/MT to Rs. 400/MT.
- It is proposed to exempt live-stock insurance from FED.
- It is proposed to exempt FED on services by Asset Management Companies retrospectively.
- Rate of duty on locally produced cigarettes enhanced..

CUSTOMS DUTY

- It is proposed to reduce the maximum general tariff slab to 30% from 35%.
- Customs duty is reduced on raw materials and components for printing and stationary.
- Reduction in customs duty on 88 pharmaceutical raw materials from 10% to 5%.
- It is proposed to reduce customs duty on scrap of rubber/shredded tyres from 20% to 10%.
- It is proposed to reduce customs duty by 25% on Hybrid Electric Vehicles and there batteries.

3. INCOME TAX

Definitions

[Section 2(35AA)]

A new sub-section is proposed to insert defining “NCCPL” (National Clearing Company of Pakistan).

Taxable & Total Income

[Section 9] & [Section 10]

An amendment is proposed to clarify that **taxable income** covers income under all heads of income for the year and not exempt income.

An amendment is proposed to clarify that the **total income** includes both income under all heads of income and exempt income.

Value of Perquisites – Loan by Employer

[Section 13 (7)] & [Section 13 (14) (a) (ii)]

A new proviso is proposed for the exemption of employees concessional loans up to Rs 500,000.

The benchmark interest rate for taxation of employees’ concessional loans is proposed to cap at 10% per annum.

Capital Gains on immovable property

[Section 37 (1A)], [Division VIII Part I of First Schedule] & [Section 37(5)]

A new sub-section is proposed to insert for the taxation of capital gain arising on the disposal of immovable property held for a period up to two years.

Such capital gain shall be charged to tax in the same year in which it has arisen as per following table proposed to be inserted as Division VIII in Part 1 of First Schedule

S. No.	Period	Proposed Rate of Tax
1.	Where holding period of Immovable property is up to one year	10%
2.	Where holding period of immovable property is more than one year but not more than two years	5%

The definition of “Capital Asset” in Section 37 (5) is also proposed to be modified to include “immovable property”.

Income from Other Sources & Additional Payment for Delayed Refund

[Section 39(1)(cc) & 171]

It is proposed to include “additional payments on delayed refunds under any tax laws” under the head “Income from Other Sources” while the rate of additional payment on delayed refunds is proposed to be substituted from KIBOR to 15% per annum.

Tax Credit for Investment in Shares and Insurance

[Section 62(2)(b)&(c)], [Section 62(3)(b)]

Two thresholds of investment to avail tax credits viz-a-viz % age of taxable income and monetary figures are proposed to enhance from 15% of the taxable income to 20% and from Rs. 500,000 to Rs. 1,000,000 respectively.

Further, the minimum holding period is also proposed to reduce from 36 months to 24 months.

Tax Credit for Investment

[Section 65B(1),(4),(5)&(6)]

“Minimum tax” and “final taxes payable” under Income Tax Ordinance are proposed to be included in “tax payable” against which tax credit is available.

Sub-section 4 & 5 are proposed to be substituted with new sub-subsections 4, 5 and 6 containing provision of tax credit for the companies setup prior to 1st of July 2011, the extracts of which are as follows;

- The period of investment shall be from 1st July 2011 to 30th June 2016.
- The purpose of the investment shall be balancing, modernization and replacement of the Plant & Machinery already installed in an industrial undertaking owned by the Company.
- Tax credit equal to the 20% of the amount invested be allowed against tax payable including minimum tax and final taxes payable and be allowed in the year in which such Plant & Machinery is installed.
- Un-adjusted tax credit if any, shall be carried forward for not more than five tax years.

With the insertion of revised sub-sections elaborated above, the sub-section 1 & 2 shall be deemed to apply to all companies setup on or after 1st July 2011 whether in Pakistan or otherwise subject to fulfillment of other conditions mentioned therein as well as in the revised sub-section of section 65B.

Tax Credit for Newly Established Industrial Undertakings

[Section 65D (1),(2),(3)&(4)]

“Corporate dairy farming” is proposed to be included in “Industrial Undertakings”.

“Minimum tax” and “final taxes payable” under Income Tax Ordinance are proposed to be included in “tax payable” against which tax credit is available.

To avail tax credit, the newly established undertaking has to be equity financed project and it is proposed in sub-section 2(d) that 100% equity of the Industrial undertaking shall be raised through issuance of new shares for cash consideration instead of 100% ownership by the Company formed to setup such industrial undertaking.

A new proviso in sub-section 2(d) is also proposed which states that short term loans and finances obtained from banking companies or non-banking financial institutions for the purpose of meeting working capital requirements shall not disqualify the taxpayer from claiming the tax credit for newly established Industrial undertaking.

It is proposed that for the purposes of section 65B, 65D & 65E; an industrial undertaking shall be treated to have been setup on the date on which it is ready to go into production whether trial or commercial production.

Tax Credit for Industrial Undertakings established before the 1st day of July 2011

[Section 65E]

To remove the ambiguities in Section 65E, it is proposed to substitute the existing provisions with new set of provisions. The extracts of which are as follows;

- 100% new Equity shall be raised through issuance of new shares by the company excluding loans obtained from shareholders or directors however short term loans and finances obtained from banking companies or non- banking financial institutions for meeting working capital requirements shall not disqualify the tax payer from claiming tax credit under Section 65E.
- Investment shall be made in the purchase and installation of Plant & Machinery for an industrial undertaking for the purposes of expansion to already installed plant & machinery therein or undertaking new project.
- Tax credit shall be available if the plant & machinery is installed at any time during 1st day of July 2011 till 30th June 2016.
- Tax credit shall be allowed against tax payable including minimum tax and final taxes payable under any Income Tax Ordinance for the period of five years starting from the date of setting up or commencement of commercial production whichever is later.
- In case separate accounts of expansion or new project are maintained, the tax credit shall be equal to 100% of the tax payable including minimum tax and final taxes payable under Income Tax Ordinance 2001. In all other cases tax credit shall be such proportion of tax payable including minimum tax and final tax under Income Tax Ordinance, as is the proportion between new equity and total equity including new equity.

Cost

[Section 76(11)]

A new sub-section is proposed to empower Board to make rules for determination of cost for any asset.

Consideration Received

[Section 77(5)]

A new sub-section is proposed to empower Board to make rules for determination of consideration received.

Special Provision relating to Capital Gain Tax & Rules for the Computation of Capital Gains on Listed Securities

[Section 37A(1), (1A)], [Section 100B],[Division VII of Part I First Schedule] & Eighth Schedule

An amendment is proposed to specifically exclude exempt gain under the Income Tax Ordinance 2001 from this head of income.

Method of capital gain computation is proposed wherein the gain shall be computed in accordance with the formula (A-B) where

A is the consideration received on disposal of security; and

B is the cost of acquisition of the security

A new section is proposed for the computation, determination, collection and deposit of capital gain tax.

The provisions of the proposed section shall not apply to following viz-a-viz;

- A mutual fund;
- A banking company, a non-banking finance company and an insurance company subject to tax under Fourth Schedule;
- A modaraba;
- A “foreign institutional investor” registered with NCCPL as such; and
- Any other person or class of person notified by Board.

The rate of tax on capital gain has also been revised and be charged at following new rates;

S.No.	Period	Tax Year	New Rate of Tax	Old Rate of Tax
1.	Where holding period of a security is less than six months	2011	10%	10%
		2012	10%	10%
		2013	10%	12.5%
		2014	10%	15%
		2015	17.5%	17.5%
2.	Where holding period of a security is more than six months but less than twelve months	2011	7.5%	7.5%
		2012	8%	8%
		2013	8%	8.5%
		2014	8%	9%
		2015	9.5%	9.5%
		2016	10%	10%
Where holding period of security is twelve months or more, no capital gain tax is to be charged				

The amount of investment shall be calculated in the prescribed manner excluding market value of net open sale position in futures & derivatives, if such sale is in a security that constitutes the said investment.

Any person intends not to opt for determination and payment of tax under Eighth Schedule may do so with the prior permission of Commissioner and shall file an irrevocable option to NCCPL.

With respect to enquires as to the nature and source of the amount invested following are proposed

Period of Investment in Listed Securities	Conditions for no inquiries as to Nature & Source of Amounts Invested
Prior to introduction of Eight Schedule	<ul style="list-style-type: none">• Filing of statement of Investment along with Income Tax Return & Wealth tax statement for tax year 2012; and• Amount remains invested for 45 days up to 30th June 2012
From the introduction of Eight Schedule till June 30, 2014	<ul style="list-style-type: none">• Amount remains invested for 120 days• Tax on capital gains, if any, has been discharged• Filing of statement of Investment along with Income Tax Return & Wealth tax statement for relevant tax year.

Geographical Source of Income

[Section 101(6)]

Remittance of after tax profit of Branch of a foreign company operating in Pakistan is proposed to be treated as Pakistan source dividend income.

Minimum Tax on Income of Certain Persons

[Section 113(1)]

It is proposed to add explanation that tax payable or paid under section 113 does not include tax already paid or payable in respect of assessed deemed income under Income Tax Ordinance.

Return of Income

[Section 114(6)]

A new condition for the filing of revised return is proposed to be added which state that taxable income declared is not less than and loss declared is not more than income or loss respectively as the case may be determined by an order issued under sections 121,122,122A,122C,129,132,133 or 221. It is further proposed that if any of the three conditions is not fulfilled, the return furnished shall be treated as invalid.

Assessment

[Section 120(6)]

The time limit of serving notice in case of incomplete returns has been increased by 180 days.

Amendment of Assessment

[Section 122(5A)]

The amendment is proposed to empower Additional Commissioner to conduct enquiries as he deems necessary.

Provisional Assessment

[Section 122C(2)]

In case of Company, it is proposed that time limit applicable for the conversion of provisional assessment into final assessment shall not apply, if Income Tax return has been filed along with audited accounts or final accounts, as the case may be, electronically within sixty days.

Procedure in Appeal

[Section 128(IA)]

A new sub-section is proposed to be inserted to empower Commissioner (Appeals) to grant stay of recovery of tax for a period not exceeding thirty days in aggregate.

Appointment of Appellate Tribunal

[Section 130(4) & (5)]

Reduction in limit of experience from five to three years for Commissioner Inland Revenue or Commissioner Inland Revenue (Appeals) to become accountant member of ITAT has been proposed.

It is further proposed that Chairperson of the Tribunal shall be among the member of ITAT.

Due Date for Payment of Tax

[Section 137(2)]

An option to pay tax prior to the expiry of sixty days for taxpayers is proposed through insertion of new proviso in sub-section (2) of Section 137.

Payments to Non-Residents

[Section 152(1AAA)& (2A)]& Clause 3 Division II Part III of First Schedule

A new sub-section is proposed wherein every person making payment for advertisement service to a non-resident media person relaying from outside Pakistan shall deduct tax from the gross amount paid at the rate of 10%.

A new sub-section (2A) is proposed to insert for exemption from deduction of tax on payment of insurance /re-insurance premium to a permanent establishment in Pakistan of non-resident person subject to written approval of Commissioner to this effect.

Payments for Goods, Services and Contracts

[Section 153]

Changes have been proposed to remove the words “permanent establishment in Pakistan of a non-resident person”.

Payments to Traders and Distributors

[Section 153A]

It is proposed to substitute Section 153A, wherein every manufacturer at the time of sale to distributor, dealers and wholesalers shall collect tax at the rate of 1% of the gross sales.

It is further proposed that tax credit for the tax collected shall be allowed in computing the tax due by such distributor, dealer and wholesaler on taxable income for the year in which tax so collected.

Tax Payer Card

[Section 181B]

Tax Payer Honour Card scheme is proposed to be introduced by the Board for individual taxpayers prescribing minimum eligibility criteria, certain benefits, privileges etc..

Default Surcharge

[Section 205]

In sub-sections (1), (1A), (1B) & (3)(i), the KIBOR plus three percent per quarter is proposed to be substituted by 18% per annum.

Two new provisos are proposed to be added where in a person opts to pay tax due on the basis of an appellate passed by the Commissioner (Appeals) on or before the due date and does not file further appeal to the Appellate Tribunal, no default surcharge shall be charged for the period demand remained unpaid.

Directorate General (Intelligence and Investigation) Inland Revenue

[Section 230]

A new section is proposed to be inserted to assign functions to DG Intelligence & Investigation Inland Revenue.

Cash withdrawal from Bank

[Section 231 A]

Limit of daily cash withdrawals without tax deduction is proposed to be enhanced from Rs. 25,000 to Rs. 50,000.

Collection of tax by a Stock Exchange registered in Pakistan

[Section 233 A]

The capacity of stock exchange as withholding agent is proposed to be removed to collect tax from its members with respect to following;

- Trading of shares by the members; and
- Financing of carry over trades in share business.

Collection of tax by NCCPL

[Section 233 AA]& Division IIA of Part IV of First Schedule

NCCPL is proposed to collect advance tax in respect of margin financing in share business at the rate of 10% of carry over charge.

Rates of Tax for Individuals and Association of Persons

Clause 1, Division I, Part I of First Schedule

An Association of Person is proposed to be taxed at the same rates as are applicable to non salaried individuals.

Non-taxable limit for non-salaried individuals and Association of Persons is proposed to be enhanced from Rs. 350,000 to Rs. 400,000.

To charge tax on non-salaried individual and Association of Person the applicable income tax rates are proposed to be reduced from the existing rates.

The slabs of taxable income are also proposed to be changed. Following is table of revised income tax rates

S.No.	Taxable Income (Rs)		Rate of Tax
	From	To	
1	Nil	400,000	0%
2	400,001	750,000	10% of the amount exceeding Rs. 400,000
3	750,001	1,500,000	Rs. 35,000 plus 15% of the amount exceeding Rs. 750,000
4	1,500,001	2,500,000	Rs. 147,500 plus 20% of the amount exceeding Rs. 1,500,000
5	2,500,001	-----	Rs. 347,500 plus 25% of the amount exceeding Rs. 2,500,000

Rates of Tax for Salaried Individuals*[Clause (1A)] & [Division I, Part I of First Schedule]*

Non taxable limit for salaried individuals is proposed to be enhanced from Rs. 350,000 to Rs. 400,000. Tax rates on salaried individual are proposed to be reduced from the existing rates. The slabs of taxable income are also proposed to be changed. Following is table of revised income tax rates applicable to salaried individuals;

S.No.	Taxable Income (Rs)		Rate of Tax
	From	To	
1	Nil	400,000	0%
2	400,001	750,000	5% of the amount exceeding Rs. 400,000
3	750,001	1,500,000	Rs. 17,500 plus 10% of the amount exceeding Rs. 750,000
4	1,500,001	2,500,000	Rs. 92,500 plus 15% of the amount exceeding Rs. 1,500,000
5	2,500,001	-----	Rs. 242,500 plus 20% of the amount exceeding Rs. 2,500,000

Rate of Tax on Certain Persons

[Section 113A], [Division IA, Part I of First Schedule]

The rate of tax is proposed to reduce from 1% to 0.5% chargeable to individual retailer or Association of Person having turnover up to Rs 5,000,000 for any tax year.

Tax on Motor Vehicles

[Section 234], [Division III, Part IV of First Schedule]

The rate of tax on goods transport vehicles is proposed to be increased from Re. 1 per kg to Rs. 5 per kg of the laden weight.

The rate of tax on passenger transport vehicles plying for hire with registered seating capacity of twenty persons or more is proposed to increase from Rs. 100 per seat per annum to Rs. 500 per seat per annum.

Purchase of Motor Cars & Jeeps

[Section 231B], [Division VII, Part IV of First Schedule]

The rate of tax on purchase of motor cars and jeeps having engine capacity in the range of 1301-1600 cc from is proposed to increase from Rs. 16,875 to Rs. 25,000.

Amount received from Pension Plan

[Clause 23B], [Part I of Second Schedule]

A new clause is proposed to exempt the amount received as monthly installments from an income payment plan invested for a period of ten years out of accumulated balance of an individual pension account with:

- a. A pension fund manager;
- b. Approved annuity plan;
- c. Another individual pension account of eligible person; or
- d. Survivor's pension account maintained with any other pension fund manager as specified in Voluntary Pension System Rules 2005

Withdrawal of Accumulated Balance

[Clause 2C], [Part I of Second Schedule]

A new clause is proposed to exempt the withdrawal of accumulated balance from approved pension fund which was earlier transferred from approved provident fund to such approved pension fund under Voluntary Pension System Rules, 2005.

Venture Capital Company and Venture Capital Fund

[Clause 101], [Part I of Second Schedule]

The exemption period with respect to profits and gains of Venture Capital Company and Fund is proposed to increase from 2014 to 2024.

Raw Material Imported by Industrial Undertaking for its Own use

[Clause 9A], [Part II of Second Schedule]

Exemption certificate for the applicability of reduced rate of 3% on import value of raw material imported by Industrial Undertaking for its own use is proposed to be produced to avail this reduction in rate.

Inter-Corporate Dividend

[Clause 11B], [Part IV of Second Schedule]

A new clause is proposed to exempt the inter-corporate dividends within group companies entitled to group taxation.

Inter-Corporate Profit on Debt

[Clause 11C], [Part IV of Second Schedule]

A new clause is proposed to exempt the inter-corporate profit on debt within group companies entitled to group taxation.

Normal Tax Regime Option to Importers

[Clause 41A, [Part IV of Second Schedule] & [Section 148]

A new clause is proposed to provide option to importers to be taxed under normal tax regime if their tax liability under normal tax regime is at-least 60% of tax already collected under Section 148.

Normal Tax Regime Option to Exporters

[Clause 41AA] [Part IV of Second Schedule] & [Section 154]

A new clause is proposed to provide option to exporters to be taxed under normal tax regime if their tax liability under normal tax regime is at-least 50% of tax already collected under Section 154.

Normal Tax Regime Option to Suppliers of Goods & Services

[Clause 41AAA] [Part IV of Second Schedule] & [Section 153]

A new clause is proposed to provide option to suppliers of goods and services to be taxed under normal tax regime if their tax liability under normal tax regime is at-least 70% of tax already collected under Section 153.

Exemption from Capital Gain Tax

[Clause 47B] [Part IV of Second Schedule]

A change is proposed to exempt the following from capital gain tax: collective investment scheme,

- Modaraba ,
- approved pension Fund,
- Approved income payment plan ,
- REIT,
- private Equity and Venture Capital Fund,
- recognized provident fund,
- approved superannuation fund and
- approved gratuity fund from capital gain tax.

Initial Allowance

[Clause 1],[Part II of Third Schedule]

Initial allowance for Plant & Machinery and buildings is proposed at the rate of 50% and 25% respectively.

Capital Gain Tax on Insurance Business*[Rule 6B, Fourth Schedule]*

Rates of capital gain tax are proposed to be reduced for insurance businesses. The revised rates are as follows;

S.No.	Tax Year	Holding period is less than six months	Holding period is more than six months but less than twelve months
1	2011	10%	8%
2	2012	10%	8%
3	2013	12.5%	8.5%
4	2014	15%	9%
5	2015	17.5%	9%

Irrevocable Option to Petroleum Exploration and Production Undertakings*[Rule 4A, Part I, Fifth Schedule]*

A new sub-rule is proposed to provide one-time irrevocable option to pay tax at the rate of 40% of profits and gains net of royalty from tax year 2012 and onward subject to withdrawal of pending appeals/references/petitions and payment of outstanding tax liability up to tax year 2011 by 30th June 2012.

Dividend from Money Market & Income Funds*[Rule 6, Seventh Schedule]*

A new proviso is proposed to increase the tax on dividend from Money Market and Income Funds at the rate of 25% for tax year 2013 and 35% for tax year 2014 and onwards.

4. SALES TAX

Assessment of Tax and Recovery of Tax not levied or short Levied or Erroneously Refunded

[Section 11]

It is proposed to merge Section 11 (Assessment of Tax) and Section 36 (Recovery of tax not levied or short levied or erroneously refunded) through substitution. Following are key changes proposed in substituted section;

- In cases involving inadvertence, error or misconstruction, the period for issuance of show cause notice is enhanced to five years from three years.
- The Commissioner can now extend the period for issuance of order to ninety days excluding period of stay order or Alternate Dispute Resolution Proceedings.

Supplies against International Tenders

[Fifth Schedule, Table-2 Sixth Schedule], [Chapter VIIA (Rules 50A, 50B & 50C) of Sales Tax Rules, 2006], [SRO 589(1)/2012 & SRO 595(1)/2012 effective from 02nd June 2012]

Withdrawal of zero rating facility is proposed with respect to supplies against international tenders. It is further proposed to exempt the supplies against international tenders. Respective changes have also been made in Sales Tax Rules, 2006.

The sales tax exemption on imported raw material, sub-components and components used for manufacturing of goods to be supplied against international tenders has also been withdrawn.

Alignment of PCT Headings

[Table-1 (Imports or Supplies) Sixth Schedule]

PCT Headings of following has been revised;

S.No.	Description of Goods	Old PCT Heading	New PCT Heading
1	Live Animals and live poultry	0101.1000	0101.2100,
			0101.3100
		0102.1020	0102.2110
		0102.1030	0102.2120
		0102.1040	0102.2130
		0102.1090	0102.2190
		0102.9010	0102.3900
		0102.9020	0102.2910
		0102.9030	0102.2920
		0102.9040	0102.2930
		0102.9090	0102.2990,
			0102.9000
11	Eggs including eggs for hatching	0407.0010	0407.1100, 0407.1900
		0407.0090	0407.2100, 0407.2900
15	Edible Fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned	0808.2000	0808.3000, 0808.4000
16	Red chillies excluding those sold in retail packing bearing brand names and trademarks	0904.2010 0904.2020	0904.2110 0904.2210
31	Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books	8523.4010 8523.4030 8523.4090	8523.4910 8523.4920 8523.4190

Local Supplies Only

[Table -2, Sixth Schedule]

Exemption on local supply of cotton seed oil has now been withdrawn.

Amendments in Sales Tax Rules 2006

[SRO 589(1)/2012 effective from 02nd June, 2012]

- ***Application for Registration***

[Rule 5]

A new proviso is added where in Board is empowered to transfer the registration or business of registered person to an area of jurisdiction where the place of business or registered office or manufacturing unit is located.

- ***Change in Particulars of Registration***

[Rule 7(4)]

A new sub-rule is added to prescribe the procedure for change of nature of business as well as the procedure to effect such change. The summary of the sub-rule is as follow;

From	To
Individual	Spouse or Children
Individual	Association of Person (AOP)
Association of Person (AOP)*	Corporate Entity*
*all members of AOP are nominated as Director of Corporate entity	

New Sales Tax Registration Number shall be issued to the entity for transfers of business or change in nature on any other account.

- ***Blacklisting and Suspension of Registration***

[Rule 12]

The provision regarding blacklisting and suspension of registration has been removed and in place of that a short rule is added empowering Commissioner or Board to suspend or blacklist a registered person.

- ***Powers to disqualify Taxpayers' Authorized Representative***

[Rule 62]

An officer of Board can also file compliant for disqualification of Authorized Representative of registered person.

All amendments Vide SROs are effective from 02nd June 2012

Commercial Importers of Computer Hardware

[SRO 590(1)/2012]

The entry relating to commercial importers of computer hardware in SRO SRO 1020(1)/2006 dated 2nd October 2006 is deleted to bring them at par with other commercial importers and will normal sales tax at the rate of 16% plus value addition at the rate of 3% of the value of the goods.

Import & Supplies of Polyethylene & Polypropylene

[SRO 591(1)/2012]

Zero rating of import and supply of polyethylene and polypropylene to manufacture mono filament yarn & net cloth to green house farming is withdrawn. If manufacturer is duly registered and has in-house manufacturing facility then goods are allowed exemption.

Filing of Return and Audit*[SRO 592(1)/2012][58E(2) of Special Procedure Rules 2007]*

Immunity to commercial importers has been withdrawn.

Procedures for Steel Melters, Re-Rollers and Ship Breakers*[SRO 592(1)/2012],[SRO 596(1)/2012],[SRO 596(1)/2012] &[Rules 58F to 58MB of Special Procedure Rules 2007]*

The Sales Tax special procedures for steel meltes, re-rollers and ship breakers have been substituted with substantially revised procedures. Following is summary of key changes made therein;

Description	Applicable Sales Tax (Rs.)	
	New	Old
Steel-melter, Steel re-roller and composite unit of steel melting and re-rolling (having a single electricity meter)	8 / unit of electricity consumed for the production of steel billets, ingots and mild steel products	6 / unit of electricity consumed for the production of steel billets, ingots and mild steel products
Ship-breakers	6,700 per metric ton of re-rollable scrap	4,848 per metric ton of re-rolling scrap
Pakistan Steel Mills, Heavy Mechanical Complex, People Steel Mill	16% of sales tax on supplies	16% of sales tax on supplies
Steel-melters operating on self-generation basis	Sales tax payable = HM3 (hundred cubic meter) x 1,900 less sales tax paid on gas bill	Sales tax payable = HM3 (hundred cubic meter) x 1,392 less sales tax paid on gas bill
Re-rollers operating on self-generation basis	Sales tax payable = mill size (in inches) x 51,822	Sales tax payable = mill size (in inches) x 38,964

Zero rating facility/Sales tax at reduced rate on Mono Filament***[SRO 593(1)/2012]***

Mono filament of more than 67 decitex is allowed for zero rating facility or levy of sales tax at reduced rate of 5% for registered persons doing business in surgical, sports, leather, carpet and textile goods.

Rescinded Notifications***[SRO 594(1)/2012]***

Following is the summary of notifications rescinded with effect from 02nd June, 2012;

Rescinded SROs	Description
555(I)/1996 dated 01/7/1996	Powers of Sales Tax Officers.
849(I)/1997 dated 25/09/1997	Exemption from sales tax on supplies of imported industrial raw material, components and sub-components , if imported directly by the manufacturers who are liable to pay turnover tax or are engaged in manufacture of the goods other than taxable goods for use within factory of such manufacturers for which above goods have been imported.
103(I)/2005 dated 03/02/2005	Fixation of value of Potassic Fertilizers both SOP & MOP for sales tax purposes at Rs.4,610/- per metric ton.
15(I)/2006 dated 06/01/2006	Fixation of value of locally produced nitrogenous fertilizer, Calcium Ammonium Nitrate (CAN) for sales tax purposes at Rs.3,765/- per metric ton.
644(I)/2007 dated 27/06/2007	Levy of sales tax at 22% and 19.5% of value of goods on import and supply of certain goods.

Exemptions from Sales Tax*[SRO 595(1)/2012]*

Waste paper supplies have been exempted from sales tax. This was previously charged at the rate of 22%.

With respect to following items, zero rating facility has been withdrawn and exemption from sales tax is also allowed;

Description of Goods	Conditions
Re-meltable Scrap (72.04)	Import & supplies
Sprinkler equipment	Supplies
Drip Equipment	Supplies
Spry pumps & nozzles	Supplies

Reduction in Sales Tax Rate*[SRO 604(1)/2012], [SRO 605(1)/2012] [SRO 608(1)/2012]*

The rate of sales tax has been further reduced in respect of import following;

Description of Goods	Imported by	Old Rate	New Rate	Remarks
Soyabeen seed	Solvent Extraction Industries	7%	6%	No refund of input is admissible
Rapeseed	-do-	15%	14%	Nil
Sunflower seed	-do-	15%	14%	Nil
Canola seed	-do-	15%	14%	Nil
Black Tea	Nil	16%	5%	Nil

5. FEDERAL EXCISE DUTY***Locally Produced Cigarettes****[Table I First Schedule]*

Following has been changed with respect to locally produced cigarettes with effect from 2nd June 2012;

S.No.	Description of Goods	New Rate of duty	Old rate of Duty
9	Locally produced cigarettes if their retail price exceeds Rs 22.86 (rupees twenty two and eighty six paisa) per ten cigarettes	65% of the retail price	Same
10	Locally produced cigarettes if their retail price exceeds thirteen rupees and thirty six paisa per ten cigarettes but does not exceed twenty two rupees and eighty six paisa per ten cigarettes	Rs.7.02 per ten cigarettes plus 70% per incremental rupee or part thereof	Rs.6.04 per ten cigarettes plus 70% per incremental rupee or part thereof
11	Locally produced cigarettes if their retail price does not exceed thirteen rupees and thirty six paisa per ten cigarettes	Rs.7.02 per ten cigarettes	Rs 6.04 per ten cigarettes

No cigarette manufacturer shall reduce price from the level adopted on the day of announcement of the latest budget.

No manufacturer or importer of cigarette can introduce or sell a new cigarette brand variant of the same existing brand family at a price lower than the lowest actual price of the existing variant of the same brand family on June 01,2012.

Any new brand introduced in the market shall not be priced and sold lower than 5% below the price of the Most Popular Price Category (MPCC). MPCC is the price point at which the highest number of excise tax paid on cigarettes sold in the previous fiscal year.

Cement

The rate of duty has been reduced to Rs 400 per MT from Rs 500 per MT

Facilities for Travel

[Table II First Schedule][SRO 600(1)/2012] &[SRO 603(1)/2012]

Duty on travel facilities has been revised as under;

Services		New rate of duty	Old rate of duty
a	Services provided or rendered in respect of travel by air of the passenger within the territorial jurisdiction of Pakistan	16% of the charges plus Rs 60 per ticket	Same
b	Services provided or rendered in respect of travel by air of the passengers embarking on international journey from Pakistan.		
	(i) Economy and economy plus	Three thousand eight hundred and forty rupees	Rs 3,340 for Eco & Eco Plus & Rs 4,340 for Club/Business/First class
	(ii) Club, business and first class	Six thousand eight hundred and forty	Rs4,340 for Eco & Eco Plus & Rs 5,840 for Club/Business/First class

Withdrawal of Duty***[Table I-Goods] & [SRO 598(1)/2012]***Duty on following goods has been withdrawn with effect from 2nd June 2012

S.No.	Description	Rate of duty as presently levied
22	Lubricating oil in packs not exceeding 10 litres	10% of retail price
23	Lubricating oil in packs exceeding 10 litres	10% of the retail price
24	Lubricating oil in bulk (vessels, boozers, lorries etc.)	Rs 7.15 per litre
25	Lubricating oil manufactured from reclaimed oils or sludge or sediment, subject to the condition if sold in retail packing or under brand names the words manufactured from reclaimed oil or sludge or sediment should be clearly printed on the pack	Rs 2 per litre
27	Base lube oil	Rs 7.15 per litre
42	Perfumes and toilet waters	10% retail price if packed in retail packing and 10% <i>ad volarem</i> if in bulk
43	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations	10% retail price if packed in retail packing and 10% <i>ad volarem</i> if in bulk
44	Preparations for use on the hair excluding herbal hair oil and kali mehndi	10% retail price if packed in retail packing and 10% <i>ad volarem</i> if in bulk
45	Pre-shave, shaving of after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties (excluding agarbatti and other odoriferous preparations which operate by burning)	10% retail price if packed in retail packing and 10% <i>ad volarem</i> if in bulk
50	Filter rods for cigarettes	20% <i>advalorem</i>

[Table II-Services]

S.No.	Description
7	Live stock insurance
8	Service provided by Asset Management Company with effect from 1 st July 2007

Notifications Rescinded

SRO reference	Section/ Schedule/ Rule reference	Description
598(I)/2 012	Section 3	This notification amends the notification No.SRO 649(I)/ 2005 dated 01 July 2005, which levied duty on specified goods entering the tariff area from a non-tariff area of Pakistan. Effectively, duty leviable on cosmetics goods as listed out in serial no. 42 to 45 of Table I of the Act, has now also been withdrawn at the time of entering into tariff area from a non-tariff of Pakistan. This notification shall be effective from 02 June 2012.
599(I)/2 012	Section 16	This notification amends the notification No.SRO 474(I)/ 2009 dated 13 June 2009 which exempts certain goods or services from the levy of duty. SRO 599(I)/ 2012 has effectively withdrawn the exemption available to Viscose staple fiber. This notification shall be effective from 02 June 2012.
603(I)/2012		<p>This notification rescinds the following notification.</p> <p>SRO 807(I)/2005 dated 12 August 2005 whereby rebate on Federal Excise Duty was granted on base oil used in manufacturing of certain types of lubricating oils.</p> <p>SRO 671(I)/2006 dated 29 June 2006 whereby minimum price for the purpose of assessment of excise duty at import stage was fixed in case of lubricating oil in packs (PCT headings 2710.1951 and 2710.1952).</p> <p>SRO 777(I)/2006 dated 01 August 2006 whereby special rate of excise duty was fixed on the tickets issued for travel by air to certain specified destinations.</p> <p>SRO 949(I)/2006 dated 06 September 2006 whereby import and supply of solvent oil (PCT heading 2710.1150) for manufacturing of shoe adhesive were exempted from excise duty.</p> <p>SRO 1229(I)/2007 dated 18 December 2007 whereby special excise duty was exempted on the tractor parts supplied by registered vendors to the manufacturers of agricultural tractors (PCT heading 8701.9019)</p> <p>This notification shall be effective from 02 June 2012.</p>

6. CUSTOMS

Smuggle

[Section 2(2)]

To enhance the definition of smuggle, “, en route pilferage of transit goods” after the word “force” is proposed to be inserted.

Establishment of New Directorates

[Section 3AA, Section 3BB, Section 3BBB and Section 3CC]

The bill proposed to form following new directorates as an administrative measure for better enforcement of enactment. Each Directorate has as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may appoint through notification in the official Gazette.

S.No.	Section No.	Directorate	Functions
1	3AA	The Directorate General of Transit Trade	Exclusive clearances and monitoring of the transit cargo
2	3BB	Directorate General of Reform and Automation	Automation and reforms of Pakistan Customs
3	3BBB	Directorate General of Risk Management	Management of the risks appropriately
4	3CC	Directorate General of Intellectual Property Rights Enforcement	Enforcement of intellectual property rights at the borders and ports of the country

Pakistan Customs Tariff

[Section 18E]

A new section has been inserted to empower the board to make changes in the Pakistan Customs Tariff, specified in the First Schedule, only for the purposes of statistical suffix of the Pakistan Customs Tariff (PCT) Code.

Provisional Determination of Liability

[Section 81 proviso 2]

To align with the first proviso of the section 81, the bill seeks to insert the words “Pay order” after the word “guarantee”.

Offences & Penalties

[Section 156(1)]

Smuggle Goods into or Out of Pakistan

The amendment proposed for the removal of punishment of whipping on individuals who smuggle goods into or out of Pakistan.

Breach of Section 128 or 129

The amendment proposed to introduce a punishment for the term not exceeding five years to the person liable for such punishment including the custodian and inland carrier.

Person Dealing in Smuggled or Deemed Smuggled Goods

The amendment proposed removal of punishment of whipping on the person who acquires possession of, or is in any way involved in carrying,

removing, depositing, harboring, keeping or concealing, or in any manner dealing in smuggled or deemed smuggled goods.

Arm Intimidation of Persons Engaged in Discharge of Duty

The amendment proposed removal of punishment of whipping on the person intimidates through arms to any person duly engaged in the discharge of any duty or the exercise of any power imposed or conferred on him by or under any of the provisions of this Act.

Attempt of Un-Authorized Access or Improper Use of Customs Computerized System

The bill has widened the scope of the punishment to treat an attempt of un-authorized access or improper use of Customs computerized system, as an offence.

Attempt to Interfere with the Customs Computerized System

The bill has widened the scope of the punishment to treat an attempt to Interferes with the Customs computerized System, as an offence.

Attempt of Unauthorized Use of Unique User Identifier

The bill has widened the scope of the punishment to treat an attempt of unauthorized use of unique user identifier by any person, as an offence.

Power of Adjudication*[Section 179(1)]*

The bill seeks to substitute sub-section 1, in order to separate adjudication from executive functions, expand its scope, and re-distribute their jurisdiction and powers, for efficient disposal of cases. The revised powers of adjudications are as under:

S.No.	Officer	Existing powers	Proposed powers
1	Collector	---	without limit
2	Additional Collector	without limit	Not exceeding three million rupees
3	Deputy Collector	Not exceeding eight hundred thousand rupees	Not exceeding one million rupees.
4	Assistant Collector	Not exceeding three hundred thousand rupees	Not exceeding five hundred thousand rupees.
5	Superintendent	---	Not exceeding fifty thousand rupees.
6	Principal Appraiser	---	Not exceeding fifty thousand rupees.

The bill seeks to amend section 179, sub-section (2) by substituting the word “officer” with the word “Collector” to empower the board to allow by an order, for transfer of adjudication cases to other officers as well.

Appeals to Collector (Appeals)*[Section 193(1)]*

The proposed amendment has revised the sub-section (1) which allows any person including customs officers below the rank of an Additional Collector to prefer an appeal to the collector (Appeals) against any decision or order passed u/s (30), (79), (80) and (179).

Appeals to the Appellate Tribunal

[Section 194-A]

The proposed amendment has substituted the sub-section (1) by allowing any person including customs officer to prefer an appeal to Appellate Tribunal against a decision or order passed u/s 179 by an Officer of Customs not below the rank of Additional Collector.

Procedure for Sale of Goods and Application of Sale Proceeds

[Section 201(1)]

A new sub-section (1A) has been inserted for the introduction of “E-auction”, as a new procedure for sale of goods.

Reward to Customs Officers and Officials

[Section 202B]

A new section has been inserted for sanction of cash rewards to Customs officers and officials for their meritorious conduct in cases of evasion of Customs duty and other taxes, and confiscation of goods, as prescribed by the rules, only after realization of part or whole of the duty and taxes involved in such cases.

Maintenance of Record

[Section 211(1)]

The proposed amendment has revised the sub-section (1), which requires that all importers, exporters and claimants of duty drawback, refunds or any notified concessions, terminal operators, owners of the warehouses, customs agents and the licensed customs bonded carriers, transport

operators and tracking companies to keep and maintain the records and correspondence concerning import, export and transit trade transactions.

Extension of Time Limit

[Section 224]

The bill seeks to substitute the words “extend the time limit laid down in any section” with “condone the delay and extend the time limit laid down in the Act or the rules made there-under”.

Notifications

Notifications issued as part of Budget 2012-13 are effective from 02nd June 2012

Concessionary Rates of Duty

[SRO 573(1)/2012]

Duty on following sub-components has been reduced to 0% from 10%.

Description of Goods	PCT Heading
Carbon for lead	2803.0090
Steel balls not exceeding 1mm diameter (steel balls)	7326.9020
Sharpener blades	8214.1000
Synthetic fiber reservoirs of the kind used in writing instruments (ink reservoirs)	9608.6000
Nibs made of special metal for use in manufacture of writing instruments (fountain pen nibs)	9608.9100
Nibs points(for fiber tip pens and markers)	9608.9100
Tips for fineliners	9608.9100
Raw cores used for making black lead	9609.2010
Color lead	9609.9000

Duty on following raw materials has been reduced to 0% from 5%.

<i>Description</i>	<i>PCT Heading</i>
Potato starch	1108.1300
Acid dyes whether or not premetal lised,and preparations based thereon;mordant dyes and preparations based thereon (acid dyes / dyestuff)), non textile grade	3204.1200
Pigments and preparations based thereon (pigments), non-textile grade	3204.1700
Stamping foil	3212.1000
Inks for ball points pens, fine liners and fibre tips	3215.9010
Edenol	3824.9099
Hardners	3824.9099
Acrylic polymer (fast drying)	3906.9090
Alkyd resins (fast drying)	3907.5000
Amino-resins (fast drying)	3909.3000
Cellulose nitrate	3912.2010
Carboxyl-methyl cellulose and its salts (carboxy methyl cellulose)	3912.3100
Porous fibre rods for making marker nibs	3916.9000
Heat transfer film	4908.9000
Electro galvanized wire	7217.2000
Spring wire	7217.9000
Brass alloy wire	7408.2100
Wood sandwich blocks with lead encased	9609.9000

The rate of duty on HRC of a thickness of not less than 10mm used in welded steel pipes manufacturing would be 5%.

Concessionary Duty Removed

Concessionary duty on following components, sub-components has been removed:

S. No	PCT Heading	Description of goods to be manufactured	Description of raw material etc.	Rate of concessionary duty (removed)
6		Car Air-conditioners		
	8421.3910		Filter Drier	10%
	8501.1000		Motor	10%
	8533.2100		Resistor	10%
	8533.3100		Thermister	10%
	8536.4100		Relay	10%
83		Microwave Oven	Main mounted circuit	
	8516.9000		board	10%
	8516.9000		Cover top	10%
	8516.9000		Door assembly	10%
			Display with	
	8516.9000		mounted circuit	10%
			board	
			High voltage block	
	8516.9000		assembly	10%
	8516.9000		Accessories	10%
			Main chassis and	
	8516.9000		frame with motor	10%
	8540.7100		Magnetron	10%
	9106.9000		Mechanical Timer	10%
		Car Cassette/Compact Disc Player		
	8529.9010		Remote control	10%

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	8529.9010	Hi Fi System	Remote control	10%
		Stereo Cassette/Stereo Car Cassette Player		
	8522.9000		Braket	10%
	8522.9000		Rear cover assy	10%
	8522.9000		Remote control	10%
			Main frame or	
	8522.9000		chassis with top	10%
			cover	
	8522.9000		Nobs and buttons	10%
			Front panel assy	
	8522.9000		with mounted circuit	10%
			board	
	8522.9000		Mechanism assy	
			with motor and head	10%
		Radio Cassette Player		
	8529.9010		Remote control	10%
		Pocket Size Cassette Player		
	8522.9000		Accessories	10%
	8522.9000		Braket	10%
	8522.9000		Rear cover assy	10%
	8522.9000		Main frame or	10%
			chassis with top	
			cover	
	8522.9000		Nobs and buttons	10%
			Front panel assy	
	8522.9000		with mounted circuit	10%
			board	
			Mechanism assy	
	8522.9000		with motor and head	10%

BUDGET DIGEST

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	8522.9000	DVD / VCD Player	MPEG card	10%
	8522.9000		Metal case	10%
	8522.9000		Loader	10%
	8522.9000		Panel with PCB &	10%
			Card	
	8522.9000		Power board	10%
	8522.9000		Remote control	10%
	7318.1400	Plasma Display Panel (PDP) / Liquid Crystal Display (LCD) Panel / Light Emitting Diode (LED) Panel	Screw sets	5%
84	8507.2010	Mobile phones, payphones, WLL phones, CDMA phones, GSM phones	Sealed lead acid batteries	5%
	8507.2010		Sealed lead acid batteries	0%
85	4702.0000	Viscose staple fiber	Wood Pulp	0%
98	7225.1900	Fans	Non Grain Oriented Electrical Steel Sheet	0%
133	2917.1400	Fortified Rosin	Maleic Anhydride	5%

SRO 574(1)/2012

Concessionary rate of duty at the rate of 10 per cent will be applicable on import of shredded tyre scrap [PCT 4004.0020] if imported by cement manufacturers.

Concessionary rate of duty of 0% on import of Aircraft engines, aero planes and other aircrafts is available to commercial airlines registered in Pakistan.

Duty of 30% is available on import of ambulances with certain specific features.

Import of following items by printing industry will be subject to concessionary rate of custom duty;

Description of Items	PCT Heading	Concessionary rate of Custom Duty
Black Ink	3215.1190	10%
Colour Ink	3215.1990	10%
CTP Plates	3701.3020	5%
Fully sensitized cheque paper weighing 40 g/m ² or more but not more than 150 g/m ²	4802.5700	10%
Red bleed through ribbons for dot matrix printers	9612.1010	10%
Anti-forgery security printing ink	3215.1990	10%

Concessionary rate of duty at the rate of 5% will be applicable on the 87 pharmaceuticals ingredients, if imported for in-house use in the manufacturing.

Concessionary rate of duty of 5% will be charged on the import Paper core for surgical tape (pharmaceutical grade) for in-house use in pharmaceutical manufacturing.

Custom duty in respect of following has been reduced;

PCT Code	Description	New Rate of Duty	Old Rate of Duty
4816.2000	Self copy paper	15%	20%
4811.4100	Self adhesive paper	10%	25%
3706.1000	Cinematographic film - width of 35mm or more	Rs 5 per meter	Rs 5 per meter plus 5% ad. val
3706.9000	Cinematographic film - others	Rs 5 per meter	Rs 5 per meter plus 5% ad. val

Additional Custom Duty on Import of Motor Vehicle Components
[SRO 576(I)/2012]

The description of following has been changed

HS Code	Old Heading	New Heading
8708.7010	Road wheels (complete), rims (excluding casted), disc,caps, ornaments and weights for vehicles of sub-headings 8701.9020, 8702.1090, 8702.9090, 8704.2219, 8704.2299 and 8704.2390	Road wheels (excluding casted), rims, Discs, caps, ornaments and weights for vehicles of sub-headings 8701.9020, 8702.1090, 8702.9090, 8704.2219, 8704.2299 and 8704.2390
8708.7020	Road wheels (complete), rims (excluding casted), disc,caps, ornaments and weights for vehicles of sub-headings 8701.9020, 8702.1090, 8702.9090, 8704.2219, 8704.2299 and 8704.2390 (6x2 vehciles only)	Road wheels (excluding casted), rims, Discs, caps, ornaments and weights for vehicles of sub-headings 8701.9020, 8702.1090, 8702.9090, 8704.2219, 8704.2299 and 8704.2390 (6x2 vehicles only)

Changes in concessionary Notifications issued with respect to Free/Preferential Trade Agreements

Due to revision in HS Codes, the corresponding changes has been made in following notification without any changes in duty allowed under the respective FTA/PTA;

Amending SRO	Original SRO	Description of FTA/PTA
583(I)/2012	1261(I)/2007	Pakistan -Malaysia Free Trade Agreement
584(I)/2012	1296(I)/2005	Pakistan -China Free Trade Agreement
585(I)/2012	558(I)/2004	ECO Protocol relating to Preferential Tariffs among members of ECO; and SAARC Rules of Origin
586(I)/2012	570(I)/2005	Pakistan - Srilanka Free Trade Agreement
587(I)/2012	894(I)/2006	Pakistan - Iran Preferential Trade Agreement
588(I)/2012	1274(I)/2006	Agreement on 'South Asian Free Trade Area

Regulatory Duty on Imports

[SRO 577(1)/2012]

One new entry (PCT code 2403.1900) has been subjected to regulatory duty of 15% ad valorem.

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