



TAX DIGEST 2015-16

*A reference guide to changes in tax laws enacted through
Finance Act 2015*

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This digest summarizes the important changes in Income Tax, Sales Tax, Federal Excise Duty and Customs etc. approved through Finance Act, 2015 and has been prepared for the guidance and information of our clients and staff only.

These changes were proposed through Finance Bill, 2015 on June 3, 2015 in National Assembly. During debate sessions of National Assembly and Senate various other changes were also proposed by the Finance Minister.

The Act, as assented by the President of Pakistan, represents the amended position of the respective laws as is applicable from July 1, 2015.

This document also summarizes provision with respect to the taxation of salary taxation including average rate of tax on salary and provisions of withholding tax.

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

The digest can be accessed & downloaded from www.jasb-associates.com

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VOTE OF THANKS

We would like to sincerely thank the team JASB for putting in round the clock efforts to make this Tax Digest 2015-16 possible in such a short time. We hope and believe that this document would assist our clients and team members in better understanding and evaluation of the changes made in Tax Laws. As part of our strategy for continuous improvement, we would appreciate feedback on the document.

TABLE OF CONTENTS

1. Budget at a Glance	4
2. Salient Features	9
3. Income Tax	12
4. Sales Tax	47
5. Federal Excise	63
6. Customs	68
7. Islamabad Capital Territory (Sales Tax on Services)	85
8. Salary Taxation	88
9. Tax Deduction at Source	94

1. BUDGET AT A GLANCE

Federal Government presented its budget for the financial year 2015-16 on June 5, 2015. Following Table summarizes Budgeted Receipts and Expenditures:

SOURCES OF FUNDS

	2015-16	Revised 2014-15	Change %
	Rupees in Billion		
Net Revenue Receipts	2,463.35	2,377.76	3.5
Net Capital Receipts	606.30	602.95	0.5
Provincial Surplus	297.17	141.56	110
External Receipts	801.51	710.46	13
Bank Borrowings	282.94	402.37	(30)
Total	4451.25	4,235.10	5

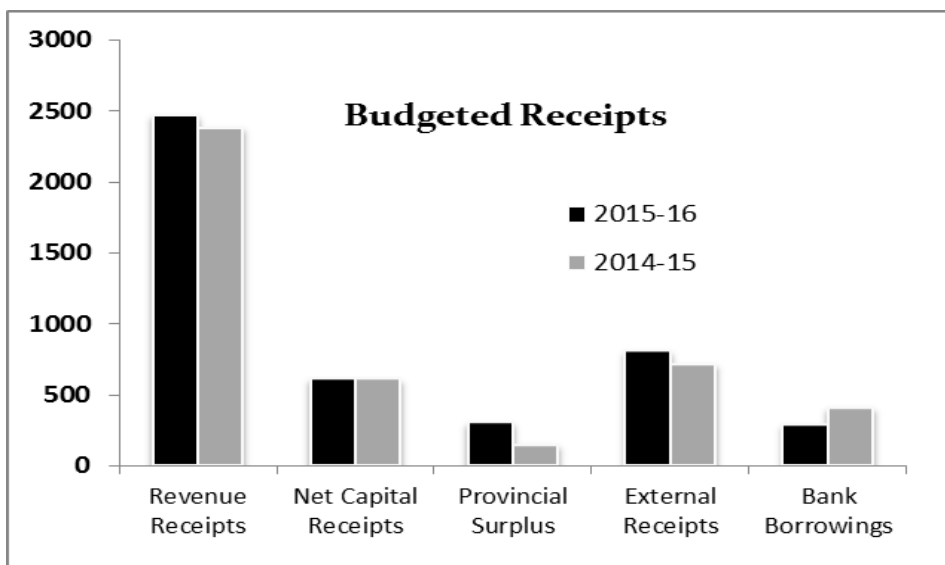
APPLICATION OF FUNDS

Repayment of Long Term Foreign Debt	316.37	295.59	7
Interest Payment	1,279.89	1270.04	1
Pension	231	219.58	5
Grants	409.87	418.66	(2)
Subsidies	137.60	243.25	(43)
Running of Civil Government	326.33	313.29	4
Provision for Pay and Pension Reforms	0	0	-
Defense Affairs and Services	781.16	720.02	8
Development Expenditure	969.03	754.32	28
Total	4451.25	4,235.10	5

Total Federal Expenditure is estimated to be Rs. 4,451 Billion against Net Revenue Receipts of Rs. 2,463 Billion creating a fiscal deficit of Rs. 1,988 Billion.

Fiscal Deficit is planned to be financed by Net Capital receipts of Rs. 606 billion, Net External Receipts of Rs. 802 billion, Provincial Surplus of Rs. 297 billion and Bank Borrowings of Rs. 283 billion.

SOURCES OF FUNDS



- ***Net Revenue Receipts***

Although Gross Revenue Receipts (FBR Taxes + Other Taxes + Non-Tax Revenue) are estimated to be increased by 9.1%, however Provincial Share in Gross Revenue also to be increased by about 17% resulting in a net increase of 3.5% in Net Revenue Receipts (Gross Revenue Receipts – Provincial Share) from Revised Estimates of 2014-15.

- ***Net Capital Receipts***

Net Capital Receipts are made up of Recoveries of Loans and Advance from Provinces and Others, Public Debt Net and Public Account.

Net Capital Receipts are budgeted to be increased by only 0.55% from Revised Estimates of 2014-15 to Rs. 606 Billion during 2015-16.

- ***Provincial Surplus***

Provincial Surplus is projected to be increased by 1.1 times from Revised Estimates of 2014-15 to Rs 297.17 Billion during 2015-16.

- ***External Receipts***

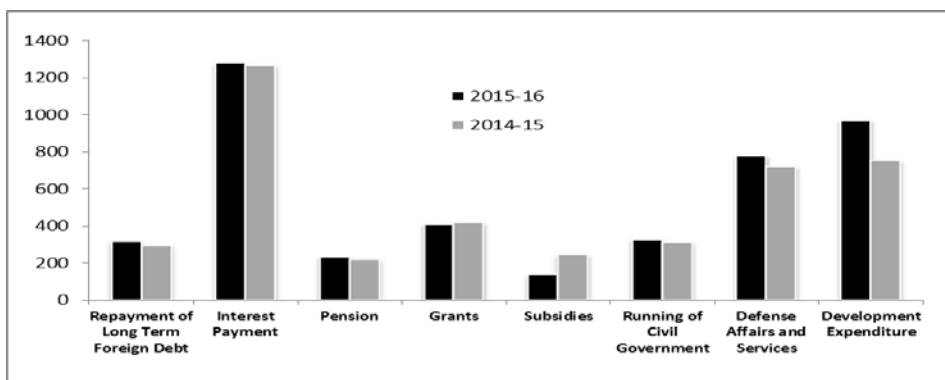
External Receipts are the Loans and Grants obtained by the Government to bridge the gap between receipts and expenditure plus Privatization Receipts. External receipts are made up of Project Loans, Program Loans, Other Aid, External Grants and Privatization Receipts.

External Receipts are estimated to be Rs. 801.51 Billion with an increase of about 13% over the Revised Estimates of 2014-15.

- ***Bank Borrowings***

Bank Borrowings are estimated to decrease by 30% to Rs. 282.94 Billion from Revised Estimates of 2014-15.

APPLICATION OF FUNDS



Development Expenditure (PSDP) is budgeted to be increased by a hefty 28% over the Revised Estimate of 2014-15 to Rs. 969 Billion.

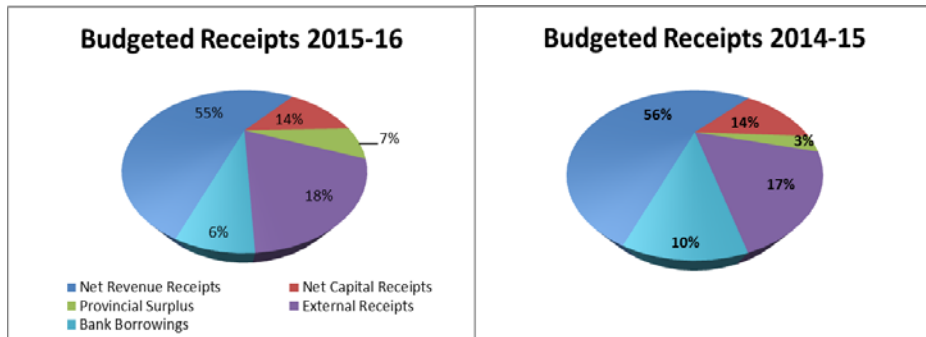
Other major estimated increases are in Defense Affairs and Services of 8% and Repayment of Long Term Foreign Debt of 7%.

There is a major estimated decrease of 43% in Subsidies from Revised Estimate of 2014-15.

COMPOSITION OF REVENUE AND EXPENDITURE

- *Revenue*

Composition of Total Net Receipts after the share of provinces from Gross Revenue is transferred shows that Net Revenue Receipts make up 55%(down by 1% from revised budget of 2014-15) of the Total Net Receipts, External Receipts make up 18% (up by 1% from revised budget of 2014-15) and Capital Receipts make up 14% (no change from revised budget of 2014-15).

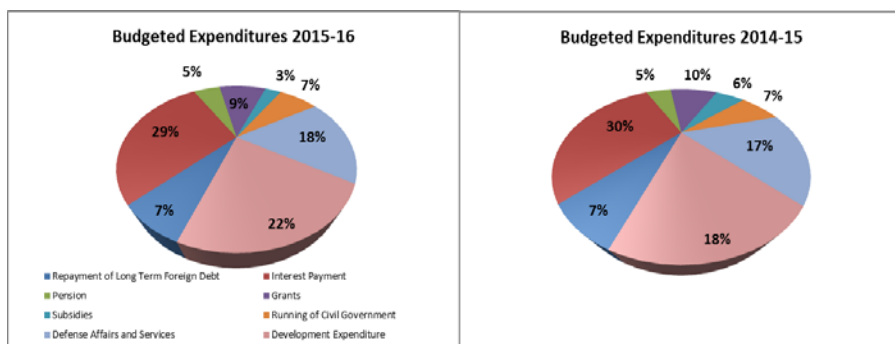


Estimated Indirect taxes in the form of Sales Tax, Customs Duty and Federal Excise Duty amounting to Rs. 1,755 billion constitute 41% of the Gross Revenue Receipts (i.e. before transferring the share of provinces) amounting to Rs. 4,313 billion whereas Direct Taxes on income amounting to Rs. 1,348 billion make up 31%.

- *Expenditure*

Interest payments on Local and Foreign loans amounting to Rs. 1,280 billion make up 29% (down by 1% from revised budget of 2014-15) of the total expenditure.

Other major components of total expenditure include Development Expenditure (PSDP) 22% (up by 4% from revised budget of 2014-15), Defense Affairs and Services 18% (down by 1% from revised budget of 2014-15), Grants 9% (down by 1% from revised budget of 2014-15), Repayment of Foreign Loans 7% (no change from revised budget of 2014-15) and Running of Civil Government 7% (No change from revised budget of 2014-15).



2. SALIENT FEATURES

INCOME TAX

- Corporate tax rate has been revised 32% for Tax Year 2016, 31% for tax year 2017 and 30% for tax year 2018 onward.
- Tax credit of 15% has been enhanced to 20% for companies opt for enlistment in any registered stock exchange in Pakistan.
- Paid up Capital limit of Rs.25 million for qualifying as a Small Company has been enhanced to Rs. 50 million.
- Tax on salaried taxpayers earning taxable income from Rs. 400,000 to Rs. 500,000 has been reduced to 2% from 5%.
- Corporate tax rate on professional firms has been reduced to 32%.
- Tax on non-salaried taxpayers and association of persons (AOP) earning taxable income from Rs. 400,000 to Rs. 500,000 has been reduced to 7% from 10%.
- For non-filer, an adjustable advance income tax @ 0.6% on all banking transaction has been charged if transaction amount in a day exceed Rs 50,000.
- 35% tax on income deriving from all sources by banking companies has been made.
- Tax on dividend income has been proposed as 12.5% for filer and 17.5% for non-filer.
- Computerized National Identity Card (CNIC) shall be treated as National Tax Number (NTN) for the Tax Year 2015 and onward.
- A one-time super tax for the year 2015 has been charged @ 4% on income of banking companies and 3% on all other taxpayers having income of Rs. 500 million or above
- The due date of payment of tax demand has been enhanced from 15 days to 30 days.
- For the purpose of tax credit, the limit of investment in listed companies and premium on life insurance has been enhanced from Rs. 1 million to Rs.1.5 million.
- Threshold of deduction of withholding tax on domestic electricity consumption is reduced from Rs.100,000 to Rs.75,000.

- Tax @ 10% has been levied on undistributed reserves in excess of 100% of paid up capital of every public company except scheduled banks, modaraba, power generation companies exempt under clause 132 of Part 1 of 2nd Schedule and companies making distribution equal to 40% of after tax profit or 50% of paid up capital with six months of the tax year.
- The gross amount of profit on debt earned by taxpayer except companies shall be taxed at progressive slab rates of 10%, 12.5% and 15%.
- Cash withdrawals by exchange companies would be subject to withholding tax at a reduced rate of 0.15%
- Exemption from withholding tax on payments to electronic and print media in respect of the advertising services may be withdrawn.
- Withholding tax rate on commission of advertising agencies has been increased from 7.5% to 10%.

SALES TAX

- A concept of “active taxpayer” has been introduced.
- The scope of definition of “supply” has been enhanced by including transfer or delivery of goods manufactured by the toll manufacturers to the owner.
- Exemption of sales tax on aviation sector falling under tariff heading 8802.2000 has been granted.
- Rationalization of sales tax on steel sector melters, re-rollers and ship breakers.
- The rate of further tax for supplies to unregistered persons is being enhanced to 2%.
- Rate of sales tax on mobile phones has been proposed to be doubled.
- Restricting zero-rating on dairy products to milk only baby formula.
- Exemption of sales tax on local supply of raw hides and skins to be granted as under the existing provisions of law.
- Sales Tax Rules regarding temporary registration are being introduced to facilitate the importers-cum-manufacturers.
- The electronic monitoring system is introduced to monitor the production of specified sectors i.e. cigarettes, beverages, cement, fertilizer and sugar; and also to monitor the sales of restaurants etc.

- The limit of annual utility bills for cottage industry is being enhanced from 700,000 to 800,000 rupees for the promotion of cottage industry.
- Sales tax exemption on appliances for colostomy, colostomy / urosotomy bags and tubular daylight devices is being granted.
- Input tax paid on pre-fabricated buildings has been proposed to be adjusted.
- The provisions of temporary registration being inserted in the Sales Tax Rules, 2006, whereby a manufacturer shall be able to import machinery etc. without having to wait for completion of procedural formalities.
- The refund on monthly basis to be allowed to persons making reduced rate supplies under SRO 1125(I)/2011 dated 31.12.2011.
- Sales tax at 5% to continue for oil seeds meant for sowing.
- Reduced rate of 5% to apply on ingredients of poultry & cattle feed.
- Reduced rate of 5% to apply on waste paper locally supplied.
- Reduced rate of 7% to apply on pesticides and active ingredients.

FEDERAL EXCISE DUTY

- Rate of FED on aerated waters has been increased from 9% to 10.5%.
- Rate of FED on locally manufactured cigarettes enhanced.
- Rate of FED on filter rods of cigarettes at the rate of Rs. 0.75 per filter rod.
- Powers of the Board granting exemption from the levy of FED are proposed to be withdrawn.
- Federal Government is now only empowered to exempt goods or services from the levy of FED subject to the approval of Economic Coordination Committee.

CUSTOMS

- Maximum general tariff rate of customs duty is reduced from 25% to 20%.
- It is amended to increase customs duty to 2% from 1% under various tariff headings of the First Schedule.
- Customs duty on agricultural machinery has been reduced to 2%.

3. INCOME TAX

Consumer Goods & Fast Moving Consumer Goods

[Section 2(13AA), 2(22A) & Division IX (Part 1, First Schedule)]

Definitions of "consumer goods" and "fast moving consumer goods" have been added. Consumer goods mean "goods that are consumed by the end consumer rather than used in the production of another good" while Fast moving consumer goods have been proposed to mean "consumer goods which are supplied in retail marketing as per daily demand of a consumer".

The Consumer Goods would be charged at the normal rate of 1% of turnover instead of currently charged 0.2%.

The purpose of these amendments appears to create distinction between consumer goods and fast moving consumer goods. While the distributors of consumer goods are charged subject to minimum tax at the normal rate of 1%, the distributors of fast moving consumer goods would remain subject to minimum tax at the lower rate of 0.2% of the turnover, as the margins in the distribution of fast moving consumer market sector are perceived to be lower.

Real Estate Investment Trust

[Section 2(47A), 2(47B), 2(47C), Division III (Part I, First Schedule), Division VII (Part I, First Schedule) & Clause 99A (Part I, Second Schedule)]

The definitions of "Real Estate Investment Trust (REIT) Scheme", "Real Estate Investment Trust Management Company (RMC)" has been changed to bring in line with the Real Estate Investment Trust Regulations, 2015.

The Finance Act 2015 added the definitions of "Development REIT Scheme" and "Rental REIT Scheme" as defined in the Real Estate Investment Trust Regulations, 2015.

Profits and gains accruing to a person on the sale of immovable property to a REIT Scheme were previously exempt from tax up to 30th June, 2015. Now the amendment has been made to provide exemption from tax to profits and gains on the sale of immovable property to a "Development REIT Scheme" with the object of development and construction of residential buildings up to 30th June 2020.

An amendment has been made that the dividend received by a company from a REIT Scheme shall be taxed at the rate of 25%. Further, the dividend received by a person from a Development REIT Scheme with the object of development and construction of residential building shall be reduced by fifty percent for three years from 30th June, 2015 if the Development REIT Scheme is established by 30th June 2018.

In addition to above, in line with Mutual Funds and Collective Investment Schemes, REIT Schemes should also collect Capital Gains Tax at the proposed rates.

The purpose of these amendments appears to accelerate the development and construction of residential buildings in order to solve the shortage of housing units in country on the one hand and to provide support to construction and building material related industries. However, we are of the view that a lot needs to be done for resolving the shortage of housing units and the acceptance & prevalence of the concept of investment in REITs instead of direct investment in the real estate by the general public.

Pakistan Mercantile Exchange Limited (PMEX)

[Section 2(42A), Section 236T & Division XXII (Part IV, First Schedule)]

An amendment is made to tax the sale and purchase of future commodity contracts executed on the Pakistan Mercantile Exchange Limited (PMEX). PMEX would deduct withholding tax at the rate of 0.5% from its members on the sale and purchase of future commodity contracts.

The tax so deducted would be adjustable tax for the members.

Small Company***[Section 2(59A)]***

Small companies registered after 1st July 2005 and fulfilling various conditions are currently taxed at a lower rate of 25%. One of the conditions, that the paid up capital plus undistributed reserves should not be exceeding twenty five million rupees, has been relaxed to fifty million rupees.

Reward for Whistleblower***[Section 2(75) & Section 227B]***

Although the law provided for reward to officers of Inland Revenue, a new concept is inserted whereby whistleblowers may be given rewards by the Board for providing credible information leading to detection of tax in cases of concealment or evasion of income tax, fraud, corruption or misconduct.

Although the procedure is proposed to be prescribed by the Board, the Finance Act defines the whistleblower as a person who reports concealment or evasion of income tax leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or an income tax authority committing fraud, corruption, misconduct or involved in concealment or evasion of taxes.

It has also been added that the claim for reward would be rejected if the information provided is of no value, or is already possessed by the Board, is available in public records, or collection of tax is not made from the information provided. This is a step in the right direction; the Government would have to demonstrate its commitment and resolve to make this initiative successful.

Super Tax for Rehabilitation of Temporarily Displaced Persons***[Section 2(28a), Section 4b, Rule 6d (Fourth Schedule), Rule 4aa (Part I, Fifth Schedule), Rule 2a (Part Ii, Fifth Schedule), Rule 7c (Seventh Schedule), Sub-Rule 8 (Rule 1, Eighth Schedule)]***

A one-time super tax for tax year 2015 has been levied @4% on Banking Companies and @3% on all other taxpayers having income of equal or more than Rs 500 Million. Super tax is levied for the rehabilitation of temporary displaced persons.

The income on which the super tax is to be levied include taxable income excluding exempt income, profit on debt, dividend, capital gains, brokerage, commission, imputed income, income of insurance companies, income of E&P companies of Petroleum and minerals and banking companies.

The definition of imputable income is inserted as income in relation to an amount subject to final tax means the income which would have resulted in the same tax, had this amount not been subject to final tax. Through Finance Act, 2015; income from dividend, profit on debt, capital gains, commission and brokerage shall not be considered again while arriving at imputed income under Final Tax Regime.

It is envisaged that the super tax in its current form would create certain complications like double counting of income from profit on debt, dividends and commission (once as these are mentioned specifically and again as imputed income) and retrospective application for companies having special tax years where financial statements already been finalized.

Tax on Undistributed Reserves

[Section 5A]

Undistributed reserves of public companies other than;

- Modarabas; or
- Schedule bank; or
- Company in which not less than fifty percent shares are held by the Government); or
- Power generation companies whose income is exempt under Clause 132 of Part I of the Second Schedule to the Ordinance; or
- Companies making distribution equal to 40% of after tax profit or 50% of Paid-up capital whichever is less within 6 months of the tax year end

shall be taxed @ 10% with effect from tax year 2015, if the company earns profits but does not distribute cash dividend or if it distributes cash dividend but the undistributed reserves are more than hundred percent of paid up capital.

The tax would be charged on the undistributed reserves that are in excess of 100% of paid up capital. Reserve includes amounts set-aside out of revenue or other surpluses excluding capital reserves, share premium reserves and reserves required to be created under law, rules or regulations.

This would result in double taxation as the undistributed reserves accumulate from profits after tax.

In addition, there could be practical difficulties to pay cash dividends due to cash flow constraints and expansions.

Taxation of Resident Shipping Company

[Section 7A, Clause 21 (Part II, Second Schedule)]

Although effectively there is no change in the taxation of a resident shipping company, the provision has been transferred from Part II of Second Schedule (Exemptions & Tax Concessions - Reduction in Tax Liability) to Chapter II - Charge of Tax.

Tax on Profit on Debt

[Section 7B, Section 151(3), Division IIIA (Part I, First Schedule), Division IA (Part III, First Schedule)]

A new section has been inserted for charging of tax on profit on debt and the tax rate is progressively increased.

Currently the profit on debt is taxed at 10% which has been changed and it to be taxed on the following slab rates;

Profit on Debt	Rate of tax
Up to Rs 25,000,000	10%
Rs 25,000,001 to Rs 50,000,000	2,500,000 + 12.5% of the amount exceeding Rs 25,000,000.
Rs 50,000,001 and above	Rs 5,625,000 + 15% of the amount exceeding Rs 50,000,000.

The withholding tax on profit on debt for filers has remained the same i.e. 10% while for non-filers the rate has been increased from 15% to 17.5%.

The above section shall not apply to companies which will continue to be taxed at applicable corporate rate.

Income from Property

[Section-15A]

Currently expenditure incurred on collecting rent is allowed as a deduction from income from property.

Amendment has been made for allowing of any expenditure incurred wholly and exclusively for the purpose of deriving rent including administration and collection charges submit to the limit of 6% of the rent chargeable to tax.

Restrictions on Powers of Federal Government to Issue SROs for Tax Exemptions and Concessions

[Section 53 (2) & (4), 148(2), 159 (3), (4) & (5)]

Discretionary powers of the Federal Government and FBR for granting concessions and exemptions has been eliminated.

Now, concession and exemption can only be undertaken in special cases by a decision of the Economic Coordination Committee of the Federal Cabinet.

It is further added that such concessions would be given for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situation arising out of abnormal fluctuation in international commodity process, removal of anomalies in taxes, development of backward areas and implementation of bilateral and multilateral agreement.

Any notification issued after promulgation of Finance Act, 2015 shall stand rescinded on expiry of the financial year in which it is issued except where it has been rescinded earlier.

This is a step in the right direction and was desired since many years to eliminate the so called SRO culture. However, the Government's restraint is to be seen in using the special cases where ECC can provide concessions and exemptions.

Tax Credit for Investment in Shares and Insurance

[Section 62 (2c)]

Amendment has been made to increase the limit of investment in shares and insurance for the purposes of tax credit from Rs. 1 million to Rs. 1.5 million.

Deductible Allowance for Profit on Debt

[Section 64, Section 64A]

Currently a tax credit is allowed to individuals in respect of profit on debt paid on a loan by a scheduled bank or NBFI for the purpose of construction of a new house or acquisition of a house.

An amendment has been made to substitute the tax credit with a deductible allowance to the individual taxpayers. The monetary limit of Rs. 750,000 has been increased to Rs. 1,000,000 while the other limit of fifty percent of taxable income has been kept the same.

Allowance or part thereof that is not deductible for the year shall not be carried forward to a subsequent tax year.

Due to the nature of deductible allowance as compared to tax credit, individual taxpayers will get benefit through applicability of lower tax slab rates. The new section has been inadvertently placed in Part X - Tax Credits instead of Part IX - Deductible Allowances of Chapter III of the Ordinance.

Tax Credit for Employment Generation by Manufacturer

[Section 64B]

A new tax credit is introduced for a period of ten years to a company setting up a new manufacturing unit between 1 July 2015 to 30 June 2018 and generating employment. The tax credit will be available at the rate of 1% for every 50 employees registered with EOBI and Employee Social Security Institution of the provincial government during a tax year. The tax credit is subject to the following conditions:

- A new company is incorporated in Pakistan and manufacturing unit is setup between 1 July 2015 and 30 June 2018;
- The company employs more than 50 employees in a tax year and gets them registered with EOBI and Employee Social Security Institution of the provincial government;
- The manufacturing unit is not established by the splitting up or reconstruction of an undertaking already in existence or by transfer of machinery or plant from an existing undertaking;

Miscellaneous Tax Credits

[Section 65]

Clarity regarding applicability of the following tax credits has been provided;

- Tax Credit for Investment (Section 65B)
- Tax Credit for newly established industrial undertaking (Section 65D)

- Tax Credit for industrial undertakings established before 1 July 2011 (Section 65E)

It clarifies that the restriction of non-allowance of tax credit under section 169 that treats the tax withheld under various provisions of the Ordinance as a final tax will not be applicable.

The Finance Act clarifies that the condition for charge of minimum tax due to applicability of tax credits [under Section 113(1) (d)] shall not apply; in case of tax credits for industrial investment availed under the above referred sections. Accordingly, such taxpayer will not be liable to pay minimum tax under section 113 of the Ordinance.

Tax Credit for Enlistment

[Section 65C]

Currently, a company is allowed a tax credit equal to 15% of the tax payable for the tax year in which the company is enlisted on a registered stock exchange in Pakistan. The tax credit has been increased from 15% to 20% of the tax payable.

Tax for Industrial Undertakings

[Section 65E(5)]

Currently, tax credit is allowed to industrial undertakings established before 1st July, 2011 fulfilling certain conditions, against the tax payable of the tax year in which the plant or machinery is installed and for the subsequent 4 years. The Finance Act allowed tax credit for a period of 5 years beginning from the date of setting up or commencement of commercial production from the new plant or expansion project whichever is later.

Tax on Dividend

[Section 94 (2), Division III (Part I, First Schedule)]

The rate of tax on dividend has been increased from the existing 10% to 12.5% on receipts other than from power generation companies.

In case of dividend received from Mutual Fund, the tax shall be applicable at the rate of 10%. An amendment has been made to partially rationalize the conflict between Section 5 - Tax on Dividend and Section 94 - Principles of taxation of companies. The withholding tax on payment of dividend to filers has been increased to 12.5% from 10%.

Collection and Exchange of Information

[Section 107, 165B, 176 (1)(a)]

In recent years, there has been a global initiative towards information sharing and exchange for the purposes of combating tax evasion and avoidance.

This trend started with the Foreign Account Tax Compliance Act (FATCA) by the United States of America. FATCA required disclosure of information by foreign financial institutions (FFIs) and other financial intermediaries for preventing tax evasion by US citizens and residents through offshore accounts.

In line with the international trend, the Federal Government is allowed to enter into agreements for the exchange of information including automatic exchange of information.

The Board is empowered to obtain and collect information when solicited by another country under such agreements. Board is also empowered whereby every financial institution would be required to provide information to the Board in respect of non-resident persons. The information received under both the proposed amendments may be used only for tax and related purposes and is required to be kept confidential.

The Commissioner is empowered to require any person to furnish any information required by any foreign government under any agreement.

It is hoped that all such agreements are entered into on a reciprocal basis and that such information is also obtainable for Pakistani citizens and residents having assets outside Pakistan.

Minimum Tax on Builders (deferred until 2018)***[Section 113A]***

Currently, builders were required to pay minimum tax on income from business of construction, sale of residential, commercial or other buildings at the rates to be notified by the Federal Government, which were not yet notified.

The Finance Act defers application of this section till 30 June 2018.

Minimum Tax on Land Developers***[Section 113B]***

Currently, land developers were required to pay minimum tax on income from business of development and sale of residential, commercial or other plots, at the rates to be notified by the Federal Government, which were not yet notified. An amendment has been made to charge tax at the rate of two percent of the value of land notified by any authority for the purpose of stamp duty.

Alternative Corporate Tax (ACT)***[Section 113 C]***

The Finance Act has redefined the term “Corporate Tax” as higher of tax payable by the Company or income liable to corporate tax rate and minimum tax payable under any of the provisions of the Ordinance.

The ACT has been extended to companies setting up industrial undertakings which are subject to reduced corporate tax rate of 20% under clause 18A of Part II of 2nd Schedule.

Further a tax credit has been allowed under ses which are subject to reduced corporate tax rate of 20% under clause 18A of Part II of 2nd Schedule. Further a tax credit has been allowed under section 64B for employment generation available to newly setup manufacturing units.

Revision of Return of Income***[Section 114 (6)]***

A taxpayer is allowed to revise the return of income on discovery of any omission or wrong statement subject to certain conditions. The Finance Act, 2013 introduced a new condition that a return can only be revised if it is accompanied by approval of the Commissioner in writing.

Further, the Finance Act allowed a period of 60 days to the Commissioner to decide the application, falling which the application shall be deemed to have been accepted. The Finance Act also provides that the mode and manner for seeking revision shall be as prescribed by the Board.

This created hardship to the taxpayers as getting approval from the Commissioner required considerable time and effort. The Commissioner's approval shall not be required if the revised return is filed within sixty days of the filing of the return.

Method of Furnishing Return***[Section 118]***

Tax payers having salary income of Rs 500,000 or more are required to file return of income and wealth statement electronically. The Finance Act now provides that the Board may amend the above conditions or direct that the said conditions shall not apply for a tax year.

Extension of Stay by Commissioner (Appeals)***[Section 128 (1AA)]***

The Commissioner (Appeals) is allowed to grant stay form of recoveries for a further period of thirty days subject to the condition that the appeal is decided within the extended period.

Now in aggregate Commissioner Appeals can grant stay of sixty days.

Due Date for Payment of Tax*[Section 137]*

The due dates for payments of tax under assessment order/amended assessment order has been increased from fifteen to thirty days. An amendment has been made to rationalize the days in case of provisional assessment order from sixty to forty-five days to bring it in line with section 122C.

Advance Tax*[Section 147 4(A)]*

A change has been made that a company or an AOP which is currently required to estimate tax payable in the fourth quarter should not estimate the tax payable at any time before the second installment is due. This amendment is likely to cause hardship for the taxpayer as due to inherent uncertainty in the country, it would be quite difficult to estimate income and tax even before completion of half year. Incorrect estimates might attract default surcharge.

Tax on Local Purchases of Cooking Oil or Vegetable Ghee*[148A, 169(1)(a)]*

A new section is inserted whereby the manufacturers of cooking oil or vegetable ghee shall be chargeable to tax at the rate of 2% on purchase of locally produced edible oil. This tax would be final tax in respect of income accruing from locally produced edible oil.

PE of Non-Residents Allowed For Exemption/Reduction in Withholding Tax*[Section 152(4A)]*

A change has been made to rationalize an anomaly created through Finance Act, 2012 whereby the provision related to withholding tax from Permanent Establishment (PE) of a non-resident was moved to section 152(2A) wherein it

was not entitled to seek exemption or reduction from withholding tax on its own. PE of a non-resident is allowed to seek exemption / reduction in withholding tax rate by making an application to the Commissioner.

Withholding Tax on Services Rendered by Companies

[Section 153(3)(b), Clause 79 (Part IV, Second Schedule)]

An amendment has been made to treat the withholding tax on services rendered by companies as minimum tax instead of adjustable.

Exemption from withholding tax on services available to electronic and print media in respect of advertising services has been withdrawn and following rate of withholding tax has been defined for electronic and print media services;

- Filer 1%
- Non Filer-Company 12%
- Non Filer-Other 15%

Irrevocable Option to Opt Out of Final Taxation for Exports

[Section 154(5)]

Currently the tax deductible on proceeds of an exporter or an indenting commission agent and payments by a direct exporter to an indirect exporter is considered final tax on such transactions. The Bill proposes to provide an irrevocable option for each year effective from Tax Year 2015 to opt out of normal taxation. The tax deducted under section 154 shall be treated as minimum tax in case exporter opts out to be taxed under normal taxation.

Time of Deduction of Tax

[Sections 158]

A new clause (c) has been inserted to provide that amount actually paid shall have the meaning as may be prescribed.

Interest Rate on Unpaid Tax or Delayed Refund

[Sections 161(1B), 171(1) & Section 205]

In view of the reduction in interest rates in the country the Finance Act has reduced interest rate on unpaid or late paid taxes from 18% to 12%.

This reduction is made in both Section 161 - Failure to pay tax collected or deducted and Section 205 - Default Surcharge.

Similarly an amendment has been made in the rate of additional payment for delayed refund from the current rate of 15% to KIBOR + 0.5%.

Special Audit Panel

[Section 177(11) (12); Section 121(1) (d); Section 207(1)]

A new body has been introduced under the name & style of “**Special Audit Panel (SAP)**” in the hierarchy of the income tax authorities to further improve the administration and collection of taxes. The proposed body shall be directly subordinate to the Additional Commissioner Inland Revenue.

Amendment is made to provide for appointment, constitution and working of Special Audit Panel.

The Board may appoint as many special audit panels as may be necessary. The panel shall comprise of two or more members from the following;

- an officer or officers of Inland Revenue;
- a firm of Chartered Accountant;
- a firm of Cost & Management Accountants
- any other person as directed by the Board

SAP shall conduct audit including forensic audit of income tax affairs of any person or classes of registered person or persons, and the scope of such audit shall be determined by the Board or Commissioner on case to case basis.

An officer of Inland Revenue shall be the Chairman of the SAP. If any one member other than the chairman of SAP is absent from conducting the audit, the proceeding of audit may continue and the audit so conducted shall not be invalid or be called in question merely on the ground of such absence.

Officer or Officer of Inland Revenue being members of SAP shall have powers under Section 175 & 176. The functions performed by Officer or Officer of Inland Revenue as part of SAP shall be treated to have been performed by SAP.

If any person fails to produce required information as sought by Commissioner or SAP, the Commissioner is empowered to pass the best judgment assessment under section 121. The necessary amendments in Section 121 have also been proposed.

Computerized National Identity Card / National Tax Number

[Section 181(4)]

From tax year 2015 onward CNIC number of the individual shall be his or her NTN. The Federal Government had earlier shown its intention to replace the National Tax Number (NTN) with Computerized National Identity Card (CNIC) number. The Bill proposes that in the case of an individual, CNIC number shall be taken to be the NTN from tax year 2015.

This is a step in the direction; however there are various legal and practical matters that need proper resolution.

Firstly, all NTN holders are required to file a return of income; hence there is a need to modify this requirement as all citizens are not liable to tax.

Secondly, existing NTN would need to be replaced with CNIC numbers and all NTN certificates issued to individuals would need to be revised.

Thirdly, the process of obtaining NTN specified in the law becomes redundant and needs to be deleted.

Offence and Penalties

[Section 182(1), Clause 16 (Part III, Second Schedule)]

An amendment has been made to rationalize the penalty for non-filing of statements under sections 115, 165 & 165A. Accordingly, the reduced penalty has been modified in Section 182 - Offences and penalties and Clause 16 of Part III of Second Schedule is deleted as no longer required.

The penalty of not filing of wealth statement or wealth reconciliation has been changed from Rs. 100 for each day of default to 0.1% of the taxable income per week or Rs. 20,000 whichever is higher.

Retailers - Automatic Selection for Audit

[Section 214D]

An amendment has been made to introduce automatic selection of audit of retailers registered as retailer under Rule 4 of Sales Tax Special Procedure Rules 2007 for Audit of the income tax affairs of such persons shall be conducted as per the procedures given in section 177.

Retailers who fulfill the following criteria shall not be subject to selection of their cases for audit either under section 177 or section 214C:

- appearing in the sales tax active payers list through the tax year;
- filling of return of total income within the due date or within such time extended by the Board or further extended upto 30 days by the tax commissioner; or
- payment of tax payable based on the return of total income;

Any retailer other than listed above may be selected for audit, which shall only be initiated after the expiry of ninety days from the due date of filing of return as mentioned above.

Subject to provisions regarding levy of penalty, default surcharges and selection for audit by the Board under section 182, 205 and 214C respectively, automatic selection provision shall not apply if

- the person files the return within ninety days from the date mentioned above;
- payment of 2 percent turnover tax by such registered person who files the return below taxable limit and in the preceding tax year has either not filed the return or had declared income below taxable limit;
- payment of 25 percent higher tax than the previous tax year by such registered person and had declared taxable income in the return for immediately preceding tax year;
- where return has been filed for immediately preceding tax year, turnover declared for the tax year is not less than the turnover declared for the immediately preceding tax year.

Applicability of this section would be from the date appointed by the Board through notification in official gazette.

Advance Tax on Transactions in Bank & Advance Tax on Banking Transactions of Non-Filer

[Section 231AA, Section 236P & Division VI, VIA, XXI of Part IV of First Schedule]

Proviso of sub-section 1 of Section 231AA is omitted to make technical correction. The rate of tax under section 231A & 231AA on cash withdrawals and cash backed other transactions with banks respectively by non-filers has been increased to 0.6% whereas rate of tax on filers shall remain 0.3% as previously applicable.

A new section 236P is inserted to collect advance adjustable tax at the rate of 0.6% on all transaction exceeding Rs 50,000 per day from a non-filer at the time of sale of any instrument including DD, PO, SDR, CDR, STDR, Call Deposit Receipt, RTC, or any other instrument of such nature from Banking Company.

Further banking company shall also collect advance adjustable tax at the rate of 0.6% on all transactions exceeding Rs 50,000 per day from non-filers on;

- transfer of any sum through cheques or clearing;
- interbank or intra-bank transfer through cheques, online transfer, telegraphic transfers, mail transfer, direct debit, payment through internet, payment through mobile phones, account to account fund transfer, third party account to account fund transfer, real time account to account funds transfer, real time third party account to account fund transfer, ATM Transfers or any mode of electronic or paper based funds transfer.

Advance Tax on Private Motor Vehicles

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

A technical correction has been made to replace the words “car or jeep” with the word “vehicle” and inline it with the new definition of Vehicle which is to include car, jeep, van, sports utility vehicle, pick-up trucks for private use, caravan automobile, limousine, wagon and any other automobile used for private purpose. It is further to define “Date of First Registration” which means as follows;

S. No	Vehicle Acquired from	Date of First Registration
1	Armed Forces	Date of issuance of Broad Arrow Number
2	Foreign Diplomat or Diplomatic Mission in Pakistan	Date of registration by Ministry of Foreign Affairs
3	Federal Government or Provincial Government (unregistered vehicles)	Last day of the year of manufacture
4	All other cases	Date of first registration by the Excise & Taxation Department

In case of change in registration or ownership, a new tax slab is introduced which is as follows?

S. No.	Engine Capacity (CC)	Amount of Tax (Rs.)	
		Filers	Non-Filers
1	Up to 850	-	5,000
2	851 to 1000	5,000	15,000
3	1001 to 1300	7,500	25,000
4	1301 to 1600	12,500	65,000
5	1601 to 1800	18,750	100,000
6	1801 to 2000	25,000	135,000
7	2001 to 2500	37,500	200,000
8	2501 to 3000	50,000	270,000
9	above 3000	62,500	300,000

The above tax rate shall be reduced by 10% each year from the date of first registration. The tax slab previously applicable shall continue to remain applicable as it is on all cases other than change in registration or ownership as discussed above.

Tax on Motor Vehicles

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

Tax rate on following has been changed. New rates are as follows;

- Goods Transport Vehicles;

	Filer	Non-Filer
Tax Per kg of laden weight	Rs 2.5	Rs 4

- Passengers transport vehicles plying for hire;

S. No.	Capacity	Filer	Non-Filer
		Rs. Per seat pa	
(i)	Four or more persons but less than ten persons	50	100
(ii)	Ten or more persons but less than twenty persons	100	200
(iii)	Twenty persons or more	300	500

- Other private motor vehicles

S. No.	Engine capacity	Filer	Non-Filer
		Rupees	
1	Up to 1000 cc	800	1,200
2	1001 cc to 1199 cc	1,500	4,000
3	1200 cc to 1299 cc	1,750	5,000
4	1300 cc to 1499 cc	2,500	7,500
5	1500 cc to 1599 cc	3,750	12,000
6	1600 cc to 1999 cc	4,500	15,000
7	2000 cc & above	10,000	30,000

Domestic Electricity Consumption

[Section 235A, Division XIX of Part IV of the First Schedule]

The amount of bill has been decreased from Rs 100,000 to Rs 75,000 to collect advance tax.

Telephone & Internet Users

[Section 236, Division V of Part IV of First Schedule]

Advance tax on “Internet Bill of a Subscriber” and “Prepaid cards for Internet” shall be collected at the rate of 14% of the amount of bill or sales price of internet prepaid card or sale of units through any electronic medium or whatever form.

Advance Tax on Purchase of Air Tickets

[Section 236B]

The routes of Baluchistan coastal belt, AJ&K, FATA, Gilgit-Baltistan and Chitral are exempt from the collection of advance tax on the purchase of air tickets.

No change has been made in the applicable tax rates.

Advance Tax on Purchase of International Air Ticket*[Section 236L, Division XX of Part IV of First Schedule]*

The amount of advance tax is fixed in monetary terms through substitution. The revised tax would be as follows;

S. No.	Type of Ticket	Tax Amount (Rs.)
1	First/Executive Class	Rs.16,000 per person
2	Others excluding Economy	Rs.12,000 per person
3	Economy	Nil

Advance Tax on Sales to Distributors, Dealers and Wholesalers*[Section 236G, Division XIV of Part IV of the First Schedule]*

No change has been made in the section. However, rate of tax applicable on Fertilizer has been increased from 0.2% to 0.7% in case of filer and from 0.4% to 1.4% in case of non-filers.

Advance Tax on Sales to Retailers*[Section 236H, Division XV of Part IV of the First Schedule]*

An amendment has been made to extend the applicability of this section to “wholesalers”. Further, “Fertilizer” has been excluded from the scope of advance tax under this section.

No change in the rate of tax has been made.

Collection of Advance Tax by Educational Institutions*[Section 236I, Division XVI of Part-IV of the First Schedule]*

Exemption has been granted to non-residents from the deduction of advance tax by educational institutions provided following conditions are met;

1. Furnishes copy of his passport as proof that his stay in Pakistan during the previous tax year was for less than 183 days;
2. Produces a certificate as proof that he has no Pakistan-source income, and
3. Fee is directly remitted from abroad through normal banking channels into the bank account of the relevant educational institution.

No change in tax rate has been made.

Payment to Residents for the Use of Machinery and Equipment

[236Q, Division XXIII of Part IV of the First Schedule]

A new section is inserted to tax payment for use or right to use industrial, commercial and scientific equipment at the rate of 10%. The tax shall be deducted by the person making payment who is also eligible to deduct tax. The tax so deducted shall be full & final tax on such income.

The above section does not apply to payments made for agriculture machinery and lease rentals paid to financial institutions i.e. leasing companies, investment banks, modarabas, scheduled banks or development financial institutions in respect of assets owned by them.

Advance Tax on Education related Expenses Remitted Abroad

[Section 236R, Division XXIV of Part-IV of the First Schedule]

A new section is inserted to tax the education related expenses including tuition fee, boarding & lodging expenses, any payment for distant learning to any institution or university in a foreign country and any other expense related or attributable to foreign education.

The tax shall be collected by the person responsible for remitting (banks, financial institution, foreign exchange companies or any other person) the foreign currency from the payer at the rate of 5% of the amount remitted.

The tax so deducted shall be adjustable against the income of payer.

Tax on Dividend in Specie

[Section 236S, Division I of Part III of the First Schedule]

Dividend in Specie is proposed to be taxed at such rate as are applicable to Dividends. The rate of tax on dividend to non-filers has been proposed to increase from 15% to 17.5%.

In case of stock fund if dividend receipts of the fund are less than capital gains, the rate of tax has been increased from 12.5% to 15%.

Rates of Tax for Professional Firms

[Division I, Part I, First Schedule)]

In case of professional firms barred from incorporation either by law or their governing rules, the Finance Act provides to reduce the maximum tax rate from 35% to 32% with effect from Tax Year 2016.

This amendment is mainly applicable to chartered accountants and lawyer rendering professional services through formation of firm.

Rates of Tax for Individuals and Association of Persons

[Division I (Part I, Second Schedule)]

A minor reduction of rate of tax for individual (both salaried and non-salaried) and association of persons has been made resulting in reduction of tax by Rs. 3,000/year only on all slabs.

Rates of Tax for Companies

[Division II (Part I, Second Schedule)]

The rate of tax for a company, other than the banking company, is reduced by 1% to 32% for the tax year 2016, 31% for tax year 2017 and 30% for tax year 2018 onward.

Rates of Tax on Capital Gains on Disposal of Securities

[Division VII (Part I, Second Schedule)]

Rates of tax to be withheld on capital gains on redemption of securities under section 37A by mutual funds or collective investment schemes or REIT schemes have not been revised as follows;

Recipient	New			Old		
	Holding Period					
	<4 years	>4 years		<12 months	12-24 months	>24 months
	% age					
STOCK FUND						
Company	10	0		12.5	10	0
Individual & AOP	10	0		12.5	10	0
All recipients, if dividend receipts of fund are less than capital gains	12.5	0		12.5	10	0
OTHER FUND						
Company	25	0		12.5	10	0
Individual & AOP	10	0		12.5	10	0

Minimum Tax on Dealers or Distributors of Fertilizers

[Division IX (Part I, First Schedule)]

The minimum tax on dealers or distributors of fertilizers has been increased from 0.2% to 0.5%.

Advance Tax on Imports*[Part II of First Schedule]*

Separate tax rates for filer and non-filer has been introduced and scope has been enhanced.

Taxpayer	Tax Rate %	
	Filer	Non-Filer
Industrial undertaking importing remeltable steel (PCT Heading 72.04) and directly reduced iron for its own use	1	1.5
Persons importing plastic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated 9 December 2004		
Persons importing urea		
Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated 31 December 2011		
Persons importing Gold		
Persons importing Cotton	2	3
Persons importing pulses		
Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated 31 December 2011	3	4.5
Ship breakers on import of ships	4.5	6.5
Industrial undertakings not covered above	5.5	8
Companies not covered above	5.5	8
Persons not covered above	6	9

Advance Tax on Payment to Non-Residents for Goods and Services*[Division II (Part III, First Schedule)]*

Separate the rates of withholding taxes between corporate and others has been introduced and as well differentiation between filer and non-filer on account of making payment to a PE of a non-resident and brings the rate of withholding in line with the rates applicable to a resident person as under:

Payment on account of	Corporate		Other	
	Filer	Non-Filer	Filer	Non-Filer
	% age			
Supply of goods	4	6	4.5	6.5
Services other than transport services	8	12	10	15
Execution of contract	7	10	7.5	10

Advance Tax on Payments to Resident for Goods or Services

[Division III (Part III, First Schedule)]

Separate the rates of withholding taxes between filer and non-filer have been introduced for making payment to resident person for goods or services as under:

Payment on account of	Corporate		Non-Corporate	
	Filer	Non-filer	Filer	Non-filer
	% age			
Supply of goods	4	6	4.5	6.5
Services other than transport services	8	12	10	15
Execution of contract	7	10	7.5	10

Advance Tax on Petroleum Products

[Division VIA (Part III, First Schedule)]

Separate rates of withholding taxes between filer and non-filer have been introduced.

Non-filers are subject to tax rate of 15% of the gross amount of the petroleum products sold to them.

Advance Tax on Brokerage and Commission*[Division II (Part IV, First Schedule)]*

The rate of advance tax for advertising agents that are filers has been increased from 7.5% to 10% of the amount of payment while retaining the rate of 12% for all other cases.

An amendment has been made to introduces the concept of non-filer here also with the enhanced rate of advance tax at the rate of 15% of the amount of payment.

SECOND SCHEDULE-Exemptions Withdrawn

Following exemptions or concessions are withdrawn.

Clause	Part	Description
20	I	Pakistan Postal Annuity Certificate Scheme
113	I	Capital gains on sale of shares of public company setup in Special Industrial Zone
126F	I	Profits and gains derived by a taxpayer located in the most affected and moderately affected areas of KPK, FATA and PATA.
14	II	Goods transport vehicles the rate of tax shall be reduced to Rs.2 per kilogram of the laden weight.
14A	II	Passenger transport vehicles, the rate of tax shall be reduced to 250 rupees per seat per annum.
14B	II	Goods transport vehicles; the rate of tax shall be reduced to two Rupees per kilogram of the laden weight.
11A(iv)	IV	The provisions of section 113, regarding minimum tax, shall not apply to KAPCO.
16A	IV	The provisions of section 153(1)(b) shall not be applicable to the persons making payments to electronic and print media in respect of the advertising services.
56H	IV	Provision of Section 148 shall not apply to import of potatoes between 5th May 2014 to 15th November 2014
59(ii)	IV	The provisions of section 151, regarding withholding tax on profit on debt, shall not apply to profit payment by PHDCL
61A	IV	The provisions of section 231A shall not apply in respect of any cash withdrawal by exchange companies duly licensed and authorized by SBP.
72A	IV	The provisions of clause (1) and section 21, sections 113 and 152 shall not apply in case of a Hajj Group Operator in respect of Hajj operations.
83	IV	The provision of 116 (4) shall not apply for the tax year 2013 to a person other than a company or a member of AOP falling under FTR.
89	IV	The Provisions of section 236I shall not apply to certain persons
90	IV	The provisions of section 236D shall not apply to certain persons.

SECOND SCHEDULE-Exemptions Granted***Indus Hospital***

[Clause 61 (xlv) & Clause 66 (xxxiii), Part I, Second Schedule]

Income derived by Indus Hospital is exempt from Tax. Further donations made to Indus Hospital are also eligible for tax credit.

Inter-Corporate Dividend

[Clause 103A, Part I, Second Schedule]

An amendment has been made to file return of income to avail tax benefit under this Clause.

China Overseas Ports Holding Company Limited

[Clause 126A, Part I, Second Schedule]

The tenure of exemption has been increased from 20 years to 23 years.

Profit & Gains of Industrial Undertaking-Renewable Energy

[Clause 126I, Part I, Second Schedule]

Exemption has been granted to all profits & gains derived by Industrial undertaking setup by Dec 31, 2016. The industrial undertakings shall be engaged in the manufacture of Plant & Equipment and items with dedicated use (no multiple uses) for generation of renewable energy from sources like solar, wind for a period of five year beginning from July 01, 2015.

Profit & Gains of Industrial Undertaking-Cold Storage

[Clause 126J, Part I, Second Schedule]

Exemption to all profits & gains derived by industrial undertaking setup between July 01, 2015 to June 30, 2016 and engaged in operating warehousing or cold chain

facilities for storage of agriculture produce for a period of three years beginning with the month in which the industrial undertaking is setup or commercial operation are commenced whichever is later.

Profit & Gains of Industrial Undertaking-Halal Meat Production

[Clause 126K, Part I, Second Schedule]

Exemption to all profits & gains derived by industrial undertaking setup between July 01, 2015 to June 30, 2017 and engaged in operating halal meat production and has obtained halal certification for a period of four years beginning with the month in which the industrial undertaking is setup or commercial operation are commenced whichever is later.

Profit & Gains of Industrial Undertaking-KPK Province

[Clause 126L, Part I, Second Schedule]

Exemption to all profits & gains derived by industrial undertaking setup between July 01, 2015 to June 30, 2018 and for a period of four years beginning with the month in which the industrial undertaking is setup or commercial operation are commenced whichever is later.

This exemption is not available to manufacturing unit established by splitting up or re-construction of an undertaking already in existence or by transfer of machinery or plant from an undertaking established in Pakistan at any time before 1st July 2015.

Profit & Gains of Transmission Line Project

[Clause 126M, Part I, Second Schedule]

10 years exemption has been granted to all profits & gains derived by a taxpayer from a transmission line project setup in Pakistan on or after 1st July 2015 till June 29, 2018 provided that project is;

- Owned & managed by a Company incorporated with SECP and have registered office in Pakistan;
- Not formed by splitting up or the reconstruction or reconstitution of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was carried on in Pakistan at any time before the commencement of the new business; and
- Owned by a company fifty percent of whose share are not held by Federal/Provincial/Local Government or which is not controlled by the Federal/Provincial/Local Government.

Profit & Gains of Manufacturers of Mobile Phones

[Clause 126N, Part I, Second Schedule]

The Finance Act allows a 5 years exemption from tax to manufacturers of cellular mobile sets certified by PTA who set up their units and commence commercial production between 1st July 2015 to June 30, 2017. Such units shall also be allowed to claim 90% of cost of Plant & Machinery as First Year Depreciation Allowance. The above exemption and relaxation shall not be available to existing manufacturers.

Profit & Gains of LNG Terminal

[Clause 141, Part I, Second Schedule]

Exemption has been granted to all profits & gains derived by LNG Terminal for period of five years from the date of commercial operations.

SECOND SCHEDULE-Reduction in Tax Rates

Cash Withdrawal by Exchange Company

[Clause 28B, Part II, Second Schedule]

Reduction in tax rate on cash withdrawal by an exchange company licensed by SBP exclusively dedicated for its authorized business related transactions

subject to conditions that a certificate from Commissioner for a financial year mentioning details & particulars of its bank account being used entirely for business transaction is provided.

SECOND SCHEDULE-Exemption from Specific Provisions

[Clause 11A, Part IV of Second Schedule]

Exemption has been granted from the provisions of section 113 to the following;

- Companies qualifying exemption under Clause 132 B of Part I of Second Schedule in respect of receipts from a coal mining project in Sindh, supplying coal exclusively to power generation projects;
- LNG Terminal operators & owners;
- Taxpayers located in the most affected and moderately affected areas of KPK, FATA, PATA for tax year 2010, 2011 and 2012 excluding manufacturers and suppliers of cement, sugar, beverages and cigarettes;
- Rice Mills for the tax year 2015;
- Taxpayer qualifying for exemption under Clause 126I,126J, 126K, 126L of Part I Second Schedule.

[Clause 11D, Part IV of Second Schedule]

Exemption has been granted to LNG operator and owner from the provisions of section 113C.

[Clause 56, Part IV of Second Schedule]

The provision of Section 148 shall not apply to import of petroleum oils and oils obtained from bituminous mineral crude, furnace oil, high speed diesel, motor sprit, JP-1, base oil for lubricating oil by PSO, Shell, APL, Byco, Admore, Chevron, Total-Parco, Hascol and oil refineries.

[Clause 57, Part IV of Second Schedule]

An explanation has been added to clarify that in-house preparation and processing of food and allied items for sale to customers shall not disqualify a company from being treated as a Trading House provided that all the conditions are full filled and sale of such items does not exceed two per cent of the total sales.

[Clause 91, Part IV of Second Schedule]

Provision of Section 148 shall not apply to import of:

Description	Respective PCT Heading
Tillage & seed bed preparation equipment	8432.8010, 8432.2910, 8432.8090, 8432.3090, 8432.8090, 8432.1010, 8432.1090, 8432.2990, 8432.2100, 8432.2990, 8432.1090, 8430.6900, 8430.6990, 8432.8090, 8432.1090, 8432.8090, 8432.8090, 8701.9020, 8430.6900,
Seeding or Planting Equipment	8432.3010, 8432.3090, 8432.3090, 8432.4000, 8432.3090, 8432.3010, 8432.3090
Irrigation, Drainage & Agro-Chemical Application Equipment	8421.2100, 8424.2010, 8424.2010, 8424.2010, 8424.2010, 8424.2010, 8424.9990
Harvesting, Threshing & Storage Equipment.	8433.5200, 8433.5900, 8433.5300, 8433.4000, 8201.3000, 8433.5100, 8433.5900, 8433.5900, 8433.5900, 8433.5900, 8433.5900, 8433.5900, 8433.5900, 8433.5900, 8433.5900
Post-harvest Handling & Processing & Misc. Machinery.	8433.4000, 8434.1000,

[Clause 67A, Part IV of Second Schedule]

The Finance Act has introduced a new clause to exempt International Finance Corporation (IFC) established under International Finance Corporation Act 1965 from the application of special provisions relating to capital gains tax under section 100B and Eighth Schedule.

[Clause 92, Part IV of Second Schedule]

Provision of Section 148 shall not apply to import of aircraft (wet or dry lease), maintenance kits for use in trainer aircrafts, spare parts for use in aircrafts, trainer aircrafts or simulators, machinery equipment and tools for setting up maintenance, repair and overhaul (MRO) company recognized by Aviation Division, Operational tool, machinery equipment and furniture and fixtures on one time basis for setting up greenfield airport by a Company authorized by Aviation Division and aviation simulators imported by airline company recognized by Aviation Division.

[Clause 93, Part IV of Second Schedule]

Provision of Section 154 (1) shall not apply to taxpayers operating halal meat production and qualifying for exemption under 126K of Part I of Second Schedule.

FOURTH SCHEDULE***Exemption of Capital Gains from the sale of shares******[Rule 6A, Fourth Schedule]***

Exemption has been withdrawn through omission.

[Rule 6B, Fourth Schedule]

Rate of income tax on capital gain has been revised. The new rates of tax are as follows;

Sr. No	Period	Tax year 2015	Tax year 2016
1	Where holding period of a security is less than twelve months	12.5%	15%
2	Where holding period of a security is twelve months or more but less than twenty four months	10%	12.5%
3	Where holding period of a security is twenty four months or more but less than four years	0%	7.5%

Banking Companies

[Rule 6, 6A, 6B, 7B Seventh Schedule]

Currently, different streams of income of a banking company are subject to different rates of taxation.

Corporate tax rate of 35% for banking companies for not only business income but also dividend income and capital gain shall be applicable.

Super Tax on Capital Gains taxable under Eighth Schedule

[Rule 8, Part IV of Eighth Schedule]

A new rule has been introduced to apply the provisions of new section 4B to the taxpayer's income from capital gains taxable under Eighth Schedule.

4. SALES TAX

Active Taxpayer

[Section 2(1)]

A new clause has been inserted to define “active taxpayer”. All registered person are to be treated as active taxpayers other than the following:

- who is blacklisted or whose registration is suspended or is blocked in terms of section 21;
- who fails to file the return under section 26 by the due date for two consecutive tax periods;
- who fails to file an Income Tax return under section 114 or statement under section 115, of the Income Tax Ordinance, 2001 (XLIX of 2001), by the due date; and
- who fails to file two consecutive monthly or an annual withholding tax statement under section 165 of the Income Tax Ordinance, 2001

The insertion is apparently aimed at further strengthening the Government’s efforts towards documentation of economy.

Cottage Industry

[Section 2(5AB)]

The change seeks to modify definition of cottage industry and now those will be included in the definition whose utility bills during last 12 months exceed Rs. 800,000 instead of previous limit of Rs.700,000.

Retailer

[Section 2(28)]

The change seeks to modify definition of retailers by omitting the words “and his total turnover per annum shall be taken into account for the purposes of registration under section 14” in clause 28 of section 2 of the Sales Tax Act, 1990.

Supply

[Section 2(33)]

A new sub-clause (d) has been added after sub-clause (c) of clause 33 as

“in case of manufacture of goods belonging to another person, the transfer or delivery of such goods to the owner or to a person nominated by him”

The above insertion defines and includes **Toll Manufacturing** in the definition of supply hence confirming that it is subject to Federal Sales Tax and Provincial authorities are incorrectly considering it as a service subject to Provincial sales tax though this is likely to remain a bone of contention among authorities.

Scope of Tax

[Section 3(1A), Section 3(2)(b)]

To achieve documentation of economy, rate of sales tax on supplies to unregistered persons has been increased from 1% to 2%. Clause (b) is substituted apparently with the intention to clarify the powers of Federal Government. The new clause is read as follows:

“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.”

Zero Rating

[Section 4]

SRO 494(I)/2015 has omitted Chapter VII and Rules 45 to 50 of Sales Tax Rules 2006 relating to zero rating of supplies against international tender for Afghan refugees.

Time & Manner of Payment*[Section 6]*

The insertion of word recovery is apparently intended to further expand/ clarify scope of Government authority under the said section.

Determination of Tax Liability*[Section 7]*

The insertion of words “section 81” in section 7(2)(ii) is apparently intended to allow input tax adjustment on imports based on provisional bill of entry or goods declaration under section 81 of the Customs Act, 1969.

Tax Credit Not Allowed*[Section 8]*

The following changes are made relating to admissibility of input tax:

- Modify clause “h” to allow input tax on pre-fabricated buildings
- Insert clause “j” to disallow input tax on services for which input tax adjustment is barred under respective provincial sales tax laws for determining the Federal sales tax liability. The proposed change does appear justified.
- Insert clause “k” to disallow Input tax on import or purchase of agricultural machinery or equipment which is subject to sales tax at 7% under Eighth Schedule.
- Insert clause “l” to disallow input tax of goods not reported by supplier in his return. This clause appears to be unconstitutional particularly in the light of High Court decision in respect of clause “ca” of sub-section 1 to section 8.

Joint & Several Liability*[Section 8A]*

Section 8A is modified to insert the expression “of which the burden to improve shall be on the department” after the word “Unpaid” i.e. the onus to prove collusion among members of supply chain lies with the tax department.

Exemption

[Section 13]

Section 13 has been modified and powers of Federal Government to issue exemption notifications are now subjected to approval of Economic Coordination Committee of Cabinet and subsequent mandatory approval by Parliament.

Registration

[Section 13]

Section 14 currently refers to sales tax rules for registration requirements. Now it is modified and elaborated further to explain the registration requirements. The new section is self-explanatory therefore reproduced hereunder:

Quote

1. Every person engaged in making taxable supplies in Pakistan, including zero-rated supplies, in the course or furtherance of any taxable activity carried on by him, falling in any of the
2. following categories, if not already registered, is required to be registered under this Act, namely:-
 - a manufacturer who is not running a cottage industry;
 - a retailer who is liable to pay sales tax under the Act or rules made thereunder, excluding such retailer required to pay sales tax through his electricity bill under sub-section 9 of section 3;
 - an importer;
 - an exporter who intends to obtain sales tax refund against his zero-rated supplies;
 - a wholesaler, dealer or distributor; and
 - a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act;

3. Persons not engaged in making of taxable supplies in Pakistan, if required to be registered for making imports or exports, or under any provisions of the Act, or any other Federal law, may apply for registration.
4. The registration under this Act shall be regulated in such manner as the Board may, by notification in the official Gazette, prescribe.

Unquote

Sales Tax Rules 2006 have also been amended prescribing detailed procedure for registration under rule 5 through SRO 494(I)(2015 dated June 30, 2015.

The said SRO has also inserted Rule 5A inserted to facilitate temporary registration of importers cum manufacturers.

The said SRO has also substituted rule 6 to 11 relating to compulsory registration, change in particulars of registration, change in particular of registration, transfer of registration, option to file application with CIR, cancellation of multiple registration and deregistration. The said SRO has also modified rule 12 to provide procedures relating to suspension and blacklisting of registered persons.

Active Taxpayers' List

[Section 21A]

This new section is inserted for maintenance of Active Taxpayers' List as part of Government's efforts for documentation of economy.

SRO 494(I)/2015 dated June 30, 2015 has inserted rule 12A prescribing rules of non-active taxpayers disentitling them of certain benefits and placing restrictions on Government departments, autonomous bodies and public sector organizations from making purchases from non-active taxpayers.

The said SRO has inserted rule 12B for prescribing procedure for restoration as an active taxpayer.

Return*[Section 26]*

SRO 494(I) 2015 dated June 30, 2015 has modified rule 14 to require quantitative data from certain manufacturers along with their sales tax returns.

The said SRO has also amended rule 26A & 36 to provide for scrutiny of refund on the basis of risk based computerized selection while rule 33 has been modified to extend refund claim facility to sectors under SRO 1125(I) 2011 dated December 31, 2011.

SRO 487(I)/2015 dated June 30, 2015 has been issued whereby the date of payment of sales tax is now fixed at 18th of every month and date of filing of return has been fixed at 21st of every month for petroleum exploration and production companies.

Special Audit Panels*[Section 32A]*

Like Income Tax, the concept of Special Audit Penal (SPA) is also introduced in Sales Tax instead of audits by Chartered Accountants & Cost & Management Accountants. The SPA is comprised of tax officers, cost & management accountants, chartered accountants and other persons appointed by the Board.

The composition of SPA appears to be a good idea as it would enhance learning and skills when people from both side of the table sit together to share ideas for a common goal.

Monitoring or tracking by electronic or other means*[Section 40C]*

Section 40C has been modified to further expand the scope of section while for procedural implementation, chapter XIV-A and chapter XIV-B have been inserted under Sales Tax Rules 2006 through SRO 494(I)/2015 dated June 30, 2015.

Agreement of Exchange of Information/Prize Scheme/ Reward to Whistleblowers

[Section 56A, Section 56C, Section 72D]

The above referred three sections are inserted in continuance of Governments' effort towards documentation of economy and increase the tax net.

Section 56A would enable the Government to enter into agreements for exchange of information with provinces and other countries.

Section 56C provides for empowering FBR to introduce prize scheme for general public on purchases from registered person.

Section 56B provides for restriction on disclosure of information by a public servant and provisions of section 216 shall, mutatis mutandis, apply to the provisions of section 56B.

Section 72D has been inserted to provide for rewards to whistle blowers.

FIFTH SCHEDULE

The Fifth Schedule lists goods that are zero rated. Following amendments have been made in this Schedule:

- Supply of specified locally manufactured plant and machinery to Export Processing Zones (EPZ) which is included under serial No. 6 of the Fifth Schedule is shifted to a newly inserted serial No. 6A and the zero rating of such plant and machinery would be subject to certain conditions, restrictions and procedure mentioned therein.
- Serial 9 has been amended which deals with exempted goods that are exported by a manufacturer involved in local supplies of both taxable and exempted goods. Now any manufacturer who exports exempted goods can avail the benefit of zero rate of sales tax regardless of the fact that the manufacturer is involved in local supplies of both taxable and exempted goods.

- The following items have been omitted from zero rating and place these in Sixth Schedule as exempted items:

Clause No.	Description	Respective PCT Heading
(ix)	Flavored milk	0402.9900
(x)	Yogurt	0403.1000
(xi)	Cheese	0406.1010
(xii)	Butter	0405.1000
(xiii)	Cream	04.01 and 04.02
(xiv)	Desi ghee	0405.9000
(xv)	Whey	04.04
xvi)	Milk and cream, concentrated and added sugar or other sweetening matter	0402.1000

If the aforesaid goods are sold in retail packing under a brand name, the same shall be subjected to a reduced rate of sales tax at the rate of 10% under the Eighth Schedule.

SIXTH SCHEDULE

- The following exemptions have been withdrawn and these goods have now been separately subjected to a reduced rate of sales tax under the Eighth Schedule.

Table 1 (On Import & Local Supply)		
S.No.	Description	Respective PCT Heading
28	Poultry feed and cattle feed including their all ingredients except soya bean meal of PCT heading 2304.0000 and Oil-cake of cottonseed falling under PCT heading 2306.1000.	2301.2090, 2305.0000, 2306.2000, 2306.3000, 2306.4100, 2306.5000, 2309.9090, 2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700, 2936.2800
39	Incinerators of disposal of waste management, motorized sweepers and snow ploughs.	8417.8000, 8430.2000 and 8479.8990
56	Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of applying zero-rate of Customs Act, 1969	99.18
Table 2 (on local supply only)		
13	Reclaimed lead, if supplied to recognized manufacturers of lead batteries	Respective headings
14	Waste paper	Respective headings

Table 3		
S.No.	Description	Respective PCT Heading
10	Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.	Respective headings
16	Plant, machinery, equipment and specific items used in production of bio-diesel.	Respective headings

- The following goods have been added in the Sixth Schedule:

Table 1 (on import and local supply)		
S.No.	Description	Respective PCT Heading
117	Appliances for colostomy	3006.9100
118	Colostomy and urostomy bags	3926.9050
119	Tubular day lighting devices (TDDs)	8539.3930
120	Various diagnostic kits or equipment.	3822.0000
121	Blood Bag CPDA-1 with blood transfusion set pack in aluminum	Respective
122	Urine drainage bags	Respective headings
123	Aircraft, whether imported or acquired on wet or dry lease	8802.2000, 8802.3000, 8802.4000
124	Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Respective headings
125	Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective headings

Table 1 (on import and local supply)		
S.No.	Description	Respective PCT Heading
126	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Respective headings
127	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division	Respective headings
128	Aviation simulators imported by airline company recognized by Aviation Division	Respective headings
129	Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by the Pakistan Telecommunication Authority	Respective headings
Table 2 (on local supply only)		
17	Raw and pickled hides and skins, wet blue hides and skins	41.01, 41.02, 41.03, 4104.1000, 4105.1000, 4106.2100, 4106.3000, 4106.9000
18	Supplies made by manufacturers of marble and granite having annual turnover less than five million rupees even if their annual utility bill is more than eight hundred thousand rupees	Respective headings
19	Bricks (up to 30th June, 2018)	6901.1000
20	Crushed stone (up to 30th June, 2018)	2517.1000
21	Poultry feed, cattle feed, sunflower seed, meal, rape seed meal and canola seed meal	2306.3000, 2306.4900 and respective headings

- The exempt goods mentioned in the sixth schedule as prescribed in the following schedule below shall be substituted:

Sr. No.	Description	Proposed through Finance Bill 2015	Tariff Heading
73	Milk and cream	Milk	04.01
73A	-	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	04.01 and 04.02
74	Flavored milk	Flavored milk, excluding that sold in retail packing under a brand name	0402.9900
75	Yogurt	Yogurt, excluding that sold in retail packing under a brand name	0403.1000
76	Whey	Whey, excluding that sold in retail packing under a brand name	04.04
77	Butter	Butter, excluding that sold in retail packing under a brand name	0405.1000
78	Desi ghee	Desi ghee, excluding that sold in retail packing under a brand name	0405.9000
79	Cheese	Cheese, excluding that sold in retail packing under a brand name	0406.1010
80	Processed cheese not grated or powdered	Processed cheese not grated or powdered, excluding that sold in retail packing under a brand name	0406.3000

The exemption of goods imported or supplied in terms of serial number 48 of the Sixth Schedule is now subjected to rules prescribed under newly inserted Chapter VIII-A through SRO 494(I)/2015 dated June 30, 2015.

EIGHTH SCHEDULE

The Eighth Schedule deals with items that are liable to sales tax at reduced rates.

- It is proposed to enhance in the rates of sales tax for the following goods listed in Table I to the Eighth Schedule;

S.No.	Description	New	Existing
		Sales Tax Rate	
1	Soyabean meal	10%	5%
4	Oilseeds meant for sowing	10%	5%
6	Plant and machinery not manufactured locally and having no compatible local substitutes.	10%	5%

- Addition of the following goods in Eighth Schedule is approved;

S.No.	Description	Tariff Heading	Rate	Condition
7	Flavoured milk	0402.9900	10%	Sold in retail packing under a brand name
8	Yogurt	0403.1000	10%	Sold in retail packing under a brand name
9	Cheese	0406.1010	10%	Sold in retail packing under a brand name
10	Butter	0405.1000	10%	Sold in retail packing under a brand name
11	Cream	04.01 and 04.02	10%	Sold in retail packing under a brand name
12	Desh ghee	0405.9000	10%	Sold in retail packing under a brand name
13	Whey	04.04	10%	Sold in retail packing under a brand name
14	Milk and cream, concentrated and added sugar or other sweetening matter	0402.1000	10%	Sold in retail packing under a brand name

S.No.	Description	Tariff Heading	Rate	Condition
15	Ingredients of poultry feed, cattle feed, and their ingredients except soya bean meal of PCT heading 2304.0000 and oilcake of cottonseed falling under PCT heading 2306.1000	Various Tariff Headings	5%	Nil
16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	8417.8000, 8430.2000 and 8479.8990	5%	Nil
17	Re-importation of foreign origin goods which were temporarily exported out of Pakistan	99.18	5%	Similar conditions as are envisaged for the purposes of customs duty under the Customs Act, 1969.
18	Reclaimed lead	Respective headings	5%	If supplied to Recognized manufacturers of lead and lead batteries
19	Waste paper	47.07	5%	Nil
20	Plant, machinery, equipment and specific items used in production of biodiesel	Respective headings	5%	The (AEDB), shall certify in the prescribed manner and format as per Annex-B, as given in the Sixth Schedule.
21	Rapeseed, sunflower seed and canola seed	1205.0000, 1206.0000	16%	On import by solvent extraction industries

S.No.	Description	Tariff Heading	Rate	Condition
22	Soya bean seed	1201.1000	6%	On import by solvent extraction industries, subject to the condition that no refund of input tax shall be admissible.
23	Secondhand and worn clothing or footwear	6309.0000	5%	Nil
25	Agricultural tractors	8701.9020	10%	Nil
26	Tillage and seed bed preparation equipment.	Various Tariff Headings.	7%	Nil
27	Seeding or planting equipment.	Various Tariff Headings.	7%	Nil
28	Irrigation, drainage and agro-chemical application equipment.	Various Tariff Headings.	7%	Nil
29	(i) Harvesting, threshing and storage equipment.	Various Tariff Headings.	7%	Nil
30	Post-harvest handling and processing & miscellaneous machinery: (i) Vegetables and fruits cleaning and sorting or grading equipment (ii) Fodder and feed cube maker equipment	8437.1000 8433.4000	7%	Nil
31	Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971 (II of 1971) stabilizers, emulsifiers and solvents specifically named	Various PCT headings	7%	In case of supplies, no input tax credit shall be admissible, except that of the tax paid under this serial number;

- The rate of sales tax has been enhanced for the following goods listed in Annexure of Table-2 to the Eighth Schedule;

S.No.	Description	New	Old
		Sales Tax Rate	
1	Machinery and equipment for development of grain handling and storage facilities.	10%	5%
5	Complete plants for relocated industries.	10%	5%
6	Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining, petrochemical and petrochemical downstream products.	10%	5%

- Following items omitted from Table -1 and 2 of the Eighth Schedule and become taxable at standard rate of sales tax instead of reduced rate of 5%.

S.No.	Description	Tariff Heading
Table -1		
3	Directly reduced iron.	72.03
Table- 2		
3	Items imported by Call Centers, Business Processing Outsourcing facilities duly approved by the PTA	Various Headings
7	Proprietary Formwork System for building / structures of a height of 100ft and above and its various items and components	Various Headings

NINTH SCHEDULE

- Enhanced the rates of sales tax for following items

Description	Import		Registration of IMEI	
	New	Old	New	Old
	Rate of Sales Tax (Rs.)			
Low priced Cellular Mobile Phones or Satellite Phones	300	150	300	150
Medium priced Cellular Mobile Phones or Satellite Phones	500	250	500	250
Smart Cellular Mobile Phones or Satellite Phones	1000	500	1000	500

OTHERS

Following changes has been announced but are not covered in the proposed finance bill and may be enacted through issuance of SRO.

- SRO 484(I)/2015 dated June 30, 2015 has been issued for rationalization of sales tax on steel melters, re- rollers and ship breakers.
- SRO 485(I)/2015 dated June 30, 2015 has been issued to modify Sales Tax Special Procedure (Withholding) Rules 2007. The withholding rates are same however now withholding is required at the time of purchase from the supplier rather than payment. Rule 5 has been modified to exclude dealers of motor spirit and high speed diesel from the purview of sales tax withholding rules while reference to steel sector has been modified as a result of aforementioned SRO 484(I)/2015 dated June 30, 2015. Exemption to paper, in rolls or sheets and plastic products including pipes has been withdrawn.
- The electronic monitoring system is proposed to be introduced to monitor the production of various specified sector i.e. fertilizer, sugar, cigarettes, beverages, cement, restaurants etc.
- The provisions of temporary registration so that a manufacturer shall be able to import machinery etc. without waiting for completion of formalities.
- SRO 1125(I)/2015 dated June 30, 2015 has been modified through SRO 486(I)/2015. The rate of 2% has been enhanced to 3%. The said notification is also revamped and simplified without disturbing the existing provisions (except withdrawal of reduced rate on maize starch) in order to facilitate the registered persons as well as field officers. Value addition tax on commercial imports of these sectors @ 2% has been reduced to 1%.

5. FEDERAL EXCISE DUTY

Definition

[Section 2 (24A)]

The definition of “Whistleblower” is inserted.

Exemptions

[Section 16]

The powers of Federal Government to grant exemption from duties has been restricted subject to approval of Economic Coordination Committee of the Cabinet. A new sub-section (5) in Section 16 is inserted to place all notification issued under this section before National Assembly by the Federal Government in a financial year, in which these will be issued.

A new sub-section (6) is also inserted that all notifications issued after 1st July 2015 shall, if not rescinded, stand rescinded on the expiry of the financial year in which it was issued.

Reward to whistleblowers

[Section 42D]

A new section is inserted to empower Board for rewards to whistleblowers in cases of concealment or evasion of duty, corruption or misconduct providing credible information leading to such detection of evasion of duty. The claim for reward shall be rejected if;

- The information provided is of no value;
- The Board already had the information;
- The information was available in public records; or
- No collection of duty is made from the information provided from which the Board can pay the reward.

Monitoring or Tracking by Electronic or Other Means***[Section 45A]***

A new sub-section (3) is inserted to prescribe purchase of tax stamps, banderoles, sticker, labels, barcodes etc. by the registered person from a licensee of the Board at price approved by the Board. The price shall include the cost of equipment installed by such licensee in the premises of the said registered person.

Audit***[Section 46]***

A new sub-section is inserted to empower Board to appoint as many special audit panels as may be necessary. The panel shall comprise of two or more members from the following;

- an officer or officers of Inland Revenue;
- a firm of Chartered Accountant;
- a firm of Cost & Management Accountants
- any other person as directed by the Board

The panel shall conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be determined by the Board or Commissioner Inland Revenue on case to case basis. The Commissioner may get such audit conducted jointly by provincial administration of sales tax on services.

An officer of In Land Revenue shall be the Chairman of the Special Audit Panel. If any one member other than chairman of the special audit panel is absent from the conducting the audit, the proceeding of audit may continue and the audit so conducted shall not be invalid or be called in question merely on the ground of such absence. Each member of Special Audit Panel shall have powers of Officer of In land Revenue under section 23, 24 and 46.

Agreement for the Exchange of Information*[Section 47A]*

A new section is inserted to empower Federal Government to enter bilateral or multilateral agreements with provincial agreements or with governments of foreign countries for exchange of information including electronic exchange of information.

Disclosure of Information by a Public Servant*[Section 47B]*

A new section is inserted to restrict the disclosure of information by the public servant except as allowed under section 216 of the Income Tax Ordinance, 2001.

Aerated waters*[S. No.04, 5,6 Table I, First Schedule]*

Description	Heading	Rate	
		New	Old
Aerated waters	2201.1020	10.5%	9%
Aerated waters, containing added sugar or other sweetening matter or flavored	2202.1010	10.5%	9%
Aerated waters if manufactured wholly from juices or pulp of vegetables, food grains or fruits and which do not contain any other ingredient, indigenous or imported, other than sugar, coloring materials, preservatives or additives in quantities prescribed under the West Pakistan Pure Food Rules, 1965.	Respective headings	10.5%	9%

Locally Produced Cigarettes*[S. No.09 & 10, Table I, First Schedule]*

It is to substitute following to redefine locally produce cigarettes as well as to increase the rate of federal excise duty.

DESCRIPTION OF GOODS	HEADING/SUB-HEADING NUMBER	RATE OF DUTY
Locally produced cigarettes if their on-pack printed retail price exceeds Rs 3,350 per 1000 cigarettes	24.02	Rs. 3,030 per 1,000 cigarettes
Locally produced cigarettes if their on-pack printed retail price does not exceeds Rs 3,350 per 1000 cigarettes	24.02	Rs.1,320 per 1,000 cigarettes

Filter Rod for Cigarettes*[S. No.55, Table I, First Schedule]*

FED at the rate of Re. 0.75 per filter rod is levied.

Travel by Air on Socio Economic Routes*[S. No.03, Table II, First Schedule]*

Excise duty of Rs 500 per passenger on travel by air on socio economic routes has been exempted.

Socio economic routes are proposed to be redefined as the shortest part of journeys starting from or ending at an airport located in Makran coastal region, FATA, Azad Jammu and Kashmir, Gilgit-Baltistan or Chitral.

Exemptions Available under Notification Consolidated in 3rd Schedule

The exemptions earlier available in respect of following goods/ services under various notifications are incorporated in Third Schedule to Federal Excise Act

- Services of air travel for Hajj passengers,
- diplomats and Supernumerary crew;
- White cement;
- Services provided or rendered by banking companies and non-banking financial companies in respect of Hajj and Umrah, cheque book, insurance, Musharika and Modaraba financing and utility bill collection; and
- Advertisement in newspapers and periodicals.

6. CUSTOMS

General Power to Exempt From Customs-Duties

[Section 19]

Sub-section (1) is substituted to restrict the powers of Federal Government to grant exemption from Custom Duties subject to approval of Economic Coordination Committee of the Cabinet.

A new sub-section (4) in Section 19 is inserted to place all notification issued under this section before National Assembly by the Federal Government in a financial year, in which these will be issued. A new sub-section (5) is also inserted that all notifications issued after promulgation of Finance Act 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.

Board's Power to Grant Exemption from Duty in Exceptional Circumstances

[Section 20]

Section 20 dealing with "Board's Power to Grant Exemption from Duty in Exceptional Circumstances" has been deleted.

False Statement, Error etc.

[Section 32(3)]

Lower limit of making contravention case has been increased from to Rs. 20,000.

Declaration & Assessment for Home Consumption or Warehousing

[Section 79]

An amendment is made in this section to get full declaration of goods under transshipment at the port of departure. It is further proposed to add an

explanation that in case of transshipment, assessment and payment of duties and other charges shall be at the port of destination.

Transshipment of Goods without Payment of Duty

[Section 121]

A new proviso is inserted to provide legal cover to authorization of transshipment Permit (TP) by Customs Computerized System.

Entry, etc., of Transshipped Goods

[Section 123]

An explanation is inserted to give legal cover to the transshipment of goods to up-country stations from Off-Dock terminals.

Punishment for Offences

[Section 156]

An amendment is made to add requirement of placement of invoice and packing list inside the import container and penalty in case of failure. It is further proposed to amend above section to cover offences of mis-declaration, illegal removal and concealment in case of transit goods.

FIRST SCHEDULE

Amendment has been made for a number of PCT Codes, to increase Customs Duty from 1% to 2% and also to reduce Customs Duty from 25% to 20%.

The following table includes PCT Headings/Sub-Headings, Statistical Suffix and Description of products where the Federal Government proposes to amend Customs Duty Percentage.

TAX DIGEST

2015-16

PCT Heading	Description and Statistical Suffix	CD%
01.02	Live Bovine Animals	2
01.03	Live Swine	20
01.04	Live Sheep & Goats	2
02.01	Meat of bovine animals, fresh or chilled.	2
02.02	Meat of bovine animals, frozen.	2
02.03	Meat of swine, fresh, chilled or frozen.	20
02.04	Meat of sheep or goats, fresh, chilled or frozen.	2
02.06	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen. - Of swine, fresh or chilled - Frozen Livers - Frozen Others	20
02.07	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.	20
02.09	Of pigs	20
02.10	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal.	20
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.	20
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter.	20
04.03	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa.	20
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.	20
04.05	Butter and other fats and oils derived from milk; dairy spread.	20
04.06	Cheese and curd	20
04.09	Natural honey	20
05.02	Pigs', hogs' or boars' bristles and hair; badger hair and other brush making hair; waste of such bristles or hair	20
05.11	Animal products not elsewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption. Bovine semen & Fish eggs	2
06.01	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower; chicory plants and roots other than roots of heading 12.12.	2
06.02	Other live plants (including their roots), cuttings and slips; mushroom spawn.	2
07.01	Potatoes, fresh or chilled.	2
07.02	Tomatoes, fresh or chilled.	2
07.03	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled. - Except for 9000	2
07.04	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled. - Cauliflowers and headed broccoli	2
07.13	Dried leguminous vegetables, shelled, whether or not skinned or split.	2
08.01	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled. - Seed	2
08.03	Plantains	20
08.04	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried.	20
08.05	Citrus fruit, fresh or dried.	20
08.06	Grapes, fresh or dried.	20
08.07	Melons (including watermelons) and papaws (papayas), fresh.	20
08.08	Apples, pears and quinces, fresh.	20
08.09	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	20
08.10	Other fruit, fresh.	20
08.11	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter.	20
08.12	Fruit and nuts, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.	20
08.13	Fruit, dried, other than that of headings 08.01 to 08.06; mixtures of nuts or dried fruits of this Chapter. -Except for Tamarind	20
08.14	Peel of citrus fruit or melons (Including watermelons) fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions.	20
09.04	Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the genus Pimenta. - Pepper seeds for sowing - Red chillies seeds for sowing	2
09.09	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries.	2
10.05	Maize (corn), Seed	2
10.06	Rice.-Seed for sowing	2

TAX DIGEST

2015-16

PCT Heading	Description and Statistical Suffix	CD%
10.07	Grain sorghum.	2
10.08	Buckwheat, millet and canary seeds; other cereals. - Canary Seeds	2
11.01	Wheat or meslin flour. - Of Wheat	2
11.05	Flour, meal, powder, flakes, granules and pellets of potatoes.	20
12.01	Soya beans, whether or not broken.	2
12.04	Linseed, whether or not broken.	2
12.05	Rape or colza seeds, whether or not broken	2
12.06	Sunflower seeds, whether or not broken.	2
12.07	Other oil seeds and oleaginous fruits, whether or not broken. - Except for 9100	2
12.09	Seeds, fruit and spores, of a kind used for sowing.	2
12.12	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety Cichorium intybus sativum) of a kind used primarily for human consumption, not elsewhere specified or included. - Locust beans (carob)	2
13.01	Lac; natural gums, resins, gum- resins and oleoresins (for example, balsams). - Cannabis resins and balsams	20
13.02	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar- agar and other mucilages and thickeners, whether or not modified, derived from vegetable products. - Opium - Guwar gum	20
14.04	Vegetable products not elsewhere specified or included. - Tendu leaves (biri leaves) - Other	20
15.01	Pig fat (including lard) and poultry fat, other than that of heading 02.09 or 15.03. - Except for 9000	20
15.03	Lard stearin, lard oil, oleostearin, oleo- oil and tallow oil, not emulsified or mixed or otherwise prepared. - Lard stearin, lard oil	20
16.01	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.	20
16.02	Other prepared or preserved meat, meat offal or blood.	20
17.01	Cane or beet sugar and chemically pure sucrose, in solid form. - Except for 9100, 9930, 9990	20
17.04	Sugar confectionery (including white chocolate), not containing cocoa. - Chewing gum, whether or not sugar- coated - White chocolate - Other	20
18.06	Chocolate and other food preparations containing cocoa. - Except for 2020	20
19.01	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included. except for 2000	20
19.02	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared.	20
19.04	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes), cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre- cooked or otherwise prepared, not elsewhere specified or included.	20
19.05	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products.	20
20.01	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid.	20
20.02	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid.	20
20.03	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid.	20
20.04	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen,	20
20.05	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen,	20
20.06	Vegetables, fruit, nuts, fruit- peel and other parts of plants, preserved by sugar (drained, glacé or crystallised).	20
20.07	Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.	20
20.08	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included. - Cranberries (Vaccinium macrocarpon, Vaccinium oxycoccos, Vaccinium vitis-idaea) - Mixtures - Other	20
20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	20
21.03	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.	20
21.04	Soups and broths and preparations therefor; homogenised composite food preparations.	20

PCT Heading	Description and Statistical Suffix	CD%
21.05	Ice cream and other edible ice, whether or not containing cocoa	20
21.06	Food preparations not elsewhere specified or included.	20
22.01	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.	20
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09.	20
22.09	Vinegar and substitutes for vinegar obtained from acetic acid.	20
23.09	Preparations of a kind used in animal feeding. Dog or cat food, put up for retail sale	20
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.	20
24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences.	20
25.07	Kaolin and other kaolinic clays, whether or not calcined.	2
25.10	Natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk.	2
25.23	Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers. Cement clinkers	2
26.02	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20 % or more, calculated on the dry weight.	2
26.10	Chromium ores and concentrates.	2
26.15	Niobium, tantalum, vanadium or zirconium ores and concentrates.	2
	- Zirconium ores and concentrates	2
27.01	Coal; briquettes, ovoids and similar solid fuels manufactured from coal.	5
	- Bituminous coal & Other coal	2
27.04	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon. Coke of coal	2
27.09	Petroleum oils and oils obtained from bituminous minerals, crude	2
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.	2
	- Motor spirit	
	- Aviation spirit	
	- Spirit type jet fuel	
	- Spin finish oil	
	Other	20
	Furnace Oil	5
27.11	Petroleum gases and other gaseous hydrocarbons.	2
	- Except for 1990 and 2900	
27.13	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals.	2
	Residual carbon Oil	20
27.14	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphaltites and asphaltic rocks.	2
27.15	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs).	2
27.16	Electrical energy. (optional heading)	2
28.03	Carbon (carbon blacks and other forms of carbon not elsewhere specified or included).	15
	- Except for 0030	
28.03	Other	20
28.18	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide.	2
	- Aluminium hydroxide	
28.29	Chlorates and perchlorates; bromates and perbromates; iodates and periodates.	2
	- Other	
28.35	Phosphinates (hypophosphites), phosphonates (phosphites) and phosphates; polyphosphates, whether or not chemically defined.	2
	- Sodium triphosphate (sodium tripolyphosphate)	
29.01	Acyclic hydrocarbons.	2
29.05	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.	2
	- Ethylene glycol (ethanediol) (MEG)	
29.09	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives.	2
	- Methyl tertiary butyle ether (MTBE)	
29.15	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.	20
	- Formic acid	
	- Acetic acid	
	- Ethyl acetate	
	- n-Butyl acetate	
29.16	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.	2
	- Esters of methacrylic acid	
	- Maleic acid, AZDN (2-AZOBIS) Isobutyronitrile 99% Min)	
29.18	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.	20
	- Aspirin	

TAX DIGEST

2015-16

PCT Heading	Description and Statistical Suffix	CD%
29.24	Carboxamide- function compounds; amide- function compounds of carbonic acid. - Acrylamido methyl propane sulphonic acid (AMPS)	2
	Paracetamol	20
29.26	Nitrile- function compounds. - Acrylonitrile	2
29.34	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds. - Furazolidone	20
29.35	Sulphonamides. - Sulphamethoxazole - Sulpha-thiazolodiazine - Sulphanilamide	20
29.39	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives. - Ephedrine and its salts - Pseudoephedrine (INN) and its salts	20
29.41	Antibiotics. Penicillins and derivatives with a penicillanic acid structure; salts etc	20
30.04	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale. Ampicillin, Amoxicillin and Cloxacillin capsules/ syrup	20
30.05	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes. Other	20
31.02	Mineral or chemical fertilisers, nitrogenous.	2
31.03	Mineral or chemical fertilisers, phosphatic.	2
31.04	Mineral or chemical fertilisers, potassic.	2
31.05	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg.	2
32.01	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives. Wattle extract	2
32.04	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined. Basic dyes and preparations & Indigo blue	2
32.06	Other colouring matter; preparations as specified in Note 3 to this Chapter, other than those of heading 32.03, 32.04 or 32.05; inorganic products of a kind used as luminophores, whether or not chemically defined. Master batches (coloured) - Other	20
		15
32.07	Prepared pigments, prepared opacifiers and prepared colours, vitrifiable enamels and glazes, engobes (slips), liquid lustres and similar preparations, of a kind used in the ceramic, enamelling or glass industry; glass frit and other glass, in the form of powder, granules or flakes. Glass Frit & Other	2
32.09	- Other	20
33.03	Perfumes and toilet waters.	20
33.04	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.	20
33.05	Preparations for use on the hair.	20
33.06	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages.	20
33.07	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified prepared room deodorisers, whether or not perfumed or having disinfectant properties.	20
34.01	Soap; organic surface- active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; organic surface- active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.	20
34.02	Organic surface- active agents (other than soap); surface- active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01. Preparations put up for retail sale & Other - Non-ionic	20
		15
34.03	Lubricating preparations (including cutting- oil preparations, bolt or nut release preparations, anti- rust or anti- corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals. Spin Finish Oil	2
34.04	Artificial waxes and prepared waxes. - Wax for wax jet engraver - Wax for fungicides	2
34.05	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading 34.04. - For footwear - Polishes and similar preparations for coachwork, other than metal polishes - Other	20
34.06	Candles, tapers and the like.	20
35.05	Dextrins and other modified starches (for example, pre- gelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches. - Printing gum (pre-gelatinised modified 0% starch for textile printing)	2
36.04	Fireworks, signalling flares, rain rockets, fog signals and other pyrotechnic articles.	20
36.05	Matches, other than pyrotechnic articles of heading 36.04.	20
37.01	Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs. For X- ray	2

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TAX DIGEST

2015-16

PCT Heading	Description and Statistical Suffix	CD%
38.03	Tall oil, whether or not refined.	2
38.08	Insecticides, rodenticides, fungicides, herbicides, anti- sprouting products and plant- growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur- treated bands, wicks and candles, and fly papers). Sex pheromone PB rope L& LTT; Products registered under the Agricultural Pesticides Ordinance 1971 For leather industry; Other Other; Mosquito coils, mats, aerosol sprays and the like Napthalene balls Para dichlorobenzene blocks	2 20
38.09	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included. - Printing gum (preparation of modified starches with other gums having specific application in textile printing)	2
38.11	Anti- knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti- corrosive preparations and other prepared additives for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral oils. Other	20
38.17	Mixed alkylbenzenes and mixed alkyl-naphthalenes, other than those of heading 27.07 or 29.02.	2
38.24	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included. - Prepared binders for foundry moulds or cores	2
39.03	Polymers of styrene, in primary forms. - Other	5
39.06	Acrylic polymers in primary forms. - Pigment thickener - Dispersing agent and acrylic thickeners	2
39.07	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms. - Yarn and Film grades	5
39.09	Amino- resins, phenolic resins and polyurethanes, in primary forms. - Urea formaldehyde moulding compound	20
39.15	Waste, parings and scrap, of plastics.	20
39.18	Floor coverings of plastics, whether or not self- adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter.	20
39.19	Self- adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls. - Insulation tape double sided - PVC electric insulation tapes - Stationery tape	2 20
39.22	Baths, shower- baths, sinks, wash- basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics.	20
39.23	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics. Except 39.23.9010	20
39.24	Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics.	20
39.25	Builders' ware of plastics, not elsewhere specified or included.	20
39.26	Other articles of plastics and articles of other materials of headings 39.01 to 39.14. - Colostomy bags and urine bags	2
40.01	Natural rubber, balata, gutta- percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.	2
40.02	Synthetic rubber and factice derived from oils, in primary forms or in plates, sheets or strip; mixtures of any product of heading 40.01 with any product of this heading, in primary forms or in plates, sheets or strip.	2
40.08	Plates, sheets, strip, rods and profile shapes, of vulcanised rubber other than hard rubber. Except 40.08.1190, 40.08.1990, 40.08.2190 and 40.08.2990	35
40.09	Tubes, pipes and hoses, of vulcanised rubber other than hard rubber, with or without their fittings (for example, joints, elbows, flanges). Except 1190, 1200, 2190, 2200, 3190, 3200, 4190 and 4200	35
40.11	New pneumatic tyres, of rubber. - Of a kind used on motor cars (including station wagons and racing cars) - Of a kind used in light trucks - Of a kind used on motorcycles - Of a kind used on bicycles	15 20
40.12	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber. Except for 40.12.1300 - Flaps for use with tyres / tubes for vehicles of sub -heading 8701.2020, 8701.2040, 8701.2090, and 8704.2219	20 35
40.13	Inner tubes, of rubber. Except for 40.13.1010	20
40.16	Other articles of vulcanised rubber other than hard rubber. - Floor coverings and mats - Gaskets of rubber Added 40.16.9950	20 35
41.01	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not dehaired or split.	2
41.02	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	2
41.03	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter. - Of swine	2 20

PCT Heading	Description and Statistical Suffix	CD%
41.04	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	2
41.05	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	2
41.06	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	2
	- In the wet state (including wet- blue)	20
	- In the dry state (crust)	
41.07	Leather further prepared after tanning or crusting, including parchment- dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	2
41.12	Leather further prepared after tanning or crusting, including parchment- dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	2
41.13	Leather further prepared after tanning or crusting, including parchment- dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	2
	- Of swine	20
42.02	Trunks, suit- cases, vanity- cases, executive- cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling- bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping- bags, wallets, purses, map- cases, cigarette- cases, tobacco- pouches, tool bags, sports bags, bottle- cases, jewellery boxes, powder- boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper.	20
42.03	Articles of apparel and clothing accessories, of leather or of composition leather.	20
43.02	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	2
	- Leather shearling-finished leather with wool	
43.03	Articles of apparel, clothing accessories and other articles of furskin.	20
	- Articles of apparel and clothing accessories	
	- Other	2
43.04	Artificial fur and articles thereof.	2
44.01	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.	2
44.02	Wood charcoal (including shell or nut charcoal), whether or not agglomerated.	2
44.03	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.	2
44.04	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking- sticks, umbrellas, tool handles or the like; chipwood and the like.	2
44.05	Wood wool; wood flour.	2
44.06	Railway or tramway sleepers (cross- ties) of wood.	2
44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planned, sanded or end- jointed, of a thickness exceeding 6 mm.	2
44.13	Densified wood, in blocks, plates, strips or profile shapes.	2
47.01	Mechanical wood pulp.	2
47.02	Chemical wood pulp, dissolving grades.	2
47.03	Chemical wood pulp, soda or sulphate, other than dissolving grades.	2
47.04	Chemical wood pulp, sulphite, other than dissolving grades.	2
47.05	Wood pulp obtained by a combination of mechanical and chemical pulping processes.	2
47.06	Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material.	2
47.07	Recovered (waste and scrap) paper or paperboard.	2
	- In pressed bundles	
48.08	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 48.03.	20
48.10	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size.	20
48.11	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size, other than goods of the kind described in heading 48.03, 48.09 or 48.10. Except for 1000, 4100, 5910, 5920	20
48.13	Cigarette paper, whether or not cut to size or in the form of booklets or tubes.	20
48.14	Wallpaper and similar wall coverings; window transparencies of paper.	20
48.17	Envelopes, letter cards, plain postcards and correspondence cards, of paper or paperboard; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery.	20
48.18	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres.	20
	Except for 9000	
48.19	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like.	20
48.20	Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise books, blotting- pads, binders (loose- leaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and book covers, of paper or paperboard.	20
48.21	Paper or paperboard labels of all kinds, whether or not printed.	20
	Printed labels of paper	2

PCT Heading	Description and Statistical Suffix	CD%
48.22	Bobbins, spools, cops and similar supports of paper pulp, paper or paperboard (whether or not perforated or hardened).	20
48.23	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres. - Except for 4000	20
49.01	Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets. - Except for 1000	2
49.02	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material.	2
49.03	Children's picture, drawing or colouring books.	2
49.09	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	20
49.10	Calendars of any kind, printed, including calendar blocks.	20
50.04	Silk yarn (other than yarn spun from silk waste) not put up for retail sale.	2
50.05	Yarn spun from silk waste, not put up for retail sale.	2
51.01	Wool, not carded or combed.	2
51.05	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments). - 1000 - 2100 - 2900	2
52.01	Cotton, not carded or combed.	2
52.04	Cotton sewing thread, whether or not put up for retail sale.	20
52.08	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/m ² .	20
52.09	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200 g/m ² .	20
52.12	Other woven fabrics of cotton.	20
53.01	Flax, raw or processed but not spun; flax tow and waste (including yarn waste and garnetted stock).	2
53.02	True hemp (Cannabis sativa L.), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garnetted stock).	2
53.03	Jute and other textile bast fibres (excluding flax, true hemp and ramie), raw or processed but not spun; tow and wastes of these fibres (including yarn waste and garnetted stock).	2
53.05	Coconut, abaca (Manila hemp or Musa textilis Nee), ramie and other vegetable textile fibres, not elsewhere specified or included, raw or processed but not spun; tow, noils and waste of these fibres (including yarn waste and garnetted stock).	2
53.09	Woven fabrics of flax.	20
53.10	Woven fabrics of jute or of other textile bast fibres of heading 53.03.	20
54.02	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex. - Elastomeric yarn mainly composed of polyurethane (like spandex and lycra excluding other poly-urethane yarn).	2
56.01	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps. - Except for 3000	20
56.07	Twine, cordage, rope and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.	20
56.08	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.	2
56.09	Articles of yarn, strip or the like of heading 54.04 or 54.05, twine, cordage, rope or cables, not elsewhere specified or included.	20
57.01	Carpets and other textile floor coverings, knotted, whether or not made up.	20
57.02	Carpets and other textile floor coverings, woven, not tufted or flopped, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs. - Except for 3210 and 4210	20
57.03	Carpets and other textile floor coverings, tufted, whether or not made up. - Of wool or fine animal hair - Of other textile materials	20
57.04	Carpets and other textile floor coverings, of felt, not tufted or flopped, whether or not made up. Other	20
57.05	Other carpets and other textile floor coverings, whether or not made up.	20
58.01	Woven pile fabrics and chenille fabrics, other than fabrics of heading 58.02 or 58.06.	20
58.02	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 58.06; tufted textile fabrics, other than products of heading 57.03.	20
58.03	Gauze, other than narrow fabrics of heading 58.06.	20
58.04	Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 60.02 to 60.06.	20
58.05	Hand-woven tapestries of the types Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch) whether or not made up.	20
58.06	Narrow woven fabrics, other than goods of heading 58.07; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs). Fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)	20
58.07	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered.	20
58.08	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles.	20
58.09	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 56.05, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included.	20
58.10	Embroidery in the piece, in strips or in motifs.	20
58.11	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 58.10.	20

PCT Heading	Description and Statistical Suffix	CD%
59.01	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations.	20
59.03	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.	20
59.04	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape.	20
59.05	Textile wall coverings.	20
59.06	Rubberised textile fabrics, other than those of heading 59.02.	20
59.07	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like.	20
59.08	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated.	20
59.10	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material.	20
60.01	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted.	20
60.02	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5 % or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	20
60.03	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02.	20
60.04	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 % or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	20
60.05	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 60.01 to 60.04.	20
60.06	Other knitted or crocheted fabrics.	20
61.01	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 61.03.	20
61.02	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 61.04.	20
61.03	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	20
61.04	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	20
61.05	Men's or boys' shirts, knitted or crocheted.	20
61.06	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted.	20
61.07	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted.	20
61.08	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligés, bathrobes, dressing gowns and similar articles, knitted or crocheted.	20
61.09	T-shirts, singlets and other vests, knitted or crocheted.	20
61.10	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted.	20
61.11	Babies' garments and clothing accessories, knitted or crocheted.	20
61.12	Track suits, ski suits and swimwear, knitted or crocheted.	20
61.13	Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07.	20
61.14	Other garments, knitted or crocheted.	20
61.15	Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted.	20
61.16	Gloves, mittens and mitts, knitted or crocheted.	20
61.17	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories.	20
62.01	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03.	20
62.02	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.04.	20
62.03	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear).	20
62.04	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear).	20
62.05	Men's or boys' shirts.	20
62.06	Women's or girls' blouses, shirts and shirt-blouses.	20
62.06	Women's or girls' blouses, shirts and shirt-blouses.	20
62.07	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles.	20
62.08	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, pyjamas, negligés, bathrobes, dressing gowns and similar articles.	20
62.09	Babies' garments and clothing accessories.	20
62.10	Garments made up of fabrics of heading 56.02, 56.03, 59.03, 59.06 or 59.07.	20
62.11	Track suits, ski suits and swimwear; other garments.	20
62.12	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted or crocheted.	20
62.13	Handkerchiefs.	20
62.14	Shawls, scarves, mufflers, mantillas, veils and the like.	20
62.15	Ties, bow ties and cravats.	20
62.16	Gloves, mittens and mitts.	20
63.01	Blankets and travelling rugs.	20
63.02	Bed linen, table linen, toilet linen and kitchen linen.	20
63.03	Curtains (including drapes) and interior blinds; curtain or bed valances.	20
63.04	Other furnishing articles, excluding those of heading 94.04.	20
63.05	Sacks and bags, of a kind used for the packing of goods.	20
63.06	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft, camping goods.	20
63.07	Other made up articles, including dress patterns.	20

PCT Heading	Description and Statistical Suffix	CD%
63.08	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale.	20
63.10	Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials.	20
64.01	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	20
64.02	Other footwear with outer soles and uppers of rubber or plastics.	20
64.03	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	20
64.04	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	20
64.05	Other footwear.	20
64.06	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in- soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	20
66.01	Umbrellas and sun umbrellas (including walking- stick umbrellas, garden umbrellas and similar umbrellas).	20
66.02	Walking- sticks, seat- sticks, whips, riding- crops and the like.	20
67.02	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit.	20
68.01	Setts, curbstones and flagstones, of natural stone (except slate).	20
68.02	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 68.01; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate).	20
68.03	Worked slate and articles of slate or of agglomerated slate.	20
68.07	Articles of asphalt or of similar material (e.g. petroleum bitumen or coal tar pitch).	20
68.08	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste, of wood, agglomerated with cement, plaster or other mineral binders.	20
68.09	Articles of plaster or of compositions based on plaster.	20
68.10	Articles of cement, of concrete or of artificial stone, whether or not reinforced.	20
68.11	Articles of asbestos- cement, of cellulose fibre- cement or the like.	20
68.12	Fabricated asbestos fibres; mixtures with a basis of asbestos or with a basis of asbestos and magnesium carbonate; articles of such mixtures or of asbestos (for example, thread, woven fabric, clothing, headgear, footwear, gaskets), whether or not reinforced, other than goods of heading 68.11 or 68.13.	20
68.13	Friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials.	20
68.14	Worked mica and articles of mica, including agglomerated or reconstituted mica, whether or not on a support of paper, paperboard or other materials.	20
68.15	Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres and articles of peat), not elsewhere specified or included.	20
69.01	Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite) or of similar siliceous earths.	20
69.02	Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, other than those of siliceous fossil meals or similar siliceous earths.	20
69.03	Other refractory ceramic goods (for example, retorts, crucibles, muffles, nozzles, plugs, supports, cupels, tubes, pipes, sheaths and rods), other than those of siliceous fossil meals or of similar siliceous earths.	20
69.04	Ceramic building bricks, flooring blocks, support or filler tiles and the like.	20
69.05	Roofing tiles, chimney- pots, cowls, chimney liners, architectural ornaments and other ceramic constructional goods.	20
69.06	Ceramic pipes, conduits, guttering and pipe fittings.	20
69.07	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing.	20
69.08	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing.	20
69.09	Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs and similar receptacles of a kind used in agriculture; ceramic pots, jars and similar articles of a kind used for the conveyance or packing of goods.	20
69.10	Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures.	20
69.11	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.	20
69.12	Ceramic tableware, kitchen- ware, other household articles and toilet articles, other than of porcelain or china.	20
69.13	Statuettes and other ornamental ceramic articles.	20
69.14	Other ceramic articles	20
70.03	Cast glass and rolled glass, in sheets or profiles, whether or not having an absorbent, reflecting or non- reflecting layer, but not otherwise worked.	20
70.04	Drawn glass and blown glass, in sheets, whether or not having an absorbent, reflecting or non- reflecting layer, but not otherwise worked.	20
70.05	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non- reflecting layer, but not otherwise worked.	20
70.06	Glass of heading 70.03, 70.04 or 70.05, bent, edgeworked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials.	20
70.07	Safety glass, consisting of toughened (tempered) or laminated glass.	20
70.08	Multiple- walled insulating units of glass.	20
70.09	Glass mirrors, whether or not framed, including rear- view mirrors. Except 1010	20
70.10	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass.	20
70.13	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 70.10 or 70.18).	20
70.14	Signalling glassware and optical elements of glass (other than those of heading 70.15).	20

PCT Heading	Description and Statistical Suffix	CD%
70.16	Paving blocks, slabs, bricks, squares, tiles and other articles of pressed or moulded glass, whether or not wired, of a kind used for building or construction purposes; glass cubes and other glass smallwares, whether or not on a backing, for mosaics or similar decorative purposes; leaded lights and the like; multicellular or foam glass in blocks, panels, plates	20
70.18	Glass beads, imitation pearls, imitation precious or semi- precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp- worked glass, other than imitation jewellery; glass microspheres not exceeding 1 mm in diameter. Other	20
70.20	Other articles of glass. Except 0010	20
71.02	Diamonds, whether or not worked, but not mounted or set. Unsorted & Unworked or simply sawn, cleaved or bruted	2
71.03	Precious stones (other than diamonds) and semi- precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi- precious stones, temporarily strung for convenience of transport.	2
	- Unworked or simply sawn or roughly shaped	
72.01	Pig iron and, spiegeleisen in pigs, blocks or other primary form.	2
72.03	Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94 %. In lumps, pellets or similar forms.	2
72.04	Ferrous waste and scrap; remelting scrap ingots of iron or steel.	2
	- Waste and scrap of auto parts	35
72.12	Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, clad, plated or coated. - Plated or coated with tin	20
73.11	Containers for compressed or liquefied gas, of iron or steel. For CNG & For LPG	2
73.15	Chain and parts thereof, of iron or steel. Other & Other parts	20
73.17	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 83.05) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper.	20
73.18	Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter- pins, washers (including spring washers) and similar articles, of iron or steel.	20
	- Thrust washers for vehicles of chapter 87	
	- Washer kick starter knuckle for vehicle of heading 87.11	35
73.20	Springs and leaves for springs, of iron or steel.	35
	- Helical springs & Other	20
73.21	Stoves, ranges, grates, cookers (including with subsidiary boilers for central heating), barbecues, braziers, gas- rings, plate warmers and similar non- electric domestic appliances, and parts thereof, of iron or steel.	20
73.22	Radiators for central heating, not electrically heated, and parts thereof, of iron or steel; air heaters and hot air distributors (including distributors which can also distribute fresh or conditioned air), not electrically heated, incorporating a motor- driven fan or blower, and parts thereof, of iron or steel.	20
73.23	Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel.	20
73.24	Sanitary ware and parts thereof, of iron or steel.	20
73.25	Other cast articles of iron or steel.	20
73.26	Other articles of iron or steel.	2
	- Forgings of surgical & dental instruments	
	- Articles of iron or steel wire	20
74.03	Refined copper and copper alloys, unwrought.	2
	- Cathodes and sections of cathodes	
74.04	Copper waste and scrap.	2
76.01	Unwrought aluminium.	2
76.02	Aluminium waste or scrap & Other	2
76.05	Aluminium wire. & Other	15
76.06	Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm. & Other	15
78.02	Lead waste and scrap.	2
82.11	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 82.08, and blades therefor.	20
82.12	Razors and razor blades (including razor blade blanks in strips).	20
82.13	Scissors, tailors' shears and similar shears, and blades therefor.	20
82.15	Spoons, forks, ladles, skimmers, cake- servers, fish- knives, butcher- knives, sugar tongs and similar kitchen or tableware.	20
83.01	Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys for any of the foregoing articles, of base metal.	20
	- Locks of a kind used for furniture	
	- Other locks	
	- Parts	
	- Keys presented separately	
83.02	Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat- racks, hat- pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal.	20
	- Other	
	- Suitable for buildings	
	- Other, suitable for furniture	
	- Other	
	- Hat- racks, hat- pegs, brackets and similar fixtures	
	- Automatic door closers	
83.03	Armoured or reinforced safes, strong- boxes and doors and safe deposit lockers for strong- rooms, cash or deed boxes and the like, of base metal.	20
83.04	Filing cabinets, card- index cabinets, paper trays, paper rests, pen trays, office- stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading 94.03.	20

PCT Heading	Description and Statistical Suffix	CD%
83.05	Fittings for loose- leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal.	20
83.06	Bells, gongs and the like, non- electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal.	20
83.07	Flexible tubing of base metal, with or without fittings.	20
83.09	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal.	20
83.10	Sign- plates, name- plates, address- plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading 94.05. Other	20
83.11	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated base metal powder, used for metal spraying. - Coated electrodes of base metal, for electric arc- welding	20
84.07	For vehicles of sub-headings 8703.213, 8703.2195, 8703.2240, 8704.3130 and 8704.3190	35
84.14	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters. - Ceiling fan; Pedestal fan; Exhaust fan ;Table fan - Other	20
84.15	Air conditioning machines, comprising a motor- driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated. - Window or wall type - Self contained or split type comprising of inner and outer unit whether or not imported separately - Tropical MPS multi system unit 5 tonnes capacity and above & Other - Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps) - Other, incorporating a refrigerating unit & Not incorporating a refrigerating unit	20
84.18	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 84.15.	20
84.19	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 85.14), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non- electric. - Instantaneous gas water heaters Other	20
84.21	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases. - Other ; Air filters; Filter bags	20
84.43	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof. - Dot matrix printers; Ink jet printers; Laser jet printers; Line printer; Letter quality daisy wheel printer; Other - Toner and ink cartridges for computer printers excluding disposable type	2
84.50	Household or laundry- type washing machines, including machines which both wash and dry.	20
84.71	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included.	2
84.73	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of headings 84.69 to 84.72. Except 1000, 2100 and 2900	2
84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter. 3D printer	15
84.82	Ball or roller bearings. Ball bearings	10
84.83	Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints). Other	20
84.84	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals. Other	20
85.02	Electric generating sets and rotary converters. Of an output not exceeding 5 kVA	2
85.09	Electro- mechanical domestic appliances, with self- contained electric motor, other than vacuum cleaners of heading 85.08. Except 9000	20
85.11	Electrical ignition or starting equipment of a kind used for spark- ignition or compression- ignition internal combustion engines (for example, ignition magnetos, magneto- dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut- outs of a kind used in conjunction with such engines. Other	20
85.16	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro- thermic hair- dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro- thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 85.45. Except 8000 and 9000	20
85.17	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 84.43, 85.25, 85.27 or 85.28. Other - Base Stations - Other (6290 and 6990) - Routers - Networking equipments like LAN bridges, hubs, switches and repeaters - Multi-station access units	20 10 15 2
85.18	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers; audio- frequency electric amplifiers; electric sound amplifier sets. Other	20

PCT Heading	Description and Statistical Suffix	CD%
85.23	Discs, tapes, solid- state non- volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37. - Digital Quran	2
85.27	Reception apparatus for radio- broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock. - Except 2110, 2910 and 9910	20
85.28	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio- broadcast receivers or sound or video recording or reproducing apparatus. - Except 6110 and 6190 - Other	20
	- Of a kind solely or principally used in an automatic data processing system of heading 84.71	2
85.29	Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28. - Other	15
85.31	Electric sound or visual signalling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading 85.12 or 85.30. - Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)	20
85.32	Electrical capacitors, fixed, variable or adjustable (pre- set). - Fixed capacitors designed for use in 50/60 Hz circuits and having a reactive power handling capacity of not less than 0.5 kvar (power capacitors) - Aluminium electrolytic - Dielectric of paper or plastics & Other	20
85.37	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17. - Other & For a voltage exceeding 1,000 V	20
85.39	Electric filament or discharge lamps, including sealed beam lamp units and ultra- violet or infra- red lamps; arc- lamps. - Energy Saving Lamp; Energy Saving Tube; Tubular Daylight Device - Other	2 20
85.43	Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter Infrared insect killer	20
85.44	Insulated (including enamelled or anodised) wire, cable (including co- axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors. - Other; Co- axial cable and other co- axial electric conductors - Telephone cables; Other electric conductors, for a voltage exceeding 1,000 V - Optical fibre cables	20
85.46	Electrical insulators of any material.	20
85.48	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter. - Batteries plates - Other	2 20
87.02	Motor vehicles for the transport of ten or more persons, including the driver. - Fully dedicated CNG buses (CBU) ; Fully dedicated LPG buses (CBU)	2
87.14	Parts and accessories of vehicles of headings Nos. 87.11 to 87.13. - Except for 1010, 1020, 1030, 1040 and 1090	20
89.05	Light- vessels, fire- floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms. & Dredgers	2
89.08	Vessels and other floating structures for breaking up.	2
90.19	Mechano- therapy appliances; massage apparatus; psychological aptitude- testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus. Oxygenator with accessories	2
90.27	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes.	2
90.28	Gas, liquid or electricity supply or production meters, including calibrating meters therefor. - Except for 9010 and 9090	20
90.29	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading 90.14 or 90.15; stroboscopes. - Other; Stroboscopes - Parts and accessories	20
93.02	Revolvers and pistols, other than those of heading 93.03 or 93.04. - Except for 0011, 0012, 0013 and 0019	20
93.03	Other firearms and similar devices which operate by the firing of an explosive charge (for example, sporting shotguns and rifles, muzzle- loading firearms, Very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive- bolt humane killers, line- throwing guns).	20
93.04	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 93.07.	20
93.05	Parts and accessories of articles of headings 93.01 to 93.04. - Except for 9111, 9112, 9113, 9119, 9190 and 9900	20
93.06	Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads.	20
93.07	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths therefor.	20

PCT Heading	Description and Statistical Suffix	CD%
94.01	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof. - Swivel seats with variable height adjustment - Seats other than garden seats or camping equipment, convertible into beds - Of bamboo or rattan; Other - Upholstered; Other seats	20
94.02	Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles. Hospital beds with mechanical fittings; Other	20
94.03	Other furniture and parts thereof.	20
94.04	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered.	
94.05	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included. ; Except for 4010 and 9100	20
94.06	Prefabricated buildings.	20
95.03	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds. - Wheeled toys designed to be ridden by children (for example, tricycles, scooters, pedal cars); dolls' carriages; Other	20
95.04	Video game consoles and machines, articles for funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment.	20
95.05	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes.	20
95.06	Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this Chapter; swimming pools and paddling pools. - Lawn-tennis rackets, whether or not strung - Badminton rackets - Squash rackets - Other - Cricket balls - Hockey balls - Polo balls - Squash balls - Table Tennis balls - Punching balls - Badminton shuttlecocks	20
96.03	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees).	20
96.04	Hand sieves and hand riddles.	20
96.05	Travel sets for personal toilet, sewing or shoe or clothes cleaning	20
96.06	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks. - Studs	20 2
96.08	Ball point pens; felt tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; pen-holders, pencil-holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 96.09. Except for 9910 and 9920	20
96.15	Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading 85.16, and parts thereof.	20
96.16	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetics or toilet preparations.	20
96.17	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners.	20
96.19	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material. - Except 0010	20

FIFTH SCHEDULE

The Fifth Schedule to the Customs Act, 1969 has been substituted to change the concessions in Custom Duties. Following is the summary of items on which is part of Fifth Schedule to Customs Act, 1969;

TAX DIGEST

2015-16

Description		PCT Headings	CD%	Condition
Agricultural Machinery				
A)	Tillage and seed bed preparation equipment.	8432.8010, 8432.2910, 8432.8090, 8432.3090, 8432.8090, 8432.1010, 8432.1090, 8432.2990, 8432.2100, 8432.2990, 8432.1090, 8430.6900, 8430.6990, 8432.8090, 8432.1090, 8432.8090, 8432.8090, 8701.9020, 8430.6900, 8432.8090	2%	If used for agriculture sector
B)	Seeding or Planting Equipment	8432.3010, 8432.3090, 8432.3090, 8432.4000, 8432.3090, 8432.3010, 8432.3090	2%	
C)	Irrigation, Drainage and Agro-Chemical Application Equipment	8413.7010, 8424.8100, 8424.2010, 8481.1000, 8481.3000, 9026.2000, 9032.8990,	0%	
		8421.2100, 8424.2010, 8424.2010, 8424.2010, 8424.2010, 8424.2010	2%	
D)	Harvesting, Threshing and Storage Equipment.	8433.5200, 8433.5900, 8433.5300, 8433.4000, 8201.3000, 8433.5100	2%	
		8716.8090	5%	
E)	Fertilizer and Plant Protection Equipment.	8413.8190, 8414.5990	5%	
F)	Dairy, Livestock and poultry, machinery	8418.6910, 8418.6990, 8419.5000, 8419.8100, 8419.3900, 9406.0020, 8421.2900 and other Respective Headings	5%	
G)	Post-harvest Handling and Processing and Miscellaneous Machinery.	8437.1000, 8433.4000, 8434.1000, 9406.0090	2%	Certification from Ministry of National Food Security and Research
		9406.0090	2%	
H)	Green House Farming and Other Green House Equipment	3921.9010, 3921.9090	5%	
I)	Machinery, Equipment and Other Capital Goods for Miscellaneous Agro-Based Industries like Milk Processing, Fruit, Vegetable or Flowers Grading, Picking or Processing etc.	9406.0010, 3920.1000, 3926.9099, 5608.1900, 5608.9000	0%	
		8419.8990, 8419.3100, 8418.6990, 8419.5000, 8421.2200, 8419.8990 and other Respective Headings	5%	
J)	Horticulture and Floriculture	8441.3000, 8502.1120, 8502.1130, 8418.6920, 8418.5000, 7304.3100, 7304.3900 and other Respective Headings	5%	If used for agriculture sector.
K)	Fish or shrimp farming and seafood processing machinery and equipment.	8502.1130, 8502.1190, 8418.3000, 8418.4000, 7019.9090, 8418.6990, 8414.6990	5%	
	Machinery and equipment for development of grain handling and storage facilities including silos.	Respective Headings	5%	
	Cool chain machinery and Equipment	Respective Headings	5%	
	Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting.	Respective Headings	5%	
Machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and Fittings imported by hospitals and medical or diagnostic institutes				
	Medical Equipment.	9402.1010, 9402.9090, 9402.9010, 9405.4090, 9402.9020, 9506.9100, 8418.5000, 3824.9099, 3822.0000	5%	Approval from BOI
	Cardiology/Cardiac Surgery Equipment	9018.3940, 8481.8090	5%	
	Disposable Medical Devices	9018.3110, 9018.3110	5%	do
	Other Related Equipment's	8424.1000 Respective Headings	5%	do
	Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.	Respective Headings	0%	Govt. Authorized Companies
	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase	Respective Headings	0%	do

Description	PCT Headings	CD%	Condition
Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase. Imports made for mine construction phase shall also be entitled to deferred payment of duty for a period of five years. However a surcharge @ 6% per annum shall be charged on the deferred amount.	Respective Headings	5%	do
Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine construction or extraction phase.	Respective Headings	5%	do
Coal mining machinery, equipment, spares including vehicles for site use i.e. single or double cabin pickups for site use imported for Thar Coal Field.	Respective Headings	0%	do
Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an Implementation agreement with the Government of Pakistan.	Respective Headings	5%	CEO or Head of the contracting company shall certify
Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.	Respective Headings	5%	do
Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel and oil including under construction projects.	Respective Headings	5%	do
Construction machinery, Equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.	Respective Headings	5%	do
Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell etc.	Respective Headings	5%	Do
Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.	Respective Headings	5%	Do
Machinery & equipment meant for power transmission and grid stations including under construction projects.	Respective Headings	5%	Do
Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of the project.	Respective Headings	5%	Do
Machinery equipment and other education and research related items imported by Technical institutes, training institutes, research institutes, schools, colleges and universities	7017.1010, 8419.3900, 8421.2100, 8421.2900, 8423.1000, 8423.2000, 8423.3000, 8423.8100, 8423.8200, 8423.8900, 8423.9000, 8423.9000, 8517.6970, 8514.3000, 9016.0010, 9016.0090, 9032.1010, 9032.1090, 9032.2000, 9032.8100, 9032.8990, 9032.9000	0%	NIL
Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.	Respective Heading	0%	NIL
Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro-cracking and other value added petroleum products), petrochemical and petrochemical downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling.	Respective Heading	10%	NIL

TAX DIGEST

2015-16

Description	PCT Headings	CD%	Condition
Machinery and equipment imported by an industrial concern.	Respective Heading	15%	NIL
Machinery and equipment for marble, granite and gem stone extraction and processing industries.	3405.4000, 3405.9000, 7019.5190, 8202.4000, 8202.9100, 8202.9910, 8202.9990, 8414.8010, 8464.9000, 8466.9100 and respective headings	5%	Approval of CEO/ COO of PGJDC or PSDC
Machinery, equipment and other project related items including capital goods, for setting up of power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar..	Respective Heading	0%	Certification from Ministry of Industries, Production & Special Initiatives
Machinery, equipment and other project related items for setting up of hotels located in an area of 30 km around the zero point in Gwadar..	Respective Heading	5%	do
Effluent treatment plants.	Respective Heading	5%	Nil
Items with dedicated use of renewable source of energy like Any other item approved by the Alternative Energy solar, wind, geothermal etc. Development Board (AEDB) and concurred to by the FBR.	8504.4090, 9032.8990, 8539.3910, 8539.3910, 8541.5000, 8413.7090, 8413.7010, 8421.2100, 8507.3000, 8507.8000, 8539.3920, 8539.3930, 8502.3900, 8503.0010, 8503.0090, 8406.8100, 8406.8200, 8543.7090, 8537.1090, 8412.8090, 8543.7000, 8543.7000, 8543.7090, 8406.8200, 8501.6100, 8415.1090, 8418.6990, 8419.8910, 8413.3090, 8415.8200, 8415.9099, 9031.8000, 4210.2100, 8541.4000, 8413.3090, 8507.2090, 9032.8990, 8504.4090, 8502.3900, 8419.1900, 7020.0090, 8541.4000, 8541.4000, 7007.2900, 7010.9000, 4016.9990, 3810.1000, 3919.9090, 8538.9090, 3920.9900, 8541.1000, 3920.9900, 8479.8990, 8514.3000, 8514.3000, 8486.1000, 8461.9000, 3824.9099, 2848.0000, 9030.8900, 8504.4020, 8543.7010, 8412.8090, 8412.9090, 8412.9090, 8501.6490, 8507.8000, 8413.8190, 8418.6100, 8418.6990, 8418.6990, 8415.8300, 8418.6100, 8419.5000, 8515.8000, 8419.8990, 8479.6000, 9032.1090 & other respective headings	0%	Nil
Items for promotion of renewable energy technologies	8539.3990, 9405.1090, 8502.3100, 8513.1040, 8513.1090, 8541.4000, 8504.4090, 9032.8990, 8507.0000	0%	Nil
Plant, machinery, equipment and specific items used in production of bio-diesel.	Respective Headings	0%	Certification from AEDB
Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan and Malakand Division.	Respective Headings	0%	The plant, machinery and equipment released under the said serial number shall not be used in any other area
Plant, machinery and equipment imported during the period commencing on the 1 st July, 2014 and ending on the 30 th June, 2019 for setting up Industries in FATA.	Respective Headings	0%	Certification from Additional Chief Secretary
Specialized vehicles imported by the Construction Companies	8704.1090, 8705.9000, 8705.9000, 8705.4000, 8705.9000, 8705.1000	20%	Construction Companies registered with Securities and Exchange Commission of Pakistan (SECP) and Pakistan Engineering Council.

7. ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES)

After 18th amendment in the Constitution, certain services were subjected to Sales Tax in the four Provinces and Islamabad Capital Territory (ICT). Since then, the services are being taxed in provinces and the list is being expanded with the each passing day. Regulatory bodies have been formed by the Sindh, Punjab and KPK to collect the taxes. In the absence of separate bodies for Islamabad and Baluchistan, FBR is empowered to regulate collection of sales tax on services rendered in Baluchistan and ICT. Through proposal in Finance Act, the following is the list of taxable services in Islamabad Capital Territory.

S. No.	Description	PCT Heading if applicable	Rate of Tax
1	Services provided or rendered by hotels, motels, guest houses, marriage halls and lawns (by whatever name called) including "pandal" and "shamiana" services, clubs including race clubs, and caterers.	9801.1000, 9801.3000, 9801.4000, 9801.5000, 9801.6000	16%
2	Advertisement on television and radio, excluding advertisements- a) sponsored by an agency of the Federal or Provincial Government for health education; b) sponsored by the Population Welfare Division relating to educational promotion campaign; c) financed out of funds provided by a Government under grant-in-aid agreement; and d) conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children's Fund (UNICEF)	9802.1000 and 9802.2000	16%
3	Services provided by persons authorized to transact business on behalf of others- a) stevedore; customs agents; and ship chandlers.	9805.2000, 9805.4000 and 9805.8000	16%
4	Courier services and cargo services by road provided by courier companies;	9808.0000 9804.9000	16%
5	Construction services, excluding: a) construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs. 50 million per annum. b) the cases where sales tax is otherwise paid as property developers or promoters. c) Government civil works including Cantonment Boards. d) construction of industrial zones, consular buildings and other organizations exempt from income tax. e) construction work under international tenders against foreign grants-in-aid. f) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments	9824.0000 and 9814.2000	16%
6	Services provided by property developers and promoters (including allied services) excluding the actual purchase value or documented cost of land.	9807.0000 and respective sub-headings of heading 98.14	Rs.100 per square yard for land development, and Rs.50 per square feet for building construction
7	Services provided by persons engaged in contractual execution of work, excluding: (i) annual total value of the contractual works or supplies does not exceed Rs.50 million; (ii) the contract involving printing or supplies of books.	9809.0000	16%
8	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres; including cosmetic and plastic surgery by such parlours/clinics, but excluding:	9810.0000, 9821.4000 and 9821.5000	16%
9	Management consultancy services	9815.4000, 9819.9300	16%
10	Services provided by freight forwarding agents, and packers and movers.	9805.3000, 9819.1400	16% or Rs. 400 per bill of lading, whichever is higher
11	Services provided by software or IT-based system development consultants.	9815.6000	16%
12	Services provided by technical, scientific and engineering consultants	9815.5000	16%

TAX DIGEST

2015-16

S. No.	Description	PCT Heading if applicable	Rate of Tax
13	Services provided by other consultants including but not limited to human resource and personnel development services; market research services and credit rating services.	9815.9000 9818.3000 9818.2000	16%
14	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah)	9805.5100 9805.5000 9803.9000	16%
15	Manpower recruitment agents including labour and manpower supplies.	9805.6000	16%
16	Services provided by security agencies.	9818.1000	16%
17	Services provided by advertising agents	9805.7000	16%
18	Share transfer or depository agents including services provided through manual or electronic book-entry system used to record and maintain securities and to register the transfer of shares, securities and derivatives.	9805.9000	16%
19	Business support services.	9805.9200	16%
20	Services provided by fashion designers, whether relating to textile, leather, jewellery or other product regimes, including allied services, marketing, packing, delivery and display, etc.	9819.6000	16%
21	Services provided by architects, town planners and interior decorators.	9814.1000, 9814.9000	16%
22	Services provided in respect of rent-a-car.	9819.3000	16%
23	Services provided by specialized workshops or undertakings (auto workshops; workshops for industrial machinery, construction and earth-moving machinery or other special purpose machinery etc; workshops for electric or electronic equipment's or appliances etc. including computer hardware; car washing or similar service stations and other workshops).	98.20	16%
24	Services provided for specified purposes including fumigation services, maintenance and repair (including building and equipment maintenance and repair including after sale services) or cleaning services, janitorial services, dredging or desalting services and other similar services etc.	98.22	16%
25	Services provided by underwriters, indenters, commission agents including brokers (other than stock) and auctioneers	9819.1100, 9819.1200, 9819.1300 and 9819.9100	16%
26	Services provided by laboratories other than services relating to pathological or diagnostic tests for patients.	98.17	16%
27	Services provided by health clubs, gyms, physical fitness centers, indoor sports and games centers and body or sauna massage centers	9821.1000 and 9821.2000 9821.4000	16%
28	Services provided by laundries and dry cleaners.	9811.0000	16%
29	Services provided by cable TV operators. Technical analysis and testing services	9819.9000 9819.9400	16%
30	Services provided by TV or radio program producers or production houses.	-	16%
31	Transportation through pipeline and conduit services.	-	16%
32	Fund and asset (including investment) management services.	-	16%
33	Services provided by inland port operators (including airports and dry ports) and allied services provided at ports and services provided by terminal operators including services in respect of public bonded warehouses, excluding the amounts received by way of fee under any law or by law.	-	16%
34	Technical inspection and certification services and quality control (standards' certification) services	-	16%
35	Erection, commissioning and installation services.	-	16%
36	Event management services	-	16%
37	Valuation services (including competency and eligibility testing services),	-	16%
38	Exhibition or convention services	-	16%
39	Services provided in respect of mining of minerals, oil & gas including related surveys and allied activities	-	16%
40	Services provided by property dealers and realtors.	-	16%
41	Call centers.	-	18.5%
42	Services provided by car/automobile dealers.	-	16%

8. SALARY TAXATION

IMPACT OF TAX RATES

- Tax has been reduced by Rs 3,000 only.

TAXABILITY OF ALLOWANCE, BENEFITS, DEDUCTIONS, EXEMPTIONS & CREDITS

Taxable Allowances etc.

Head of Account	Taxability
House Rent Allowance , Allowance for furnished/unfurnished accommodation	Full
Company provided & maintained vehicles for private use	Full Private Use : 10% of cost of purchase /Fair Market Value (if on lease) Partly Private Use: 5% of cost of purchase /Fair Market Value (if on lease)
Conveyance Allowance, Leave Fare Assistance, Utility Allowances, Domestic Servant Salary, Tax paid by employer	Full
Capital receipts on termination of employment	Full
Transfer of assets	Full market value less payment on this account
Loan waived/discharged by employer	Full Amount waived/discharged
Concessionary Loan by Employers	The interest at benchmark rate (10%) less interest actually charged by employer will be added to income of the employee except for - Amount of loan is up to Rs.500,000 or - Employee waives interest on his balance with employer.
Share Schemes for Employees Note: In case of share acquisition under restriction as to transfer, the difference of fair value and acquisition cost will be chargeable to tax on acquiring of transfer rights or actual disposal whichever is earlier.	On Disposal of Right/Option: Difference of consideration for right /option and cost of right /option. On Share Acquisition: Difference of fair value of such shares and acquisition cost paid.

Exempt Allowances etc.

Head of Account	Exemption
Medical Allowance	10% of basic salary
Medical reimbursement/benefits in respect of employment terms. NTN of Hospital/Clinic is provided and certifies by employer	100%
Special allowance for meeting expenses incurred in performance of official duties	100%
Employer's annual contribution to Recognized Provident Fund	Rs 100,000 or 10% of salary whichever is lower
Interest credited on balance of Recognized Provident Fund	1/3 of Salary or Rate prescribed by Federal Govt. for this purpose whichever is lower.
Gratuity/Commutation of Pension on retirement /death if received in Pakistan	Approved Fund: 100% Approved Scheme: up to Rs. 200,000 Others: 50% of amount receivable or Rs. 75,000 whichever is lower

Allowed Deductions from Taxable Income etc.

Head of Account	Allowed Deduction
Donations to approved bodies/institutions as per 2 nd Schedule Clause 6i Part 1.	Up to 30% of taxable income.
Zakat paid or deducted under Zakat & Ushr Ordinance.	Full amount of Zakat so paid or deducted.

Admissible Tax Credits etc.

Head of Account	Amount Eligible for Tax Credit
Donations to bodies/institutes other than those covered under 2 nd Schedule ITO 2001 & Donations to approved NPOs.	Amount donated/fair value of property donated or 30% of taxable income whichever is lower.
Contribution to Approved Pension Fund. Note: Additional contribution (2% for each year exceeding the age of 40 years with the maximum of 50% of last year taxable income) is allowed for person having age of 41 years & above joining Fund up to June 30, 2016.	Actual amount paid or 20% of taxable income whichever is lower.
Profit on Debt for Purchase/construction of house.	Amount paid or 50% of taxable income or Rs. 750,000 whichever is lower.
Investment in shares, life Insurance premiums Note: Investment in shares is applicable to shares acquired through IPO or from Privatization Commission and held for 24 months.	Acquisition cost or 20% of taxable income or Rs. 1,000,000 whichever is lower.
The tax credit against above items shall be available with respect to following formula; Amount Eligible for Tax Credit X $\frac{\text{Tax before tax credits}}{\text{Taxable income for tax year}}$	

Filing Requirements

S. No.	Annual Salary Income	Total Income	Return Filing	Date of Filing
1.	Less than Rs. 500,000	Comprises of salary income only	Manual filing of return & wealth Statement	N/A
		Less than Rs. 1,000,000		30 th September
		Rs. 1,000,000 or more		
2.	Rs. 500,000 or more	No	E-filing of return with wealth statement	31 st August
		Yes		

AVERAGE TAX RATE FOR SALARY TAX DEDUCTION

- The income of salaried individual will be taxed at the tax rates mentioned in RC-2
- Under Section 149 of the Income Tax Ordinance 2001, every employer paying salary to an employee shall, at the time of payment of salary; deduct tax from the amount paid at employee's average rate of tax computed at applicable tax rates as per Income Tax Ordinance 2001.

- To facilitate the monthly tax computation by the employers as well as employees, average tax rates has been worked out based on salary income (other than available credits etc.) for various annual salary levels;

ANNUAL SALARY RANGE (Rs.)	ANNUAL AVERAGE DIFFERENCE BETWEEN TWO LEVELS (Rs.)
400,000 - 4,000,000	50,000
4,000,000 - 40,000,000	1,000,000

- The average tax rate has been worked out for two headers viz-a-viz Joining in the Organization (Month) or Expected Stay of the Employee in the Organization.

Header 1: Joining in the Organization

For reference of employees joining in a particular month in this financial year and are assumed to be associated with the Organization for rest of financial year; the average rate appearing in the Column of their month of joining will be applicable e.g. an employee having annual salary income of Rs 1 million joined the organization in September, the average rate at 3.29% will be applicable for the rest of the financial year. This rate will be applied on monthly salary or annual salary of the employee to determine the amount of monthly or annual tax to be deducted as the case may be.

Header 2: Joining in the Organization

For reference of contractual employees who joins the organization for certain period. The tenure of their contract shall be used to identify the applicable average tax rate i.e. an employee joins the organization for six months irrespective of joining month shall be taxed at the average rate falling in Header 2 Column 6. e.g. an employee having estimated salary of Rs 1 million joins the Organization for six months will be taxed at average rate of 1.98%. This rate will be applied on monthly salary or annual salary of the employee to determine the amount of monthly or annual tax to be deducted as the case may be.

To cover the employees at large, following schedules of average tax rate are being presented in this Digest;

ESTIMATED ANNUAL SALARY RANGE (Rs.)	SCHEDULE REF.
400,000 – 3,200,000	Schedule –I
3,250,000 – 40,000,000	Schedule –II

For all employees of the Organization as of 1st July 2015, the average rate appearing in the Header -1 **“July”** Column will be applicable for the rest of financial year.

For employees whose estimated salary is falling between two estimated annual salary levels, the average of average tax rates of such estimated levels of the respective Header shall be used to calculate estimated average tax of such employee. e.g. An employee having annual salary of Rs 1,225,000 million joins the Organization in November will be taxed at average rate of 3.375 $\{(3.31+3.44)/2\}$. The same reference shall be used for calculation of average tax under Header-2.

Schedule -I (Estimated Annual Salary Rs. 0.4 Million to Rs.3.2 Million)

Est. Annual Salary '000'	HEADER-1: Joining Since (Month)											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	HEADER-2: Expected Stay (Months)											
	12	11	10	9	8	7	6	5	4	3	2	1
Average Tax Rate in % age												
400	-	-	-	-	-	-	-	-	-	-	-	-
450	0.22	0.20	0.19	0.17	0.15	0.13	0.11	0.09	0.07	0.06	0.04	0.02
500	0.40	0.37	0.33	0.30	0.27	0.23	0.20	0.17	0.13	0.10	0.07	0.03
550	0.82	0.75	0.68	0.61	0.55	0.48	0.41	0.34	0.27	0.20	0.14	0.07
600	1.17	1.07	0.97	0.88	0.78	0.68	0.58	0.49	0.39	0.29	0.19	0.10
650	1.46	1.34	1.22	1.10	0.97	0.85	0.73	0.61	0.49	0.37	0.24	0.12
700	1.71	1.57	1.43	1.29	1.14	1.00	0.86	0.71	0.57	0.43	0.29	0.14
750	1.93	1.77	1.61	1.45	1.29	1.13	0.97	0.81	0.64	0.48	0.32	0.16
800	2.44	2.23	2.03	1.83	1.63	1.42	1.22	1.02	0.81	0.61	0.41	0.20
850	2.88	2.64	2.40	2.16	1.92	1.68	1.44	1.20	0.96	0.72	0.48	0.24
900	3.28	3.00	2.73	2.46	2.19	1.91	1.64	1.37	1.09	0.82	0.55	0.27
950	3.63	3.33	3.03	2.72	2.42	2.12	1.82	1.51	1.21	0.91	0.61	0.30
1,000	3.95	3.62	3.29	2.96	2.63	2.30	1.98	1.65	1.32	0.99	0.66	0.33
1,050	4.24	3.88	3.53	3.18	2.83	2.47	2.12	1.77	1.41	1.06	0.71	0.35
1,100	4.50	4.13	3.75	3.38	3.00	2.63	2.25	1.88	1.50	1.13	0.75	0.38
1,150	4.74	4.34	3.95	3.55	3.16	2.76	2.37	1.97	1.58	1.18	0.79	0.39
1,200	4.96	4.55	4.13	3.72	3.31	2.89	2.48	2.07	1.65	1.24	0.83	0.41
1,250	5.16	4.73	4.30	3.87	3.44	3.01	2.58	2.15	1.72	1.29	0.86	0.43
1,300	5.35	4.90	4.46	4.01	3.56	3.12	2.67	2.23	1.78	1.34	0.89	0.45
1,350	5.52	5.06	4.60	4.14	3.68	3.22	2.76	2.30	1.84	1.38	0.92	0.46
1,400	5.68	5.21	4.73	4.26	3.79	3.31	2.84	2.37	1.89	1.42	0.95	0.47
1,450	5.91	5.42	4.93	4.44	3.94	3.45	2.96	2.46	1.97	1.48	0.99	0.49
1,500	6.13	5.62	5.11	4.60	4.09	3.58	3.07	2.56	2.04	1.53	1.02	0.51
1,550	6.42	5.88	5.35	4.81	4.28	3.74	3.21	2.67	2.14	1.60	1.07	0.53
1,600	6.69	6.13	5.57	5.02	4.46	3.90	3.34	2.79	2.23	1.67	1.11	0.56
1,650	6.94	6.36	5.78	5.20	4.63	4.05	3.47	2.89	2.31	1.73	1.16	0.58
1,700	7.18	6.58	5.98	5.38	4.78	4.19	3.59	2.99	2.39	1.79	1.20	0.60
1,750	7.40	6.78	6.17	5.55	4.93	4.32	3.70	3.08	2.47	1.85	1.23	0.62
1,800	7.61	6.98	6.34	5.71	5.07	4.44	3.81	3.17	2.54	1.90	1.27	0.63
1,850	7.88	7.22	6.57	5.91	5.25	4.60	3.94	3.28	2.63	1.97	1.31	0.66
1,900	8.13	7.45	6.78	6.10	5.42	4.74	4.07	3.39	2.71	2.03	1.36	0.68
1,950	8.37	7.67	6.98	6.28	5.58	4.88	4.19	3.49	2.79	2.09	1.40	0.70
2,000	8.60	7.88	7.17	6.45	5.73	5.02	4.30	3.58	2.87	2.15	1.43	0.72
2,050	8.82	8.08	7.35	6.61	5.88	5.14	4.41	3.67	2.94	2.20	1.47	0.73
2,100	9.02	8.27	7.52	6.77	6.02	5.26	4.51	3.76	3.01	2.26	1.50	0.75
2,150	9.22	8.45	7.68	6.92	6.15	5.38	4.61	3.84	3.07	2.31	1.54	0.77
2,200	9.41	8.63	7.84	7.06	6.27	5.49	4.70	3.92	3.14	2.35	1.57	0.78
2,250	9.59	8.79	7.99	7.19	6.39	5.59	4.79	4.00	3.20	2.40	1.60	0.80
2,300	9.76	8.95	8.13	7.32	6.51	5.69	4.88	4.07	3.25	2.44	1.63	0.81
2,350	9.93	9.10	8.27	7.44	6.62	5.79	4.96	4.14	3.31	2.48	1.65	0.83
2,400	10.08	9.24	8.40	7.56	6.72	5.88	5.04	4.20	3.36	2.52	1.68	0.84
2,450	10.23	9.38	8.53	7.68	6.82	5.97	5.12	4.26	3.41	2.56	1.71	0.85
2,500	10.38	9.52	8.65	7.79	6.92	6.06	5.19	4.33	3.46	2.60	1.73	0.87
2,600	10.75	9.85	8.96	8.06	7.17	6.27	5.38	4.48	3.58	2.69	1.79	0.90
2,650	10.92	10.01	9.10	8.19	7.28	6.37	5.46	4.55	3.64	2.73	1.82	0.91
2,700	11.09	10.17	9.24	8.32	7.40	6.47	5.55	4.62	3.70	2.77	1.85	0.92
2,750	11.25	10.32	9.38	8.44	7.50	6.57	5.63	4.69	3.75	2.81	1.88	0.94
2,800	11.41	10.46	9.51	8.56	7.61	6.66	5.71	4.75	3.80	2.85	1.90	0.95
2,850	11.56	10.60	9.63	8.67	7.71	6.74	5.78	4.82	3.85	2.89	1.93	0.96
2,900	11.71	10.73	9.76	8.78	7.80	6.83	5.85	4.88	3.90	2.93	1.95	0.98
2,950	11.85	10.86	9.87	8.89	7.90	6.91	5.92	4.94	3.95	2.96	1.97	0.99
3,000	11.98	10.98	9.99	8.99	7.99	6.99	5.99	4.99	3.99	3.00	2.00	1.00
3,050	12.16	11.14	10.13	9.12	8.10	7.09	6.08	5.06	4.05	3.04	2.03	1.01
3,100	12.32	11.30	10.27	9.24	8.22	7.19	6.16	5.13	4.11	3.08	2.05	1.03
3,150	12.48	11.44	10.40	9.36	8.32	7.28	6.24	5.20	4.16	3.12	2.08	1.04
3,200	12.64	11.59	10.53	9.48	8.43	7.37	6.32	5.27	4.21	3.16	2.11	1.05

Schedule -II (Estimated Annual Salary Rs. 3.25 Million to Rs. 12 Million)

Est. Annual Salary 'oo'	HEADER-1: Joining Since (Month)											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	HEADER-2: Expected Stay (Months)											
	12	11	10	9	8	7	6	5	4	3	2	1
Average Tax Rate in % age												
3,250	12.79	11.73	10.66	9.59	8.53	7.46	6.40	5.33	4.26	3.20	2.13	1.07
3,300	12.94	11.86	10.78	9.70	8.63	7.55	6.47	5.39	4.31	3.23	2.16	1.08
3,350	13.08	11.99	10.90	9.81	8.72	7.63	6.54	5.45	4.36	3.27	2.18	1.09
3,400	13.22	12.12	11.02	9.92	8.81	7.71	6.61	5.51	4.41	3.31	2.20	1.10
3,450	13.36	12.24	11.13	10.02	8.90	7.79	6.68	5.56	4.45	3.34	2.23	1.11
3,500	13.49	12.36	11.24	10.11	8.99	7.87	6.74	5.62	4.50	3.37	2.25	1.12
3,550	13.65	12.51	11.37	10.24	9.10	7.96	6.82	5.69	4.55	3.41	2.27	1.14
3,600	13.81	12.66	11.50	10.35	9.20	8.05	6.90	5.75	4.60	3.45	2.30	1.15
3,650	13.96	12.80	11.63	10.47	9.31	8.14	6.98	5.82	4.65	3.49	2.33	1.16
3,700	14.11	12.93	11.76	10.58	9.41	8.23	7.05	5.88	4.70	3.53	2.35	1.18
3,750	14.25	13.07	11.88	10.69	9.50	8.31	7.13	5.94	4.75	3.56	2.38	1.19
3,800	14.39	13.20	12.00	10.80	9.60	8.40	7.20	6.00	4.80	3.60	2.40	1.20
3,850	14.53	13.32	12.11	10.90	9.69	8.48	7.27	6.06	4.84	3.63	2.42	1.21
3,900	14.67	13.44	12.22	11.00	9.78	8.56	7.33	6.11	4.89	3.67	2.44	1.22
3,950	14.80	13.56	12.33	11.10	9.86	8.63	7.40	6.17	4.93	3.70	2.47	1.23
4,000	14.93	13.68	12.44	11.19	9.95	8.71	7.46	6.22	4.98	3.73	2.49	1.24
5,000	17.44	15.99	14.53	13.08	11.63	10.17	8.72	7.27	5.81	4.36	2.91	1.45
6,000	19.12	17.52	15.93	14.34	12.74	11.15	9.56	7.97	6.37	4.78	3.19	1.59
7,000	20.31	18.62	16.93	15.24	13.54	11.85	10.16	8.46	6.77	5.08	3.39	1.69
8,000	21.53	19.73	17.94	16.14	14.35	12.56	10.76	8.97	7.18	5.38	3.59	1.79
9,000	22.47	20.59	18.72	16.85	14.98	13.11	11.23	9.36	7.49	5.62	3.74	1.87
10,000	23.22	21.29	19.35	17.42	15.48	13.55	11.61	9.68	7.74	5.81	3.87	1.94
11,000	23.84	21.85	19.86	17.88	15.89	13.90	11.92	9.93	7.95	5.96	3.97	1.99
12,000	24.35	22.32	20.29	18.26	16.23	14.20	12.18	10.15	8.12	6.09	4.06	2.03
13,000	24.78	22.72	20.65	18.59	16.52	14.46	12.39	10.33	8.26	6.20	4.13	2.07
14,000	25.16	23.06	20.96	18.87	16.77	14.68	12.58	10.48	8.39	6.29	4.19	2.10
15,000	25.48	23.36	21.23	19.11	16.99	14.86	12.74	10.62	8.49	6.37	4.25	2.12
16,000	25.76	23.62	21.47	19.32	17.18	15.03	12.88	10.73	8.59	6.44	4.29	2.15
17,000	26.01	23.84	21.68	19.51	17.34	15.17	13.01	10.84	8.67	6.50	4.34	2.17
18,000	26.23	24.05	21.86	19.68	17.49	15.30	13.12	10.93	8.74	6.56	4.37	2.19
19,000	26.43	24.23	22.03	19.82	17.62	15.42	13.22	11.01	8.81	6.61	4.41	2.20
20,000	26.61	24.39	22.18	19.96	17.74	15.52	13.31	11.09	8.87	6.65	4.44	2.22
21,000	26.77	24.54	22.31	20.08	17.85	15.62	13.39	11.15	8.92	6.69	4.46	2.23
22,000	26.92	24.68	22.43	20.19	17.95	15.70	13.46	11.22	8.97	6.73	4.49	2.24
23,000	27.05	24.80	22.54	20.29	18.03	15.78	13.53	11.27	9.02	6.76	4.51	2.25
24,000	27.18	24.91	22.65	20.38	18.12	15.85	13.59	11.32	9.06	6.79	4.53	2.26
25,000	27.29	25.01	22.74	20.47	18.19	15.92	13.64	11.37	9.10	6.82	4.55	2.27
26,000	27.39	25.11	22.83	20.54	18.26	15.98	13.70	11.41	9.13	6.85	4.57	2.28
27,000	27.49	25.20	22.91	20.62	18.33	16.04	13.74	11.45	9.16	6.87	4.58	2.29
28,000	27.58	25.28	22.98	20.68	18.39	16.09	13.79	11.49	9.19	6.89	4.60	2.30
29,000	27.66	25.36	23.05	20.75	18.44	16.14	13.83	11.53	9.22	6.92	4.61	2.31
30,000	27.74	25.43	23.12	20.81	18.49	16.18	13.87	11.56	9.25	6.94	4.62	2.31
31,000	27.81	25.50	23.18	20.86	18.54	16.22	13.91	11.59	9.27	6.95	4.64	2.32
32,000	27.88	25.56	23.23	20.91	18.59	16.26	13.94	11.62	9.29	6.97	4.65	2.32
33,000	27.95	25.62	23.29	20.96	18.63	16.30	13.97	11.64	9.32	6.99	4.66	2.33
34,000	28.01	25.67	23.34	21.00	18.67	16.34	14.00	11.67	9.34	7.00	4.67	2.33
35,000	28.06	25.72	23.39	21.05	18.71	16.37	14.03	11.69	9.35	7.02	4.68	2.34
36,000	28.12	25.77	23.43	21.09	18.74	16.40	14.06	11.72	9.37	7.03	4.69	2.34
37,000	28.17	25.82	23.47	21.13	18.78	16.43	14.08	11.74	9.39	7.04	4.69	2.35
38,000	28.22	25.86	23.51	21.16	18.81	16.46	14.11	11.76	9.41	7.05	4.70	2.35
39,000	28.26	25.91	23.55	21.20	18.84	16.49	14.13	11.78	9.42	7.07	4.71	2.36
40,000	28.31	25.95	23.59	21.23	18.87	16.51	14.15	11.79	9.44	7.08	4.72	2.36

9. TAX DEDUCTION AT SOURCE

Sect.	On account of	With-holding Tax Agent	Tax Rate	On which to deduct Tax
148	Import of Goods	Collector of Customs	refer RC-1	Value of Import or Value of Film as the case may be
149	Payment of Salary	Employer	refer RC-2	Salary income
	Director fee	Company making payment	20%	Amount of Fee
150	Payment of Dividend	Every person	Pls. Refer RC-11	Gross amount of Dividend
151	Payment of Profit on debt			
	On NSS or Post Office Savings Account (POSA)	Person paying yield	15% for filer and 17.5% for non-filer	Gross amount of yield / Profit on debt as reduced by amount of zakat, if any paid under Zakat & Usher Ordinance, 1980
	On account/ deposit with Banks/Fls	Banking Company Financial institution		
	On Govt. Securities	Federal Govt./ Provincial Govt./ Local Govt.		
	On bonds, certificate, debentures, security, instrument of any kind	Bank/Fl/ Company/ Body Corporate/ Finance Society		
152	Payments to Non-Residents			
	Royalty & Fee for Technical Services	Same as defined in Section 153 below	15%	Gross amount paid
	Execution of Contracts		6%	
	Insurance / re-insurance premium		5%	
	Any other Payments		20%	
	Payment to non-resident media persons		10%	
153	Payment for goods, services and execution of contracts			
	Payment for goods			
	Rice/ Cotton Seed/ Edible Oil	Same as "Payment for Service Rendered"	1.5%	Gross amount including sales tax (either full, part or advance) paid to Resident Person or Permanent Establishment in Pakistan of Non-Resident Person
	Other Goods		refer RC-3	
	Services of stitching, dying, printing, embroidery, washing, sizing, & weaving	Exporter/ Export House	1%	
	Payment for Services rendered or provided			
	Transport Services	Fed Govt./Company/ registered AOP/ AOP & Individual having turnover of Rs 50 M or more/ NPO/Consortium or Joint Venture/ Foreign Contractor or Consultant/Sales Tax Registered Persons	2%	Gross amount including sales tax (either full, part or advance) paid to resident person or PE in Pakistan of Non-Resident Person
	Other Services		refer RC-3	
	Execution of Contract			
	Sports person		10%	

TAX DIGEST

2015-16

Sect.	On account of	With-holding Tax Agent	Tax Rate	On which to deduct Tax
154	Export			
	Export of goods	Authorized dealer in foreign exchange	1%	Proceed realized
	Foreign indenting commission		5%	
	Sale of goods to an exporter under an inland back to back letter of credit	Bank	1%	
	Export of goods by industrial undertakings in export processing zones	Export Processing Zone Authority	0%	
	Sale of goods by an indirect exporter	Direct Exporter/Export House registered under DTRE	0%	Amount paid for firm contract
154	Exports (continued....)			
	Other Exports	Collector of Customs	1%	Gross value of such goods
155	Income from Property (Rent)	Any Govt./Co/NPO / Foreign Diplomatic Mission/Charitable Institute, Educational Institute, Boutique, Beauty Parlor, Hospital, Clinic, Maternity Home, Individual or AOP paying annual rent of Rs 1.5 M or more	refer RC-4	Gross amount of rent
156	Payment for Prizes & Winnings			
	On Prize of Prize Bonds & Crossword Puzzle	Every person making payment on these account	15%	Gross amount of prize
	Winnings from Raffle, Lottery, Prize on Winnings a Quiz etc		20%	
156A	Payment of Commission/discount on petroleum products	Every Person selling petroleum products to petrol pump operator	Filer 12% & Non-Filer 15%	Amount of commission or discount allowed to Petrol pump operator
156B	Payment of withdrawal from any approved Pension Fund-			
	Before retirement age by normal alive individual	Pension Fund Manager	Pls. refer RC-5	Any amount withdrawn
	On or after retirement age			Amount withdrawn in excess of 50% of the accumulated balance
231A	Cash Withdrawal from bank if exceeds Rs 50,000/ day	Bank	Filer 0.3% & Non Filer 0.6%	Amount withdrawn
231AA	Tax on Transactions in Bank (Sum of total transactions exceeds Rs 50,000 per day)			
	Issuance of Banking Instruments or DD /PO / CDR/STD/SDR/RTC or bearer instrument against cash	Banks/NBFI/ Exchange Co/ Authorized dealer of foreign exchange	Filer 0.3% & Non Filer 0.6%	Amount of transactions
	All other banking transactions	Banks/NBFI/ Exchange Co/ Authorized dealers of foreign exchange	Non Filer 0.6%	Amount of transactions
231B	Private Motor Vehicles			
	On Purchase	Vehicle registration authorities of Excise and Tax. Dept.	refer RC-6	As determined based on Engine Capacity
	On Transfer		refer RC-6A	

TAX DIGEST

2015-16

Sect.	On account of	With-holding Tax Agent	Tax Rate	On which to deduct Tax
233	Brokerage & Commission			
	Advertisement Agent	Fed Govt./ Pro Govt./ Local Govt./AOP constituted by, or under, law	Filer 10% & Non-Filers 15%	Gross amount of brokerage/ commission paid
	Others		Filer 12% & Non-Filers 15%	
233A	Collection of Tax by Stock Exchanges			
	Commission of members	Stock Exchanges Registered in Pakistan	0.01%	Purchase & sale value
	Trading of Shares			Value of shares traded
233AA	Margin Financing, Margin Trading or Securities Lending	NCCPL	10%	Profit/markup/interest earned by member, margin financier or securities lender
234	Tax on Passenger / Goods / Private Vehicles	Person collecting Vehicle tax (Excise & Tax.Dept.)	refer RC-7	Passenger & engine capacity
234A	Gas Consumption by CNG stations	Person preparing gas bill	4%	Amount of Gas bill
235	Electricity Consumption	Person preparing electricity bill	refer RC-8	Amount of Electricity bill
235A	Domestic electricity consumption	Person preparing electricity bill	7.5% , if bill exceeds Rs. =< 75,000	Amount of Electricity bill
235B	Tax on steel melters, re-rollers etc.	Person preparing electricity bill	Re. 1 per unit consumed	Units Consumed
236	Telephone Usage			
	Other than Mobile Phone	Person preparing telephone bill	10%	Amount of bill exceeding Rs 1,000
	Mobile Phone including pre-paid cards, easy loads, internet subscriber, prepaid internet card etc.	Person preparing telephone usage bill or issuing pre-paid cards	14%	Amount of Bill or denomination of card
236A	Sale by Auction	Person Selling by Auction	10%	Sale Price
236B	Purchase of domestic air ticket	Airline issuing ticket	5%	Amount of sale price
236C	Sale or Transfer of Immovable Property	Person responsible for registering or transferring	Filer 0.5% & Non-Filer 1%	Gross amount of consideration received
236D	Functions & gatherings including Food	Owner/ leaseholder/ operator / manager of hotel/ lawns /restaurant/hall etc.	5%	Total Amount of Bill
236E	Foreign Produced			
	TV Drama Serial	Licensing Authority	Rs. 100 K	Per Episode
	TV Play (per Episode)		Rs. 100 K	Nil
236F	Cable Operators & Other Electronic Media	PEMRA	refer RC-9	Fixed on license type
236G	Sale to Distributors, Dealers & Wholesalers			
	Fertilizer	Manufacturer or Commercial Importer of following sectors*	Filer 0.7% & Non-Filer 1.4%	Gross Amount of Sale
	Other		Filer 0.1% & Non-Filer 0.2%	
236H	Sales to Retailers	Manufacturer/ Commercial Importer/ Distributor/Dealer/Wholesaler of following sectors*	0.5%	Gross Amount of Sale

*electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector.

TAX DIGEST

2015-16

Sect.	On account of	With-holding Tax Agent	Tax Rate	On which to deduct Tax
236I	Education Fee	Educational Institute	5%	Amount of Fee
236J	Dealers, Commission Agents & Arhatis	Market Committee	refer RC-10	Fixed on Group or Class
236K	Purchase or transfer of immovable property	person registering or attesting transfer of property	1%	Value of property if more than three million rupees
236L	Purchase of International air ticket	Airline issuing ticket	First Class Rs. 16,000/-, Economy Class Rs. 0/- and Other Class Rs. 12,000/-	On the gross amount of international air ticket (other than economy class)
236M	Bonus Shares issued by Listed Company	Company issuing bonus shares	5%	Value of bonus share
236N	Bonus Shares issued by Unlisted Company	Company issuing bonus shares	5%	Value of bonus share

RATE CARDS (RC)

RC-1: TAX RATES ON IMPORT

S.NO.	PERSONS	Rate	
		Filer	Non-Filer
1.	i. Industrial undertaking importing remelted steel (PCT hearing 72.04) and directly reduced iron for its own use; ii. Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision no. ECC-155/12/2004 dated the 9 th December 2004 iii. Persons importing urea; and iv. Manufacturers covered under Notification No. S.R.O. 1125(I) /2011 dated the 31 st December 2011	1% of import value*	1.5% of import value*
2.	Persons importing pulses	2% of import value*	3% of import value*
3.	Commercial importers covered under Notification No. S.R.O.1125(I)/2011 dated the 31 st December 2011	3% of import value*	4.5% of import value*
4.	Ship breakers on imports of ships	4.5%	6.5%
5.	Industrial undertakings not covered under S.Nos.1 to 4	5.5%	8%
6.	Companies not covered under S.Nos.1 to 5	5.5%	8%
7.	Persons not covered under S.Nos.1 to 6	6%	9%

*as increased by customs duty, sales tax and federal excise duty

RC-2: SALARY TAX RATES

S. NO.	TAXABLE INCOME(RS)		(Rs)	SUS	TAX	
	From	To			Rate of Tax	
1	---	400,000	-		No tax	
2	400,001	500,000	-		2% of amount exceeding Rs. 0.4M	
3	500,001	750,000	2,000		5% of amount exceeding Rs. 0.5M	
4	750,001	1,400,000	14,500		10% of amount exceeding Rs. 0.750M	
5	1,400,001	1,500,000	79,500		12.5% of amount exceeding Rs. 1.4 M	
6	1,500,001	1,800,000	92,000		15% of amount exceeding Rs. 1.5 M	
7	1,800,001	2,500,000	137,000		17.5% of amount exceeding Rs. 1.8 M	
8	2,500,001	3,000,000	259,500		20% of amount exceeding Rs. 2.5 M	
9	3,000,001	3,500,000	359,500		22.5% of amount exceeding Rs. 3 M	
10	3,500,001	4,000,000	472,000		25% of amount exceeding Rs. 3.5 M	
11	4,000,001	7,000,000	597,000		27.5% of amount exceeding Rs. 4 M	
12	7,000,001	-----	1,422,000		30% of amount exceeding Rs.7 M	

RC-3: PAYMENT FOR GOODS, SERVICES & CONTRACTS

S. No.	Description	Filer	Non-Filer
		% age	
1	Sale of Goods		
	Companies	4%	6%
	Others	4.5%	6.5%
2	Execution of Contracts		
	Companies	7%	10%
	Others	7.5%	10%
3	Rendering of Services		
	Companies	8%	12%
	Others	10%	15%
4	Electronic & Print Media Services		
	Company	1%	12%
	Other than Company	1%	15%

RC-4: INCOME FROM PROPERTY

For Individuals & Association of Persons

S. No.	Gross Rent (Rs)		(Rs)	PLUS	Taxation
	From	To			Rate
1	-----	150,000	-		No tax
2	150,001	1,000,000	-		10% of gross amount exceeding Rs. o. 15 M
3	1,000,001	-----	85,000		15% of gross amount exceeding Rs. 1 M

For Companies

Tax shall be deducted at the rate of 15% of the gross rent.

RC-5: PAYMENTS OF WITHDRAWALS FROM PENSION FUNDS

Tax Rate = (A/B)

Where

“A” is the total tax paid or payable by the employee on the his total taxable income for three preceding tax years; and

“B” is the employee’s total taxable income for three preceding tax years

RC-6: PRIVATE MOTOR VEHICLES PURCHASED/TRANSFER

Engine Capacity (CC)	On Purchase		On Transfer	
	Filer	Non-Filer	Filer	Non-Filer
	Rupees			
up to 850	10,000	10,000	-	5000
851 to 1000	20,000	25,000	5,000	15,000
1001 to 1300	30,000	40,000	7500	25,000
1301 to 1600	50,000	100,000	12,500	65,000
1601 to 1800	75,000	150,000	18,750	100,000
1801 to 2000	100,000	200,000	25,000	135,000
2000 to 2500	150,000	300,000	37,500	200,000
2501 to 3000	200,000	400,000	50,000	270,000
above 3000	250,000	450,000	62,500	300,000

RC-7: PASSENGER & PRIVATE VEHICLES

Goods Transport Vehicles

	Filer	Non-Filer
Goods Transport Vehicles	Rs. 2.5 per kg of laden weight	Rs. 4 per kg of laden weight

Passenger Transport Vehicles

Seating Capacity (Persons)	Filer	Non-Filer
Four – Nine	50	100
Ten- Nineteen*	100	200
Twenty or more*	300	500
*no tax shall be paid after 10 years from the date of registration		

Other Private Vehicles with Engine Capacity

ENGINE CAPACITY (CC)	Tax Payment on Annual Basis		Tax Payment on Lumpsum Basis	
	FILER	NON-FILER	FILER	NON-FILER
Up to 1000	800	1200	10,000	10,000
1001 to 1199	1500	4000	18,000	36,000
1200 to 1299	1750	5000	20,000	40,000
1300 to 1499	2500	7500	30,000	60,000
1500 to 1599	3750	12000	45,000	90,000
1600* to 1999	4500	15000	60,000	120,000
2000 & above	10000	30000	120,000	240,000

RC-8: ELECTRICITY CONSUMPTION

Amount of Bill (Rs)	Tax Per Month (Rs)
Up to 400	0
400.01 – 600	80
600.01 – 800	100
800.01 – 1,000	160
1,000.01 – 1,500	300
1,500.01 – 3,000	350
3,000.01 – 4,500	450
4,500.01 – 6,000	500
6,000.01 – 10,000	650
10,000.01 – 15,000	1,000
15,000.01 – 20,000	1,500
Exceeds 20,000	For Commercial Consumer 10% For Industrial Consumer 5

RC-9: CABLE OPERATORS AND OTHER ELECTRONIC MEDIA

LICENSE CATEGORY (PEMRA RULES 2009)	TAX ON LICENSE FEE	TAX ON RENEWAL
	Rupees	
H	7,500	10,000
H-I	10,000	15,000
H-II	25,000	30,000
R	5,000	30,000
B	5,000	40,000
B-1	30,000	50,000
B-2	40,000	60,000
B-3	50,000	75,000
B-4	75,000	100,000
B-5	87,500	150,000
B-6	175,000	200,000
B-7	262,500	300,000
B-8	437,500	500,000
B-9	700,000	800,000
B-10	875,500	900,000

Rate of tax to be collected by PEMRA in case of IPTV, FM Radio, MMDS, Mobile TV, Mobile Audio, Satellite TV Channel and Landing Rights shall be 20% of the Permission Fee or Renewal Fee, as the case may be.

RC-10: TAX ON DEALERS, COMMISSION AGENTS & ARHATIS

GROUP	TAX (Rs. Per Year)
Group or Class A	10,000
Group or Class B	7,500
Group or Class C	5,000
Any Other Category	5,000

RC-11: TAX ON DIVIDEND

S.No.	Description	Tax	Filer	Non-Filer
1.	Purchaser of power projects privatized by WAPDA, or Company set up for power generation, or Company supplying coal to power generation project.	7.5%	7.5%	7.5%
2	Company other than mentioned in S.No.1	10% for filer 15% for non-filer	12.5%	17.5%

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